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Profiling of Workers Associations in the Informal Economy

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PROFILING OF WORKERS ASSOCIATIONS IN THE INFORMAL ECONOMY

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The views expressed in this paper are those of the authors and do not reflect the opinion of the Institute for Labor Studies and the Department of Labor and Employment.

ABSTRACT

This study generally aims to contribute to the body of knowledge on workers in the informal economy (WIE), specifically on the dynamics of workers organizations, to serve as basis in the development of concrete policies as well as regulations to afford them representation and voice. It attempted to (a) survey what types of workers in the informal economy are prevalent and/or served by the DOLE Regional Offices, their issues and concerns, and the services provided them; (b) find out why and how workers organizations are organized and in which government agencies are they registered; (c) describe the structure of workers organizations and how they operate as an organization; (d) describe the dynamics of representation, focusing on the issues encountered, in what government agencies are these lodged, and whether they think their issues are heard and acted upon; and (e) recommend policies and programs to better afford representation and voice to workers organizations in the informal economy.

However, in the course of data gathering, it became more of a program evaluation of the DOLE Integrated Livelihood Program (DILP) than a study on voice and representation. This is because the very reason for the establishment of WIE organizations is to be able to seek or qualify for assistance from both government and non-government organizations.

The study found out that, except for the NCR, WIE organizations are more prevalent in the agriculture sector. They are engaged in fishing, vegetable farming, production of VCO, vinegar, wine and other coconut by-products. Other types of WIE organizations are the Motorola, tricycle and pedicab operators and drivers, vendors, carpenters, home-based workers, OFW returnees, indigenous people, women, out-of-school youth, parents of child laborers, persons with disabilities, and senior citizens. These organizations are registered as a rural worker organization at the DOLE Provincial Offices and at the Securities and Exchange Commission and the Cooperative Development Administration.

Since respondents of the study are the implementers of the DOLE Integrated Livelihood Program and officers of selected WIE organizations in the Visayas and Mindanao, it was able to surface two sets of issues and recommendations. WIE organizations are more concerned about low supply of coconut, irrigation, and additional capital. On the other hand, program implementers are bothered about the limited skills and capital of WIE to sustain organization, mismanagement among officers, uncooperative members, limited access to technology, and difficulty in complying with government requirements to formalize business. Nevertheless, both groups are concerned about uncooperative members and the delay in the release of LGU counterpart fund as this delay project implementation.

Likewise, both groups recommended the establishment of common service facilities and continuous monitoring and guidance to sustain WIE organizations. Recommendations of program implementers include convergence at both national and local level in order to identify respective beneficiaries to avoid duplication, intensive trainers training among program implementers to effectively educate the WIE, and intensive social preparation before project implementation. WIE organizations clamor for the establishment of a marketing arm for products of WIE organizations, discounted export tariffs for WIE products, assistance in seeking organic certification, additional capital and regular capability enhancement.

WORKERS IN THE UNDERGROUND ECONOMY:

WHAT IS IN STORE FOR THEM?

More than a hundred years back, the greater part of workers had already been those in the informal sector. Today, they remain to be so. Hence, informal employment in its diverse forms is gaining increasing attention within global and national development agendas. The incidence and persistence, and the causes and consequences of informal employment are being discussed and debated increasingly.

In the Philippines, the number of the informal workers has grown tremendously within the past decades. Prior to the latest Labor Force Survey, there are 16.655 million informal workers in the country today or 44.78 percent of the country's working population of 37.191 million workers.¹

Conspicuously, the informal sector is inevitably becoming a strong force. While this sector generally uses low technology and exists in substandard physical environment, the system of informal labor provides substantial employment to a large population. Statistics reflecting the employment contribution of informal sector varies—from 50 to 90 percent of the total number of workers in the Philippines. In the Asian region, the informal sector comprises an estimated 50 to 60 percent of the workforce.² What is definite however is that the informal sector has been the primary provider of jobs especially in urban areas since self-employment is increasingly becoming the only alternative, given growing youth unemployment. It is the activities in the informal sector which have been defined as 'underground' that have been the coping mechanism of the poor to survive in this society which has missed the mark to develop the formal sector. In other words, as the formal sector fails to absorb more workers, the informal sector is expanding.

Informal workers, yet in the aspiration for better living, find themselves in yet another situation that often takes advantage of them and treats them unfairly. Highly inequitable and dangerous working conditions, low income, little or no job security, and rare enforcement of safety and health standards are indicators that this undertaking is indeed

¹ Labor Force Survey (NSO 2011)

² Tolentino, M. 2001. Survey and Assessment of Laws on the Informal Sector cited

hazardous. In the process, this has created a population of marginalized and vulnerable sector in the society.

However, despite the inadequate income and quite unsatisfactory protection and amenities, informal workers opted to thrive over years and contended whatever sort of livelihood and employment they could find since they have no other option but to participate in 'underground', 'informal', or 'unregulated' economic activities.

On the other hand, while the informal sector has continued to flourish over years, the mainstream society or more specifically, the influential social and economic forces that propel the formal economy would eventually exert effort to stifle the growth development of the informal sector as a whole. As the informal economy developed and started to have its own dynamics in the society that bred it, the structure present imposed itself upon the informal economy and impeded its growth for the benefit of the few. The problematic nature of the informal economies at the present can be attributed to this process of decoupling.

TABLE 1 - Employed Persons by Class of Worker, Philippines: 2010 - January 2012

(In Thousands)

CLASS OF WORKER	2010	2011					2012
		Ave	Jan	Apr	Jul	Oct ^P	Jan ^P
ALL CLASSES OF WORKERS	36,035	37,191	36,293	36,820	37,106	38,545	37,394
Wage and Salary Workers	19,626	20,537	19,849	20,250	20,897	21,151	20,506
Worked for Private Household	1,926	1,950	1,933	1,850	1,960	2,057	1,783
Worked for Private Establishment	14,565	15,430	14,855	15,241	15,736	15,886	15,540
Worked with Pay in Own Family-operated Farm or Business	111	113	112	83	114	141	112
Worked for Government/Government Corporation	3,025	3,045	2,948	3,075	3,088	3,068	3,071
Self-employed without Any Paid Employee	10,858	10,992	11,030	10,904	10,941	11,092	11,254
Employer in Own Family-operated Farm or Business	1,394	1,356	1,318	1,297	1,301	1,506	1,336
Without Pay in Own Family-operated Farm or Business (Unpaid Family Workers)	4,157	4,307	4,096	4,369	3,966	4,796	4,298

Source: National Statistics Office, Labor Force Survey

TABLE 2 Summary Statistics on Employment
Philippines: January 2010, 2011 and 2012
(In thousands except rates)

INDICATOR	2012 ^p	2011	2010	Increment		Year-on-Year Growth Rate (%)	
				2011-2012	2010-2011	2011-2012	2010-2011
EMPLOYED PERSONS	37,394	36,293	36,001	1,101	292	3.0	0.8
SECTOR							
Agriculture, Fishery and Forestry	12,185	11,952	11,806	233	146	1.9	1.2
Industry	5,515	5,264	5,322	251	-58	4.8	-1.1
Services	19,694	19,074	18,873	620	201	3.3	1.1
CLASS OF WORKER							
Wage and salary workers	20,506	19,849	20,082	657	-233	3.3	-1.2
- In private establishments	15,540	14,855	14,898	685	-43	4.6	-0.3
Employers in own family-operated farm or business	1,336	1,318	1,522	18	-204	1.4	-13.4
Self-employed workers	11,254	11,030	10,573	224	457	2.0	4.3
Worked without pay in own family-operated farm or business	4,298	4,096	3,824	202	272	4.9	7.1
HOURS OF WORK							
Less than 40 Hours (Part-Time Employment)	13,726	13,167	12,309	559	858	4.2	7.0
40 Hours and Over (Full-Time Employment)	23,231	22,636	23,252	595	-616	2.6	-2.6
Did Not Work	437	490	440	-53	50	-10.8	11.4
Mean Hours of Work	41.1	41.0	42.3				
REGION							
NCR	4,429	4,412	4,398	17	14	0.4	0.3
CAR	745	706	701	39	5	5.5	0.7
Region I	1,964	1,907	1,882	57	25	3.0	1.3
Region II	1,471	1,418	1,402	53	16	3.7	1.1
Region III	3,903	3,752	3,729	151	23	4.0	0.6
Region IV-A	4,702	4,573	4,490	129	83	2.8	1.8
Region IV-B	1,304	1,238	1,173	66	65	5.3	5.5
Region V	2,144	2,051	2,073	93	-22	4.5	-1.1
Region VI	3,010	3,063	3,026	-53	37	-1.7	1.2
Region VII	2,891	2,705	2,728	186	-23	6.9	-0.8
Region VIII	1,712	1,681	1,650	31	31	1.8	1.9
Region IX	1,480	1,423	1,397	57	26	4.0	1.9
Region X	1,918	1,850	1,837	68	13	3.7	0.7
Region XI	1,829	1,791	1,721	38	70	2.1	4.1
Region XII	1,668	1,647	1,626	21	21	1.3	1.3
Caraga	1,011	981	958	30	23	3.1	2.4
ARMM	1,212	1,096	1,207	116	-111	10.6	-9.2

Notes: 1. Due to the adoption of the 2009 Philippine Standard Industrial Classification (PSIC) starting January 2012 LFS, historical data between subsectors not strictly comparable. As such, data are presented at the sectoral levels only;

2. Details may not add to totals due to rounding of figures.

p Preliminary.

Source of data: National Statistics Office, Labor Force Survey.

PROFILE OF THE INFORMAL WORKERS

Defining the Informal Sector

The informal sector has been defined in various ways. Simply, however, it refers to the numerous economic activities which, for various reasons, are not recorded in the national income accounts (Thomas 1992).

As to the definition provided by the International Labor Organization (ILO), informal sector consists of small-scale, self-employed activities (with or without hired workers), typically at a low level of organization and technology, with the primary objective of generating employment and incomes. The activities are usually conducted without proper recognition from the authorities, and escape the attention of the administrative machinery responsible for enforcing laws and regulations.³

Another definition is attributed to de Soto (1989), which broadly defines the informal sector as an activity with universally accepted objectives, but carried out under illegal or extralegal means.

Still, there are other various definitions of workers in the informal economy across countries.

The Philippine informal sector was officially defined in the Social Reform and Poverty Alleviation Act of 1988 as "poor individuals who operate businesses that are very small in scale and not registered with any national government agency, and to workers in such enterprises who sell their services in exchange for subsistence wages or other forms of compensation..."⁴

On one hand, recognizing the significant role that the informal sector plays in the generation of output, employment and income, as well as in the economic and social development of the country, the National Statistical Coordination Board (NSCB) approved for adoption under NSCB Resolution No. 15 Series of 2002, a standard conceptual and operational definition of the informal. Except for some minor deviations in terms of exclusion of some cases in the

³ International Labor Organization. Definition of Informal Sector (1993)

⁴ Social Reform and Poverty Alleviation Act of 1988. (Republic Act 8425)

definition, the country's conceptual and operational definition of the informal sector hews closely with the international definition as prescribed by the ILO.

Conceptual: The informal sector as consists of "units" engaged in the production of goods and services with the primary objective of generating employment and incomes to the persons concerned in order to earn a living.

These units typically operate at a low level of organization, with little or no division between labor and capital as factors of production. It consists of household unincorporated enterprises that are market and non-market producers of goods as well as market producers of services.

Labor relations, where they exist, are based on casual employment, kinship or personal and social relations rather than formal contractual arrangements.

Operational: For statistical purposes, the informal sector shall refer to household unincorporated enterprises which consist of both informal own-account enterprises and enterprises of informal employers.

Informal own-account enterprises are household unincorporated enterprises owned and operated by own-account workers, either alone or in partnership with member/s of the same or other households which may employ unpaid family workers as well as occasionally / seasonally hired workers but do not employ employees on continuing basis.

Enterprises of informal employers are household unincorporated enterprises owned and operated by own-account workers, either alone or in partnership with members of the same or other household who employ one or more employees on a continuing basis..."

All the cited definitions above definitions generally conform to the definition of the ILO (1993). It however deviates in the following aspects:

1. The informal sector enterprises are "not registered or formally approved by authorities". A certain study on 1990 revealed that 52.4% of the informal sector enterprises surveyed in Metro Manila were registered with the local government unit while 25% were registered with the DTI, SEC or a national agency.

Registration was highest among professional services at 63.6% at national agencies, and 86% at the level of LGUs. License to operate among professional services is required.

The second highest is the transport services where franchises in operating jeepneys, mini-buses, tricycles, etc. are needed. Sixty percent are registered with the national agencies while 88% are registered with the LGUs. Registration is lowest in the construction services at 8.7% for national agencies and 28.3% at the LGU level.⁵

2. They are not “recorded in official statistics.” Statistics in lieu will show the record of the self-employed, own account and unpaid family workers in the labor force.

Further characteristics of Informal workers based on International Labor Organization also include: (1) Informal sector enterprises usually employ fewer than ten workers, mostly immediate family members; (2) The informal sector is heterogeneous: major activities are retail trade, transport, repair and maintenance, construction, personal and domestic services, and manufacturing; (3) Entry and exit are easier than in the formal sector; (4) Capital investment is generally minimal; (5) Work is mostly labour intensive, requiring low-level skills; (6) Workers learn skills on the job; (7) The employer-employee relationship is often unwritten and informal, with little or no appreciation of industrial relations and workers’ rights; (8) The informal sector works in conjunction with, rather than in isolation from, the formal economy. It has increasingly become integrated into the global economy.

Other type of informal workers accordingly could not then be counted wherein some home-based workers, industrial outworkers, irregular workers, temporary workers and part-time workers are broached. This also includes independent workers who live from hand to mouth such as street vendors, shoe shiners, scavengers, and domestic workers.

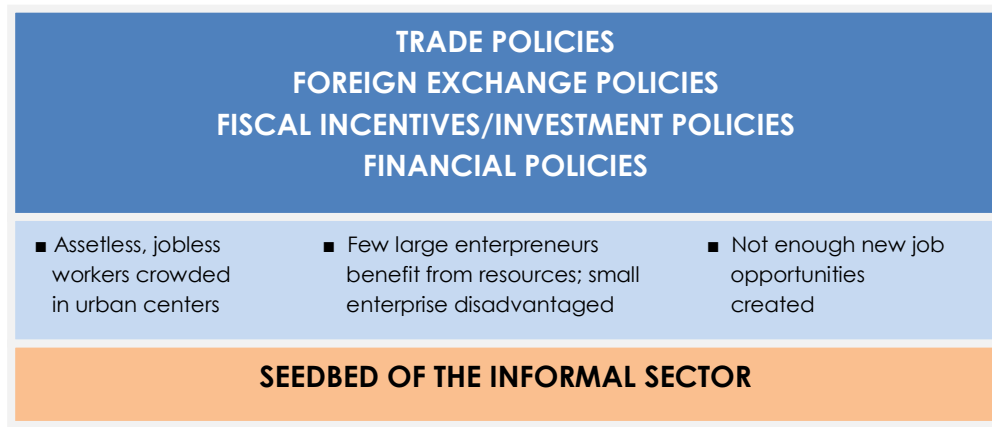
Roots of the Informal Economy

The rise of the informal economy can be traced back to policies which limited job-creating capacities and growth opportunities for small enterprises. These include:

- (a) the **import substitution strategy** pursued since the 1960s (post-World War II period), which sought to revive the industrialization process, and

⁵ Alonzo & Abrera-Mangahas (1990)

(b) the **economic liberalization strategy** of the early 1980s, which was accelerated in the 1990s, with the goal of the distributing opportunities throughout the economy.⁶



Import substitution strategy is an economic policy, adopted in most developing countries to promote domestic producers from the competition of imports in the form of high tariffs or the restriction of imports through quotas.⁷ It emphasizes replacement of some agricultural or industrial imports to encourage local consumption, rather than producing for export markets. Imports substitutes are meant to produce development and self-sufficient through the creation of an internal market in order to generate employment, reduce foreign exchange demand, stimulate innovation, and make the country self-reliant in critical areas such as food, defense, and advanced technology.

But as it turned out, import substitution which required protectionist measures, only led to inefficiencies and misallocation of resources. Moreover, it had spawned only a few large industries that were both urban-based and capital-intensive — a combination which opened limited opportunities for the working population and repercussively led to massive unemployment and underemployment among frustrated job seekers. The loss of jobs and declining markets became the seedbed of the informal economy.

⁶ International Labor Organization. (2008, May). *Primer: The Challenge of Informal Work in the Philippines*.

⁷ Britannica Encyclopedia

The situation in the Philippines under economic liberalization as well fared no good. The environment of competition in the 1990s was so intense that only those strong enough to survive stood to benefit from the new opportunities offered by global markets.

While large numbers of people found employment in services, not all of these were of the productive nature that directly boosted the economy.

Intense competitive pressures resulted inevitably in closures, downsizing and mergers. The way to survive was through drastically reducing costs — most especially labour costs.

At present, the effects of globalization combined with financial and political waft had bred precarious employment conditions in the country. In 1998, over a period of only five months, the Philippines recorded 64,859 layoffs immediately following the first rush of the late -1997 crisis. This figure surpassed even that recorded for an entire year, 1997, which was 62, 736. For the entire 1998, the Department of Labor and Employment registered a record-busting figure of 150,000 displaced workers.

Categorizing the Informal Sector

The informal sector represents a vast number of operators and laborers who are involved in different kinds of economic activities. These enterprises vary by nature of activity, size, degree of informality, operation characteristics, viability and the types of problems and constraints they face.

On December 17-18, 2001, during the Informal Sector Assembly held at the TESDA Women's Center, five (5) occupations were concisely enumerated to comprise the informal Sector. These are as follows: (1) Home-based workers; (2) vendors; (3) small-scale transport operators; (4) non-corporate construction workers; (5) others- that would include: small miners; rural workers; agricultural workers; waste recyclers; domestic helpers; scavengers; repair shops, sari-sari stores, and carinderia; photocopiers; contactors and sub-contractors.

However, within the five (5) classifications above, there are several other informal sectors having different features.

These sub-classifications equally merit studies as their needs may be different and therefore, the understanding of their labor rights and social protection may also be different. Among these are as follows:

1.1. In terms of Geography

1.1.1. Urban based

1.1.2. Rural based

1.2. In terms of Premises

1.2.1. Home based

1.2.2. Non Home based

1.2.2.1. Private premises

1.2.2.2. Public premises

1.3. In terms of Gender

1.3.1. Male

1.3.2. Female

1.3.3. Third Sex

1.4. In terms of Vulnerability

1.4.1. Children

1.4.2. Person with Disability (PWD)

1.5. In terms of Industry

1.5.1. Industrial

1.5.2. Commercial

1.5.3. Services

1.5.4. Agricultural

1.6. In terms of Occupation

1.6.1. Fisher folks

1.6.2. Farmers

1.6.3. Construction

1.6.4. Drivers

1.6.5. Vendors

1.6.6. Laborer

1.6.7. Sales personnel

1.7. In terms of the Nature of Employment

1.7.1. Casual

1.7.2. Contractual

1.7.3. Seasonal

1.7.4. Permanent/Regular

1.7.5. Pakyaw/Commission Basis/Boundary system

1.8. In terms of Nature of Means

1.8.1. Criminal

1.8.2. Non-criminal⁸

Estimating the Size of the Workers in the Informal Sector

While several efforts had been undertaken by the Philippines Statistical System (PSS) to characterize the Informal sector of the country, dating back as early as the 70's, lack of financial resources impeded the provision of an appropriate survey which will measure the contribution of the Informal sector to the economy.

Since an official statistics from the PSS is needed in order to come up with program interventions for workers in the informal sector, the BLES-DOLE introduced a simplistic approach to estimate the size of workers employed in the informal sector through the use of Labor Force Survey data of the NSO.

Given the operational definition of the informal sector as described earlier, the closest possible estimate that could represent the informal own-account enterprises and enterprises of informal employers are the self-employed persons and the unpaid family workers under the class of worker category in the LFS. A self-employed person without any paid employee, under the LFS Enumerators Manual, is one working for profit or fees in own business, farm, profession or trade without any paid employee.

⁸ Edmund Lao and Jeremy Inocian, *The future of the workers in the Informal Sector cited*

An unpaid family worker, on the other hand, is one who works without pay in a farm or business operated by another member living in the same household. The room and board and any cash allowance given, as in incentives are not counted as compensation for these family workers. Given these premises, the BLES-DOLE estimates the number of employment in the informal sector by adding the number of self-employed workers with the number of unpaid family workers.

This approach resides and is consistent with the subject of “vulnerable employment” recommended by the ILO and the Millennium Development Goals (MDG’s), Technical Working Group (TWG) on employment as one of the four (4) indicators for its new target of making the goals of full and productive employment and decent work a central objective of relevant national and international development strategies. The TWG calculated vulnerable employment as the sum of contributing family workers and own-account workers as a percentage of total employment.

The TWG explained that by definition, contributing family workers and own-account workers are less likely to have formal work arrangements, which allows the usage of the indicator on vulnerable employment to confirm or refute claims of an increasing informalization of labor markets.

Ideally, however, two (2) major occupation groups (officials of government and special interest organizations, etc., and professionals) should be deducted but upon scrutiny of the different occupational components of the aforementioned major groups, some may indeed fall under the informal sector. For instance, under the officials of government and special interest organizations, and etc. group, the bulk of workers ranging from 97.7 percent in 2001 to 99.7 percent in 2004 were composed of general managers or managing proprietors who could be managing their own household enterprises, while the occupation group on reflexologists, midwives, folk singers and dancers and etc., who are not registered with any regulatory body.

Meanwhile, the Bureau of Rural Workers (BRW) of the DOLE whose main clientele are workers of the organized the IS-WORKTREPS Program “Unlad Kabuhayan Progran Kavab sa Kahirapan” to bring about improved socio-economic well-being of the poor IS-WORKTREPS, thus contributing to the government’s national goal of reducing poverty.

Under this program, IS-WORKTREPS are recognized as self-employed workers who operate subsistence livelihood or business and unpaid employees. They are known IS-WORKTREPS since they operate outside government regulations and are not covered by social protection schemes which are normally provided to workers in the formal sector. The IS-WORKTREPS are engaged in undertakings such as ambulant vending; alternative transport services; home-based and home services such as carpentry, laundry, plumbing, scrap collecting/gathering; and in agricultural works such as farming and fishing.

Based on this definition, BRW estimates informal sector employment through residual approach of selected indicators culled from the LFS and List of Establishments of the NSO. Presented herein is the informal sector employment by residual approach for the period 2002-2003.⁹

IS EMPLOYMENT BY RESIDUAL APPROACH, PHILIPPINES: 2002-2003
(In 000)

INDICATOR	2002	2003
Wage & Salary Workers	14,653	15,354
- Private Household	1,609	1,553
- Family Operated (1)	120	139
- Private Establishments	10,547	11,294
- As captured by List of Establishments (LE)	5,485	5,710
- Not captured by LE (2)	5,062	5,584
- Gov't/Gov't Corporation	2,378	2,367
Own-Account Workers	11,399	11,517
- Self-Employed (3)	9,737	9,912
- Employer	1,662	1,605
Unpaid Family Workers (4)	4,009	3,764
TOTAL IS WORKERS (Sum of (1), (2), (3) & (4))	18,928	19,339
TOTAL EMPLOYMENT	30,062	30,635
% of IS Workers to Total Employment	63.0%	63.1%

Source of data: Bureau of Rural Workers (BRW) as sourced from the NSO.

⁹ Bureau of Labor and Employment Statistics. Labstat Updates. Vol. 12 No. 17

UNFOLDING THE WORKING CONDITIONS OF WORKERS IN THE INFORMAL ECONOMY

Typical examples of informal sector workers would come from home-based businesses or 'cottage industries' and small shops. These workers are any of the following: immediate or extended members of the family or apprentices or non-relative hired hands. They are either paid on a daily basis with below minimum wages or in terms of fixed percentages for every piece of work they do. Essentially, the manifestation of employer-employee relations is somehow present but being informal that is, being small with hardly any capital and government registration such relations remain unclear.

Authority or more precisely, absolute authority rests on the operators and hardly anyone from the workers would question such authority. Rewards and sanctions is the sole prerogative of the informal operators—and such prerogative is absolute. While rewards could seldom be in monetary forms or if ever there are monetary considerations involved, they are shared among the rest of the workers and the families of the operators in the form of eating junkets with heavy drinking or sometimes workers' pays are raised—all depending on the sole decision of the informal business operator.

Sanctions, furthermore, could be dispensed with easily and liberally in the form ranging from verbal abuse to corporal physical punishment. These forms of punishment are an essential means for informal business operators to assert their authority. From vulcanizing shops that hires able bodied boys with ages ranging from 12 to 18 years old to beauty salons that employs older male gays—workers in these types of informal sector business are subject to such forms rewards and punishments.

The Course to Occupational Disbenefit

The informal sector is usually referred to as "the economy of the poor." Despite significant linkages with the formal sector, informal activities subsist mainly as a cluster within particular communities, or among well- defined suppliers and consumers who also belong to the poor. In some cases, the jobs performed are not always available. Demand for labor may be high at certain time of the year, depending on qualities of production. Household members may then adapt to this seasonality by being operators in one period and wage laborers in the next. It is

common for the poor to work at various times as farmers, hawkers, peddlers and wage laborers.

Since the informal worker is not fully recorded in the national income accounts, the effects of policies on household behavior are difficult to analyze. More importantly, since the GNP accounts on income and consumption are not disaggregated by income classes or by type of business enterprise, these accounts are inadequate for the study of policies on income distribution.

There may be other types of data that can be used to analyze income distribution. Unfortunately, even these more specialized data are not sufficient to take access of the variances in the characteristics and composition of the households, thus making comparisons of income across groups, regions and time are very questionable.

Furthermore, the enormous size and consequent variances of the units engaged in the informal sector make it difficult to make any analysis and to formulate policy reforms.

In the informal economy, there are more unproductive and non-remunerative jobs, the absence of rights at work, inadequate social protection, and the lack of representation and voice, especially among women and young workers.

Since information about informal workers does not exist, they become invisible labour forces and are often subjected to unfair employment terms, a lack of stable income, and a lack of labour protection and social security. Having the least leverage to deal with the risks, they are more vulnerable to them compared to their counterpart in the formal sector.

Most of the informal sector workers, self-employed or unpaid family workers, are neither registered nor covered by labour laws and basic labour standards. Many others have a few outside workers to whom labour regulations governing hours of work, weekly rest, paid leave, minimum wages and social security are not commonly applied due to the small scale of operations, lack of knowledge and low income levels.

Neglected and taken for granted, the informal sector is excluded from effective labor relations strategies and most especially, in the enforcement of minimum labor standards.

This sector also is largely unorganized and thus, not fully represented in critical decision and policy making bodies, both in private and local governments.

Furthermore, various groups of informal sector workers encounter different workplace problems. Common agonies would include poor lighting, lack of ventilation, excessive heat, poor housekeeping, inadequate workspace, poor work tools and workplace design, awkward posture, exposure to dangerous chemicals, lack of clean water and other basic welfare facilities, and long working hours. Informal workers, preoccupied with survival and merely unaware of the risks in their workplace, simply concede with the situation.

What's worsening the scenario is that no concrete mechanisms are established to monitor workplace injuries and illnesses in the informal sector, as they do in the formal sector. Injuries often go unreported and are settled by operators and workers, sometimes through small cash payments or termination of employment. Even for severe injuries, where they are not enrolled in a social protection program, workers are commonly deprived of benefits that would otherwise have been available. It is often hard to establish the relationship between work and the illness the worker might be suffering from.

On social protection, Informal sector workers and operators, generally being subsistence earners, find it difficult to save for emergency needs, medical expenses and old age. The seasonal nature of their employment, and the inability to save, force them to incur debts when they lose their assets or earning power due to their own or family members' sickness and disability.

Added to their misery are the informal sector operators who choose to remain "illegal" or to be exempted from labour regulations because of the high cost of acquiring "legal" status. Bureaucratic procedures and multiple legal requirements present hurdles for them in complying with labour standards.

In this regard, a large portion then of informal sector workers are considered illegal. Instead of protection, they receive threats to public officials; threats to livelihood; threats to property; and threats to security and life.

Thus, the idea to have the informal sector incorporated into the mainstream of society's economic productivity engine is boldly sound and timely. With the prevalent poverty and low economic productivity, it is imperative. However, this effort may eventually pose more challenges than opportunities given the following factors:¹⁰

- (1) The weaknesses of the country's legal framework in addressing informal sector concerns, specifically on issue of labor rights;
- (2) The difficulties of established institutions that champions labor causes, such as trade unions in responding to the needs of the informal sector; and
- (3) The laissez-faire effort on the part of the government to bring forward the concerns of the informal sector into the arena of policy dialogue and reforms.

Taking into consideration the various points raised with regards to the features, characteristics, behavior or manifestations of the informal sector, the core issues directly affecting said sector can be described as follows:

a) Institutional inconsistency in recognizing the existence and rights of the informal sector workers – The various institutions in society look at the issues of the informal sector inconsistently. For instance, while social institutions like the local communities and their corresponding LGUs and even some national line agencies are somehow aware of the activities and concerns of the informal sector (since the informal sector is very well integrated in the local communities), the country's legal institutions are at a loss as to how to deal with them. Being mainly outside of the purview of the country's legal framework, jurisprudence on the informal sector has remained sparse and inadequate in recognizing the inherent labor rights of the informal sector workers.

b) Inadequacy of the prevailing working understanding of the phenomena of the informal sector – Being 'labeled' as informal somehow would have to mean being outside of the mainstream economic activities—even if such activities are not outside the bounds of the law. This understanding has reinforced the following development philosophy: (1) that the Philippine local economy exist in a dichotomy—one for formal and another one informal and there is not much we can do about it; and (2) that the informal sector is an aberration of economic

¹⁰ *Ibid*

development and is largely temporary in nature as the economy will, in the long term correct itself. In either way both schools of thought imply that development efforts will not be able to make the necessary difference in the long run since the local economy is on autopilot. Hence, any development intervention directed at the informal sector would be largely palliative or more precisely alleviatory (such as, poverty alleviation) for the mean time, since the economy is still in the process of stirring towards the right course.

c) Inadequacy of some poverty alleviation strategies. – Such strategies are doomed to backfire especially if the main target for such alleviation strategies is not poverty itself.

Informal Workers in Urban

Meager incomes of urban informal sector workers limit opportunities to live and work in a hygienic and safe environment. Low-cost housing programs in big cities do not adequately serve the needs of rapidly expanding urban populations. Such workers generally end up living in slums, contending with not only squalor but also the threat of eviction.

Informal sector operators borrow money from relatives and friends to start or sustain businesses. Since commercial banks usually seek collateral before approving a loan, few operators successfully borrow from them. In the Philippines, it was found that just over 2 per cent of operators were able to obtain funds from lending institutions. In addition, commercial banks do not find it worthwhile to deal in the small sums of money typically involved.

The informal sector has been mobilizing significant savings from within through various types of self-help savings and credit schemes. The schemes promote group solidarity, helping ensure regular repayment of loans.

Many of the small-scale lending schemes, however, cannot provide funds on an efficient and sustainable basis. What is required is an institutional mechanism that falls somewhere between a commercial lending organization and an NGO or a cooperative.

Access to education, training and credit is of little use unless the market for informal sector products is broadened. As low-income families constitute the primary market and they are in competition with each other, the scope for expansion is limited. An increasing number of informal sector activities, however, do cater to higher-income families or export industries.

SOCIAL PROTECTION AND LEGISLATION FOR WORKERS IN THE INFORMAL SECTOR

The issue of social protection for workers in the informal sector has been the subject of many discussions these past few years. The need for social legislation for workers in the informal sector has assumed greater significance with the magnitude and growth of the sector. Data from the National Census and Statistics Office (NCSO) show that a considerable number of the labor force in the informal sector. Using the operational definition that the informal sector is composed of the self-employed, own-account workers, and unpaid family workers. According to Yu (1994), the number of country's unemployed and underemployed, taken together, is 40 percent of the total of labor force. *Ibon Facts and Figures* reported that 80 percent of the population lives below the poverty line.

The growth of the informal sector can be attributed to poverty, population growth, unemployment, and slow growth of wage employment. Entry by a new enterprise into the informal sector is relatively is easy. The sector usually relies on indigenous resources and is composed of family-owned enterprises operating on a small scale in unregistered, competitive market using labor-intensive and adaptive technology.

Concept of social legislation and protection

The Bureau of Rural Workers (BRV) of the DOLE defines social protection as "... the development, delivery and promotion of work related standards and projects that would cushion the impact of unemployment, seasonally of employment, lack of access to basic social services, including the occurrence of calamities and force majeure."

Access to social protection is considered a basic human right, and a measure of human welfare. It is also looked upon as part of a strategy toward the progressive integration of the informal sector in society (ILO 1995). An ILO report likewise considers the application of social protection as one of the core labor standards, along with recognition of freedom of association, freedom with forced labor, elimination of abusive forms of exploitation, and occupational safety and health. They are so fundamental that their non-observance should not be tolerated.

The state has the responsibility to ensure social protection for the workers in the informal sector, This includes formulation of legislative frameworks and the means to enforce them, programming of resources and reconciling them with the needs, policies, and priorities and

proper coordination between and among implementing agencies. While social protection is envisioned to cover all workers, its scheme under the Philippine setting are limited to the workers in the formal sector. Social protection scheme almost always start with formal registration. They are concentrated on easily reached and identifiable members of the community, who are most likely workers in the formal sector. Since informal sector activities are often beyond the scope and reach of the government legislation and regulation, extending social protection to informal sector workers has been difficult, if not impossible.

Another major problem that prevents the implementation of social protection schemes to the informal sector is the lack of information and confidence of the informal sector members in the regulatory system. Their perception is that the system is not friendly to them. Past efforts to provide assistance to the sector have failed, either because it is beyond the capacity of members of the informal sector to use the protection schemes, or being non-participants in the regulatory system, they did not require special privileges within that system.

VULNERABLE WORKERS TO ACCESS JUSTICE ISSUE

Informal workers are most of the time overlooked as part of the labor sector. Hence, this situation often subjected them to myriad underlying risks in their workplace and work condition. Nevertheless, existence of rules and laws in the Philippine constitution could be applied to them even when they are not under the domination of certain schemes for social protection.

Selected provisions in the laws could be traced from the country's set of laws to empower the informal sector which includes the authorization of the said sector to organize, make decisions or participate in decision making bodies, and to assume power diverted from the traditional center.

In Section 1 of Article XIII, it directs that Congress must give the highest priority to the enactment of measures that protect and enhance the rights of all people to human dignity; reduce social, economic and political inequalities and remove cultural inequities by diffusing wealth and political power for the common good.

The 1987 Constitution vigorously, more than ever, put forward the pursuit of social justice and human rights in the country. Unfortunately, contrary to such mandate, the Government still has much to do towards fulfilling such high mandate.

Thus, it is significant that State and Society take stock of the situation of the informal sector in order to give flesh and meaning to the fullness and essence of the mandate for Social Justice and Human Rights.

There are special laws and designed programs for informal workers that exist. Among are some of them:

- (1) Barangay Micro Business Enterprise Law
- (2) The Cooperative Code of the Philippines
- (3) The Local Government Code
- (4) The Comprehensive Agrarian Reform Law Agriculture
- (5) Fisheries Modernization Act
- (6) Magna Carta for Small Farmers
- (7) Social Reform and Poverty Alleviation Act

Designed programs include:

- (1) Advocacy Works and Practical Measures for the Protection of Women Homeworkers and Children
- (2) Against Exploitation, Sexual Harassment against Discrimination and Abuse
- (3) Promotion of Economic Opportunities like Access to Resources, Credits, Technology and Training
- (4) Access to Social Security, Medicare and Insurance
- (5) Progressive Elimination of Child Labor including Monitoring Compliance with the ILO Core Standards
- (6) Research, Information, Building Skills, Advocacy, Alternative Structures, Monitoring Cases

Elaborating Legal bases of social legislation and protection

The Constitution affirms labor as a social and economic force whose welfare must be protected by the State. The fundamental principle is embodied in the following provisions of the Constitution:

1. The State affirms labor as a primary social, economic force. It shall protect the right or workers and promote their welfare (Art. II, Sec. 18).
2. The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all (Art. XIII. Sec. 3, par. 1).
3. The State shall guarantee the rights of all workers to self organization, collective bargaining and negotiations and peaceful and concerted activities, including the right to strike in accordance with law. They shall be entitled to security of tenure, to humane conditions of work and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as may provided by law (Art. XIII. Sec. 3, par. 2).
4. The State shall regulate the relations between workers and employers, recognizing the right of labor to its just share in the fruits of production and the right of enterprises to reasonable returns on investments and to expansion and growth (Art. XIII. Sec. 3, par.4).

5. The State shall, by law, and for the common good, undertake, in cooperation with the private sector, a continuing progress of urban land reform and housing which will make available of affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlement areas. It shall also promote adequate employment opportunities to such citizens. In the implementation of such program, the State shall respect the rights of small property owners (Art. XIII. Sec. 9).
6. The State shall protect working women by providing safe and healthful working conditions, taking into account their material functions, and such facilities and opportunities their will enhance their welfare and enable them to realize their full potential in the service of the nation (Art. XIII. Sec.14).
7. The State shall defend: a) the right of children to assistance, including proper care and nutrition, and special protection from all forms of neglect, abuse, cruelty, exploitation and other conditions prejudicial to their development b) the right of the family to a family living wage and income (Art. XV. Sec.3 [2] and [3]).

Labor policies on social protection

Social protection for workers takes several forms: social security, social amelioration programs, free or subsidized health care, employment assistance, compensation for disability, safety, and the like. To address these needs, various laws have been enacted and Presidential Decree (P.D.) issued.

Social protection for workers in both the formal and informal sectors is embodied in P.D. No. 442 (1974), as amended, better known as the Labor Code of the Philippines; R.A. No. 1161 (1954), as amended, also known as the Social Security Law; P.D. No. 1146 (1977), as amended, or the Revised Government Service Insurance Act; and P.D. No. 1519 (1978), known as the Medical Care Act.

A. Labor Code of the Philippines

This Code covers existing legislation on labor standards and employee welfare, which include:

- Protection of workers from economic exploitation (terms and condition of employment, particularly wages and working hours).
- Protection of women, minors, handicapped workers, apprentices, etc.

- Protection of workers from physical damage or harm (industrial safety and emergency medical treatment).
- Equalization of employment opportunities or of access to employment (prevention and redress of particular types of discrimination, and through government facilities for recruitment, placement and employment counselling).
- Protection from insecurity (workers' compensation, social security, employees' liability for industrial accidents).
- Such other welfare legislation providing special protection for farmer-lessees, share tenants, and sugar workers.

The provisions of the Labor Code, though primarily intended to protect wage workers, or those in the formal labor force, apply to all workers. Art. 6, Chapter 1 of the Code specifically states that :

"... all rights and benefits granted to workers under this Code, shall, except as may otherwise be provided herein, apply alike to all workers, whether agricultural or non-agricultural."

B. Social Security

The concept of social security includes the provision of economic assistance to certain defined groups of population, upon the occurrence of certain contingencies, particularly old age, death, sickness or disability, unemployment and the like. Social security is designed to provide for minimum economic needs of the population in the event of particular hazards which adversely affect employment income. It aims to alleviate the consequent needs through some form of assistance to the stricken worker and his family.

Social security can come in many forms: social insurance, social assistance, benefits financed by general revenue, family benefits, provident funds, provisions made by employers and social service.

In the spirit of social justice and with a view to promoting, workers' well-being, R.A. 1161, or the Social Security Law, was enacted in 1954, and subsequently amended several times to enlarge its coverage and accommodate workers in the informal sector. The Philippine Social Security System (SSS) falls under the category of social insurance, financed by contributions normally shared between employers and employees, with state participation in the form of subsidy.

Coverage. As embodied in its charter, the SSS provides coverage for all employees in the private sector, whether permanent, temporary or provisional, who are not over 60 years old. The coverage is compulsory for all employees, whether natural or judicial, domestic or foreign, who carry on in the Philippines trade, business, industry, undertaking or activity of any kind and also the services of another person. Coverage is also compulsory for all employees in the private sector who are not over 60 years old, regardless of citizenship, nature and duration of employment, and manner of payment or source of income, provided an employer-employee relationship exists.

The following are exempted from the compulsory coverage of SSS:

- Agricultural labor when performed by as share or leasehold tenant or worker who is not paid any regular daily wage of base pay and who does not work for an uninterrupted period of at least six months in a year;
- Employment which is purely casual and not for the purpose of occupation or business of the employer;
- Service performed by an individual in the employ of his son, daughter or spouse, and service performed by a child under the age of 21 in the employ of his parents;
- Service performed on or in connection with an alien vessel or an employee if he is employed with such vessel outside the Philippines;
- Service performed in the employ of a foreign government or international organization or their wholly owned instrumentality; and
- Such other services performed by temporary employees which may be excluded by regulation of the Commission. Employees of bona fide independent contractors shall not be deemed employee of the employer engaging the services of the said contractors.

Amendments to the Social Security Law have widened its coverage to include:

- All self-employed persons not yet 61 years old, with an annual gross income with at least P1,800 and belongs to any of the following groups: professionals, artists and athletes, real estate brokers, actuaries, insurance agents, salesmen by the Social Security Commission from time to time.

- Per SSS resolution No. 466, series of 1991, all farmers and fishermen earning at least P1,500 a month are covered effective January 1, 1992.
- R.A. 7655 (1993) extends coverage of the SSS to domestic helpers/house helpers who are receiving at least P1,000 per month.
- DOLE Department Order No. 5 (February 2, 1992) extended SSS membership to the home workers.
- R.A. 7607 (1992), otherwise known as 'Magna Carta of Small Farmers, "include social security coverage as one of the farmers' rights.

Government workers are exempted from SSS coverage. They are covered by the Government Service Insurance System (GSIS) under P.D. No. 1146 (1977), as amended.

Service performed in the employ of foreign government or international organization may be placed under the SSS pursuant to agreements entered into between said foreign government or international organization and the Philippine Government.

Benefits and other assistance. SSS members are entitled to a package of benefits, as follows:

- Under the Social Security, Medicare and Employees' Compensation (EC) programs, members are entitled to a number of benefits in the event of death, disability, sickness, maternity and old age.
- Social Security program provides for replacement of income lost on account of contingencies such as sickness, maternity, disability, retirement and death.
- Pensioners are entitled to a 13th month pension and supplemental allowance for disability. A dependent's pension is also given to minor children of pensioners.
- Medicare benefits are intended to cover the cost of hospitalization and other incidental medical expenses of the SSS member and his legal dependents, as well as pensioner's dependents.
- EC benefits are also payable in the event of work-related death, disability or sickness of a member, and may be enjoyed simultaneously with social security benefits.

Aside from the above benefits, SSS members may avail themselves of a number of service loans to help them meet their basic financial needs. These loans are:

- Salary loan
- Calamity loan
- Stock investments loan
- Special educational loan for vocational and technical students
- Privatization fund loan
- Housing loan under the Unified Home Lending Program (UHLP)
- *Pari passu* loan
- House repair and/or improvement loan
- Individual housing loan

If the member is engaged in business, the following loans are available:

- Livelihood financing
- Small farmers/fisherfolk cooperatives lending program
- Post-harvest lending facilities for farmers and fisherfolk
- Financing Assistance for Exporters (FAPEX)
- Apartment/dormitory loan
- Small and medium-scale industries lending program enterprises
- Entrepreneurship assistance program (Program MADE)
- Tourism projects financing
- Power generation program

In the pursuit of its primary mandate of extending protection to more people, and providing universal coverage, including those in the informal sector, the SSS is currently working in on an expanded coverage program for self-employed person such as tutors, tricycles, *pedicab* and *calesa* drivers, sidewalk market, cigarette, and newspaper vendors, freelance repairmen, mechanics, photographers and electricians, bar and hospitality girls, transport bankers, cockpit workers, and baggage boys. Other groups eyed are overseas contract workers and piece workers.

One problem encountered is how to extend coverage to rural workers due to such factors as system of land tenure and farming, low priority given to agricultural credit and investment, geographical isolation of rural communities, lack of communication, and the like. In spite of this, R.A. No. 7607 (1992), or "The Magna Carta of Small Farmers," has included social security

coverage as one of the farmers' rights. By definition, the law has covered itinerant farmers, such as the *sacadas* or *dumaans*, in the fold of the SSS, which only shows the never ending search for ways to provide for the welfare of workers.

C. Health Insurance

In February 1995, R.A. No. 7875, otherwise known as the National Health Insurance Act of 1995, was signed into law. The Act completely altered the responsibilities pertaining to the provision of health benefits with the creation of the Philippine Health Insurance Corp. (PHIC). The Act aims to gradually develop a health insurance system which will endure affordable, adequate and accessible health care services for all citizens. Section 6 of R.A. 7875 states that:

"all citizens of Philippines shall be covered by the National Health Insurance Program... implementation... shall be gradual and phased in over a period of not more than fifteen (15) years."

The program calls for enrollment or enlisting of beneficiaries for coverage in the program. The process of enrollment includes identification of beneficiaries, issuance of appropriate documents specifying eligibility to the benefits and how membership was obtained or being maintained. The beneficiaries include:

- all persons currently eligible for benefits under the Medicare Program I (SSS and GSIS members, retirees, pensioners and their dependents);
- all persons eligible for benefits through health insurance plans established by local governments units as part of Medicare Program II, including indigent members;
- all persons eligible for benefits as members of local health insurance plans established by the Corporation; and
- all persons eligible for benefits as member of other government-initiated health insurance programs, community-based health care organizations, cooperatives, or private non-profit health insurance plans.

The PHIC is tasked to set up its own administrative structure and to determine its role in relation to other administrative bodies responsible for the administration of the scheme. Compliance with the requirements of the new legislation presents new challengers for planners and administration of the program.

D. Land and Housing

Land Reform. On July 22, 1987, Proclamation No. 131 instituted the Comprehensive Agrarian Reform Program (CARP), which covered all public and private agricultural lands and other lands of the public domain suitable to agriculture, regardless of tenurial arrangement and commodity produced. Mechanisms for implementation were provided by Executive Order No. 229, series of 1987. This eventually led to the enactment of R.A. No. 6657, or the Comprehensive Agrarian Reform Law of 1988.

Agrarian reform is defined as the redistribution of lands regardless of crops or fruits produced to farmers and regular farm workers who are landless, irrespective of tenurial arrangement, to include the totality of factors and support services designed to lift the economic status of the beneficiaries, and all other arrangements alternative to the physical redistribution of lands, such as production or profits sharing, labor administration, and distribution of shares of stocks, which will allow beneficiaries to receive a just share of the fruits of the land on which they work.

Main features of the land reform program are:

- Retention limit of 5 hectares, plus 3 hectares for every direct heir and tiller who is 15 years of age and above.
- Covers all private and public agricultural land regardless of tenurial arrangement and crops produced.
- Lands to be acquired and distributed over a period of 10 years.
- Rights of indigenous cultural communities to their ancestral lands are protected and their systems of land ownership, land use, and modes of settling disputes recognized and respected.
- Commercial farms, which are private agricultural lands devoted to commercial livestock, poultry and swine raising and aquaculture, including salt beds, fishponds, and prawn ponds, fruit farms, orchards, vegetable and cut-flower farms, and cacao, coffee and rubber plantations are subject to immediate acquisition and distribution after 10 years from the effectivity of the Act.

From January to December 15, 1994, the Department of Agrarian Reform (DAR) has distributed 448, 133 hectares of agricultural lands and government-owned lands to some 220,000 farmer

beneficiaries nationwide. Since 1972 until end 1994, land distribution totaled some two million hectares of titled agricultural lands.

Forestry. The Department of Environment and Natural Resources (DENR) is concerned with the promotion of the well-being of the Filipinos through sustainable development and optimal utilization of forest resources, and effective forest management. This mandate is carried on through its programs, specifically the Integrated Social Forestry Program (ISFP) and the Community Forestry Program (CFP).

The ISFP seeks to transform the forest occupants from agents of destruction (search-and-burn or shifting cultivation) to forest conservationists. Support services are provided to encourage farmers to adopt the economic use of long-term crops and other measures to conserve soil, water and other resources. The program is based on the principle of land stewardship, which requires physical presence in the area to be stewarded and personal tilling of the land assigned to be cultivated. Stewardship agreements cover forest areas of not more than five hectares for individual and family stewardship, and unspecified number of hectares for communal stewardship, depending on the nature of the site, and history of the group or community to be awarded. Stewardship period is 25 years. Program participants are assisted in organizing Stewardship Association to improve the participants; welfare and protect the ecosystem.

The CFP, on the other hand, promotes the protection, management and sustainable development of natural resources within secondary/residual and old growth forests, the rehabilitation of open and degraded forest lands, and the improvement of the socio-economic conditions of poor upland and coastal communities. Under this program, the Community Forestry Management Agreement, renewable for another 25 years, grants forest products utilization privileges to the communities. Activities under this program include: timber stand improvement or assisted natural regeneration, reforestation of open and denuded areas within the agreement area, agroforestry, and forest products harvesting. Participants are required to establish a Community Forestry Development Trust Fund to reimburse or pay the costs advanced by the DENR, defray the expenses of reforestation, timber stand improvement, or any forest rehabilitation activity, and fund the improvement of socio-economic or environmental conditions in the community.

The DENR provides assistance in the form of community organizing and organizational development, on-the-job training in forest management planning and conservation, and developing alternative livelihood opportunities.

Housing. P.D. No. 1530 (1978) created the Home Development Mutual Fund, later called the PAG-IBIG (Pagtutulungan sa Kinabukasan, Ikaw, Bangko, Industriya at Gobyerno) fund, as a system of employer –employee contributions for housing purposes. This was strengthened in 1980 by P.D. No. 1752 to address two concerns: generation of savings and provision of shelter for workers.

Initially, membership was compulsory for all SSS and GSIS member-employees, but was later changed to voluntary. At present, membership is open to all government and private employees and other working groups, like the self-employed and contract workers. Among the programs offered by PAG-IBIG to members are:

- **Expanded Housing Loan Program.** Members can borrow fund for the purchase of a lot, a house and lot, home improvement, house construction, refinancing of existing loan, or even redeeming of a foreclosed property.
- **Group Housing Program.** Assistance is given to companies or employee association in providing housing for employee-members.
- **Group and Acquisition and Development Program (GLAD).** Organized groups or association are given assistance on acquiring and developing raw lands or partially developed land for group housing site.
- **PAG-IBIG Local Government Housing Programs.** Local Government units are provided with financial support and assistance of affordable terms to fast-track the development and implementation of housing projects in their respective localities.
- **Filipino Overseas Workers Program (FILOW).** It assists the housing needs of overseas workers, supported by the Super Savers Program where the savings of overseas workers are invested by Pag-IBIG in stable, high-yielding instruments.

Pag-IBIG has also launched a Livelihood Loan Program which provides financial/credit assistance to promoted small business/ livelihood ventures and income generating projects among members who organized themselves into cooperatives registered with the Cooperative

Development Authority (CDA). Such loan may be used for working capital, purchase-acquisition of tools and equipment, and for construction/repair of work site or plant site.

Members who are victims of calamities are also assisted by Pag-IBIG through the extension of loans for house repair, reconstruction, grants-in-aid, and personal loans. Moratorium on amortization payments, are automatically extended to member-victims.

In 1990, R.A. No. 6846 established the Abot-Kaya Pabahay Fund or the Social Housing Support Fund to provide affordable low-cost housing to low-income families, offer developmental financing for low-cost housing projects, and eliminate risks for funding agencies involved in housing, like the SSS, GSIS and Pag-IBIG. The fund is devoted to provide amortization support and to expedite developmental financing to developers of low-cost housing projects.

E. Other Related Laws

The Cooperative Laws (R.A. Nos. 6938 and 6939). Pursuant to Article XII, Section 15 of the Constitution, R.A. No. 6938, or the Philippine Cooperative Code or the 6939, or the Cooperative Development Authority Act, were enacted to promote the growth and viability of the cooperatives as instruments for social justice and economic development.

In Article 2, R.A. 6938, declares that it is the policy of the state to foster the creation and growth of cooperatives as a practical vehicle to promote self-reliance and harness people power toward the attainment of economic development and social justice. The policy is carried out by helping cooperative members attain greater income and savings, investments, productivity and purchasing power, and promote equitable distribution of net surplus through maximum utilization of economies of scale, cost-sharing, and risk-sharing.

Through the cooperative, members are provided maximum economic benefits, taught efficient ways of propagating cooperative practices and new ideas in business and management, thus allowing income groups to increase their share in the nation's wealth.

Through its various programs, the CDA strengthens a network of cooperative banks (Cooperative banking Program), integrating cooperativism in educational system and strengthens the entrepreneurship and capability building of cooperatives (Koop Edukasyon Program), promote the organization of "bagsakan" or marketing centers (Koop Pamilihan Program), encourages savings mobilization and capital build-up (Mag-impok sa Koop Program),

and promote the establishment of agrarian reform beneficiaries' cooperatives (Koooperatiba para sa Repormang Pansakahan Program), transport cooperatives, cooperative health centers and drugstores, and workers' and industrial cooperatives.

Kalakalan 20 (R.A. No. 6810). Otherwise known as the Magna Carta for countryside and Barangay Business Enterprise, R.A. No. 6810 streamlined the procedures for establishing business enterprises minus the bureaucratic restrictions, Kalakalan 20 promotes the establishment of countryside and barangay business enterprises (CBBE), defined as any business entity, association or cooperative registered under R.A. 6810 whose employees do not exceed 20, to help boost the local economy. The assets of a CBBE at the time of registration should not exceed P500,000. Its principal office and business operations should be located in the countryside.

All CBBEs are exempted from national and local taxes, license and building permit fees, and other business taxes, except real estate and capital gains taxes and import duties. All CBBEs should recruit employees and utilize resources within the areas of the operation.

Magna Carta for Small Farmers (R.A. No. 7607). This law, enacted in 1992, recognized the right of small farmers, farmworkers, cooperatives, and independent farmers organizations to participate in the planning, organization, management and implementation of agricultural programs and projects through appropriate policies, research, technology, training, and adequate financial, production, marketing and other support services to enhance agricultural productivity. It also provides incentives and rewards to small farmers.

Magna Carta for Small Enterprises (R.A. No. 6977). Enacted in 1991, this law seeks to enhance entrepreneurial undertakings and promote self-reliance. The government at that time saw the potential for generating more employment and promoting economic growth through small and medium-scale enterprises. Enterprises capitalized at less than P50,000 are classified as micro, at P50,000 to P500,000 as cottage, at P500,000 to P5,000,000 as small, and at P5,000,000 to P20,000,000 as medium.

In line with the SME program, a Small and Medium Enterprise Development Council (SMED) was established to provide assistance in technical training, labor-management guidance, product quality, marketing and distribution, greater access to credits, and easier availment of tax credits as provided by the Philippine Investment Code and other laws. A small Business

Guarantee and Finance Corporation was also created to provide and promote various alternative modes of financing for small enterprises.

F. Special Legislation and Policy Guidelines

Industrial homeworkers. Articles 154 and 155 of the Labor Code Rule XIV, Book III of the Implementing Rules, and DOLE Bulletins provide the mandate for the protection of homeworkers. A homeworker is one who performs in or about his home the processing of goods or materials which were furnished directly or indirectly by an employer and thereafter returned to the latter. Article 155 directs the labor secretary to regulate employments industrial homeworkers.

Construction workers. Protection for workers in the construction industry is embodied in the DOLE guidelines – the Employment of Workers in the Construction Industry (Department Order No. 19 (1993) – supplementing the provisions of the Labor Code and other applicable laws like the Social Security Act.

Sugar workers. Through the passage of R.A. 6982, otherwise known as the Sugar Amelioration Act of 1991, and its implementing rules, the plight of the sugar workers were recognized and they were given protection. Sugar workers now have social amelioration benefits, such as death benefits and maternity benefits. They also have opportunities for livelihood and income generating projects.

Piece-rate workers. Piece-rate workers, task workers and other workers paid by results are protected under Article 101 of the Labor Code, and in Section 8, Rule VII and Section 8, Rule IV of Book III of its implementing rules.

Casual workers. Casual workers are protected by the provisions in Article 280 of the Labor Code.

Child workers. Provisions against employment of minors and protection of child workers are contained in Article 139 and 140 of the Labor Code, in R.A. Nos. 7610 and 7685, and in their implementing rules and regulations. The State provides special protection children from all forms and discrimination and other conditions prejudicial to their development. It declares that every effort shall be exerted to promote the welfare of children and enhance their opportunities for a useful and happy life.

Women workers. They have been recognized as a major component of the country's labor force. This recognition was amplified when the Comprehensive Agrarian Reform Law was enacted. Qualified women members of the agricultural labor force were given equal shares of the land's produce and appropriate representation in decision-making bodies.

The Labor Code devotes Articles 130 to 138 in enunciating the rights and legal protection given to women workers.

A very significant piece of legislation which promotes the integration of women as full and equal partners of men in development and nation building is R.A. No. 7192 (1992), otherwise known as the Women in Development and Nation Building Act. It amended certain provisions of the Civil Code, Family Code and other related laws. Under the Act, women of legal age, regardless of civil status, shall have the capacity to act and enter into a contract which shall in every respect equal to that of men under similar circumstances. In all contractual situations where married men have the capacity to act, the women shall have equal rights.

G. Programs of Local Government Units

Local Government units as well offer programs which, unlike the national government programs, are more specific, micro, and grassroots in orientation. These schemes of LGUs are primarily community-based and cater to the needs of the specific groups of society which participate in the sector and are located in their respective cities or municipalities.

Indigenous and non-conventional social protection schemes

It has been emphasized that the overall national objective is to make available, adequate, equitable and affordable social protection for all Filipino citizens. However, pertinent laws, legislations and policies on social security and protection show a general bias against the informal sector. While it is the intention of the law to cover all workers, the coverage requirements of social security and protection schemes and programs- such as registration, identification of employers from employees, and mandatory regular contributions- are often inappropriate and unsuitable to the informal sector workers who are mostly self-employed and casual workers with unstable employment relationship.

By their very nature and operations, informal sector activities are often beyond the scope and reach of government legislations and regulations. Most informal sector workers are microentrepreneurs and have no employee-employer relationship. Uncertainty about location of business, including residence at times, minimizes the workers' access to formal social protection schemes.

Informal sector workers usually do not register with government agencies carrying out social security and protection schemes – such as the GSIS, SSS, Employee's Compensation Commission (ECC), Home Development Mutual Fund (Pag-IBIG Fund), and PHIC- because they do not see the benefit or necessity of doing so. Others do not register for lack of knowledge of the requirements. For many in the informal sector, however, uncertainty about the future of their enterprise does not motivate them to register. In addition, the generally perceived bureaucratic inefficiencies raise costs of social security to level unattractive to informal sector workers.

In spite of the failure of the formal institutions and policies to respond to the needs of the informal sector, the latter's rapid growth during the past few years indicates that it has been able to fashion its own institutions and structures. It has created its own coping mechanisms and group solidarity associations that are well adapted and suited to prevailing conditions, and which somehow provide protection to informal sector members.

Due to factors mentioned above, confidence in formal social protection schemes and programs is very low among informal sector members, hence they tend to experiment with voluntary and non-conventional ways or schemes organized by self-help associations.

- ***Self-Help Associations***

Self-help associations are broadly categorized into community and trade based associations that try to address various concerns of their members. They are often informally organized, with voluntary membership. They provide credit among members out of their own savings, share expertise with each other, and pool funds for emergencies. Some have succeeded in linking up with other institutions to access information and resources.

Among the more successful self-help associations are the Paluwagan and Damayan of the homeworkers of Bulacan under the PATAMABA, and the Coop-Life Mutual Benefit Services Association, Inc. (CLIMBS).

- ***Vendors' Association***

Vending is the most dominant activity in the informal sector. But just like any employment situation, vendors usually find themselves wanting in resources to pursue their activities. Hence, in some localities, vendors have organized themselves into cooperatives or credit unions to address problems like lack of credit facilities both for business and personal needs. Numerous vendors associations in markets all over the country have been organized, and several vendors' federations have been formed, such as the National Market Vendors Cooperatives, the Philippine Federation of Credit Cooperatives, and the National Confederation of Cooperatives. Most of them are registered with the CDA, which give them access to the social protection schemes.

- ***Non-Government Organizations***

NGOs provide assistance to various informal sector groups. Their services range from capability building to credit assistance to poor entrepreneurs. They play an important role in financing and running community-based programs.

- ***Workers and Employers' Organizations***

Workers and employers' organizations, as well as labor center and unions, also try to alleviate the plight of the informal sector. Workers' unions, due to their close contact with unemployed workers who have joined the informal sector, usually generate activities that provide some income and protection for members of the informal sector. The Federation of Free Workers (FFW) have organized a tricycle cooperative in Cainta, Rizal while the Trade Union Congress of the Philippines (TUCP) has also organized one in Dagat-dagatan, Navotas.

- ***Church-Based Organizations***

To extend pastoral services to informal sector members in their own parishes, the Archdiocese of Manila Labor Center (AMLC) has formed parish-based labor organizations, the PABLO, to provide legal and pastoral services to workers who are outside the mainstream labor

movement. The Archdiocese of Cebu has also established a labor apostolate which organized a multi-purpose cooperative, with credit facilities for emergency needs and livelihood projects.

STATISTICAL DATA ON INFORMAL WORKERS

Informal Employment comprises:

- *Own-account workers and employers employed in their own informal sector enterprise*
- *Contributing family workers, irrespective of whether they work in the formal or informal sector*
- *Employees holding informal jobs, whether employed by formal enterprise, informal sector enterprise, or as paid domestic workers of the households*
- *Members of informal producer's cooperatives*
- *Own-account workers engaged in the production of goods exclusively for own final use by their household*

Table 3. Number of Employed Persons by Sex, Philippines: April 2008

<i>Class of Worker (First Job)</i>	<i>Sex (In thousands)</i>		
	<i>Total</i>	<i>Male</i>	<i>Female</i>
<i>Philippines</i>	<i>33, 535</i>	<i>20, 774</i>	<i>12, 762</i>
<i>Worked for private household</i>	<i>1,572</i>	<i>239</i>	<i>1,333</i>
<i>Worked for private establishment/corporation</i>	<i>13, 359</i>	<i>9,542</i>	<i>3,817</i>
<i>Worked for govt/gov't corporation</i>	<i>2,667</i>	<i>1,321</i>	<i>1,346</i>
<i>Self-employed without any employee</i>	<i>10,067</i>	<i>6,460</i>	<i>3,607</i>
<i>Employer in own family operated farm or business</i>	<i>1,544</i>	<i>1,203</i>	<i>341</i>
<i>Worked with pay on own family operated farm or business</i>	<i>127</i>	<i>95</i>	<i>32</i>
<i>Worked w/o pay on own family operated farm or business</i>	<i>4,200</i>	<i>1,915</i>	<i>2,285</i>

Source: NSO, 2008 Informal Sector Survey

- Almost 9 in every 10 employed in Education sector have written contract while those employed in the Private Household had the least employed (2.3%) reporting written contract.
- Employed person in the household usually have verbal contract

Major Industry Groups	Total (In '000)	Types of Benefits (In percent)					
		Social Insurance	Paid Leave	Paid Sick Leave	Maternity/ Paternity Leave	Protection Against Dismissal	Compensation in cause of Dismissal
Agriculture, hunting and forestry	2,903	10.0	6.8	7.1	6.7	50.3	8.7
Fishing	412	5.0	2.6	3.0	2.1	48.2	5.8
Mining and Quarrying	100	24.4	16.1	15.8	14.2	56.4	19.5
Manufacturing	2,112	57.8	38.2	39.0	37.5	60.8	39.3
Electricity, Gas and Water	122	79.6	66.2	68.3	62.7	66.2	64.5
Construction	1,691	13.1	7.2	7.7	6.5	48.7	9.4
Wholesale and retail trade; Repair of motor vehicles, motorcycles and personal and household goods	2,093	43.9	24.8	25.8	23.9	59.0	29.4
Hotel and Restaurants	653	48.8	26.4	26.5	25.9	57.6	30.7
Transport, Storage and Communication	1,439	30.7	20.6	21.6	20.0	55.0	23.8
Financial Intermediation	347	86.4	72.0	73.4	70.4	71.6	72.1
Real Estate, Renting and Business Activities	794	79.1	54.0	56.2	51.5	66.5	56.8
Public Ad and Defense	1,662	58.7	58.0	59.4	56.8	70.1	56.6
Education	1,017	89.4	81.3	81.4	83.5	73.5	79.4
Health and Social Work	339	78.8	68.4	70.7	70.1	72.5	68.8

Table 4. Wage and Salary Workers by Type of Benefits by Major Industry Groups, Philippines: April 2008

Other Community, Social and Personal Service Activities	519	29.2	20.6	21.4	20.3	62.2	22.1
22.1 Private Households w/ employed persons	1,572	6.3	3.7	5.1	2.9	56.4	5.9
Extra-territorial Organizations and bodies	2	64.3	83.1	83.1	83.1	67.1	64.3

Source: Informal Sector Survey: April 2008 (NSO)

RELIEVING THE SORE OF THE INFORMAL ECONOMY

Initiatives from Trade Unions and Civil Society

Trade unions have taken greater interest to address the known poor condition of the informal sector. Despite their shrinking membership, trade unions have been pursuing to develop more traditional/classical strategies and approaches in organizing the underground sector. Overall, lucklessly, initiatives of trade unions have been limited and minimal. Civil society, on the flip side of the coin, has as well done various initiatives and actions promoting the interests of the informal sector in terms of research, advocacy, lobbying and livelihood programs.

Nonetheless, the pursuit of these actions and initiatives for the informal sector cannot be left to the trade unions and civil societies. The interests of the informal sector can best be sustained using a multi-dimensional approach based on a social partnership with the government – national and the local government units, civil society and the trade unions.

Government in Resolving the Undying Predicament

Presently, the Department is converging with other government agencies to ensure that informal sector workers will have access to strengthen social protection, general labor and safety and health standards, and social dialogue to attest the government's firm commitment to the uplift of the country's workers in the informal economy.

DOLE is now implementing the government's intervention in four identified areas for informal workers through convergence of social protection programs and partnership building in order to maximize limited resources and effect greater impact. These areas are the labor market intervention, social insurance, social welfare, and social safety nets.

As relate to convergence, the DOLE's now working partnership with the NEDA, DPWH, DA, DOTC, DOST, DAR, DOT, DENR, DTI, and TESDA in the implementation of the Community-Based Employment Program, particularly its emergency employment component to create jobs that provide income to vulnerable workers and their families.

In addition, DOLE's Integrated Livelihood Program towards Community Enterprise Development (DILP-CED) is on the verge of implementation in cooperation with such agencies as the DTI for product-market linkage; the DOST for technology support; and the DILG through the various local government units for beneficiary identification and program and project monitoring and evaluation.

Coordination as well with the Social Security System, Phil-Health, and Pag-Ibig is done to expand informal workers' access to social security, health, and other benefits.

These various national government agencies are expected to come up with their joint Commitment of Support to the Informal Sector. They are to present their responses to the varied needs of informal sector workers based on the salient features of the proposed Magna Carta for Workers in the Informal Sector which will be one of the focuses of discussion at the event.

It is according to Secretary Baldoz that the Labor Day for workers in the informal sector is in consonance with the vision of President Benigno S. Aquino III, in his Social Contract with the Filipino People, for inclusive growth that gives opportunities for the poor and the marginalized to rise above poverty, and for enterprises in the country, whether big or small, to thrive and grow.

Moreover, the campaign for inclusive treatment, for more social protection of workers in the informal economy, squarely fits the aim enunciated by President Aquino III in his 22-point platform and policy pronouncements on labor and employment, "to invest in our country's top resource, our human resource, to make us more competitive and employable while promoting industrial peace based on social justice.

DOLE, in cooperation with various sectors and agencies, is rigorously implementing the social protection strategies outlined in the Labor and Employment Plan 2011-2016 to address limited social protection coverage; to expand access to employment opportunities; and to enhance the quality of employment.

Carrying on the Challenge

In many regions informality is on the rise or at least persistent. Even in environments that have benefited from sustained growth, informal employment is often rising faster than formal employment.

This calls into question the approach of focusing policy interventions on those who are in the formal economy. Instead, the main challenge is to increase the productivity and earnings and reduce the risks of those working informally, with the aim of creating more decent jobs and gradually formalizing informal employment.

Continuous monitoring and measuring of the condition of workers especially in the informal sector is a very important component in this advocacy of combating the race to the bottom

tendencies that came along the increasing 'informalization' of employment in fast growing Asia and the rest of the world.

Further Integrations and Empowerment Approach

The way it appears now, the issue of the underground workers will have to remain as it is while the prevailing legal framework persists. Hence, there is a need to reform the country's legal framework or if not, interject more salient working provisions within the spirit of the Social Reform and Poverty Act (RA 8425) and Executive Order 452. However, such provisions should be more expansive to include not just the vendors but the entire informal sector as a whole.

Moreover, the concept of labor rights needs to be contextualized into the situation of the informal sector—being an inherent feature of the formal labor. The absence of employer employee relations has been the main obstacle in getting the idea of labor rights into the informal sector agenda.

But Social Justice and Human Rights approach espoused in the 1987 Constitution or the human rights approach espoused by Litong, et al (2002), Sampang (2006) and Feliciano (2002), proved to be effective in addressing legal barriers as defined in the Philippine Labor Code— at least, at the level of discussion and more effective exchange of ideas.

RECOMMENDATIONS

Several agencies and institutions had now been engaged into such facilitation of programs and services, utilizing the government's convergence approach. These activities aim to bring the informal sector to fore in the President's development agenda and work for the laboring poor in the informal sector.

Based on findings of micro-surveys of informal sector participants, Alonzo proposes techniques for policy considerations. He suggested that any program aimed at addressing the needs of the sector must recognize the diversity of its activities, the differences between the heads of the enterprises and of their workers, and the type of activities that are marginal from those that have potentials of economic viability. He as well proposed that government allow informal enterprises to compete without favor to any particular class and provide an atmosphere where the true value of the output they contribute is recognized.

CHALLENGES

To a large extent, institutions still bear the skewed legacy favoring larger enterprises in the allocation of resources and privileges. The informal sector is, therefore, ill-covered by institutional arrangements, especially as regards national registries, social protection systems, labour legislation and access to productive resources.

More important, rules and procedures traditionally practiced by organized markets and relevant agencies tend to be biased against certain segments of society, as may be gleaned in the following cases:

Census: Enumeration of establishments by official censuses and surveys mainly encompasses enterprises employing 10 or more workers, thus leaving out information about microenterprises, or those with fewer than 10 workers, including homeworkers.

Registry – Government registration procedures in many cases are too cumbersome and difficult for informal sector members, who can ill-afford to leave their businesses for a day or more.

SSS – (1) Enterprises with fewer than five workers are not required to register with the Social Security System. (2) Clear employer-employee relationship should be established for shared contributions, something which may not be formalized in many contractual arrangements. (3) Collection centers may not be accessible from poor communities, where many informal enterprises are based. (4) Lower-cost coverage for more immediate contingencies was not available, until when PhilHealth was established.

Labour Laws – While the country's labour laws are theoretically meant for the entire labour force, (1) most workers' rights are enforceable only among those with clear and formal employer-employee relationships, and (2) work conditions are monitored only in enterprises with more than five workers.

Banks- Banks are more often than not have procedures and paperwork too complicated and daunting, as well as require physical collateral, which many informal sector members do not have.

Training institutions – Conventional training are mostly held in centralized and modern locations, conducted in English, and use pedagogical approaches, all of which may not be suitable to informal sector members who may require on-site training at times

or on days when they are not at work, use vernacular language and possible adult learning process.

Productive inputs – Providers of training, technology, market information, finance and business consultancy, including public agencies, tend to be averse to servicing the needs of microenterprises and the informal sector.

With changing times, people's perceptions of work and enterprise creation are likewise changing. More than ever, new entrants to the labour market prefer running their enterprises over employment, presumably because of the prospects of reaping higher incomes in the long run as against simply earning fixed wages.

For example, the majority of graduates from a skills training program run by Technical Education and Skill Development Authority (TESDA) opted to put up enterprises of their own or considered self-employment using their learned skills, rather than seeking employment. Layoffs, instability of employment in many companies, the dearth of new jobs and inadequate opportunities for strengthening job tenure or anchoring good pay were some factors cited by the graduates.

Improving Working Conditions



Occupational health and safety (OSH) is inextricably linked to productivity and enterprise growth. That is, work becomes productive when performed in a healthful manner. Conversely, productivity, translated into higher enterprise incomes, allows owners to finance improvements in the workplace, thereby promoting healthful work.

The following salient strategies emerges as potential answers to challenge of promoting OHS in the informal sector:

- 1) Enforcement of existing laws
- 2) Training and Education
- 3) Research

Since a nation's workforce is also the backbone of its economy, protecting the health and safety of a large number of its workers also means safeguarding the economic welfare of the country.

As the Philippine's current difficulties continue to push formal workers into the informal economy, the need to protect worker health and safety becomes doubly urgent. By continuing current initiatives and pursuing the options presented here to improve the overall condition of the informal sector, the country's workforce morale may be maintained and its economic cogs are kept running.

The Decent Work Agenda

Principle of decent work could be as important in the informal as in the formal economy. The right to organize, an enabling right, could constitute to attaining specific goals. The way people organize in the formal economy may be disparate in the informal and formal sector since informal economy is not wage work and the immediate purposes of organization may vary. However, the goal of the voice and representation could perhaps be the same. This is also true of the other core labour standards. Discrimination, for instance, may limit access to credit, to land, to space for trading activities and to many other aspects of informal self-employment. Child labour prevents escape from low-income informal activities. The real issue, then, is how to extend these rights to all people, not to limit their application.

Ways to increase economic capabilities and strengthen voice, to defend rights, to generate and transfer resources and change incentives could then be imperative. There is often scope for new forms of action by existing actors, but there is also a need for new actors and new institutions to raise skills, open markets and improve working conditions. Formal enterprises which rely on informal employment through subcontracting arrangements may be a means to promote decent work policies in the informal economy. Many trade unions have recognized the challenge and are trying to extend the capacity to organize to informal workers, but a variety of other actors are also involved.

From community to national policy level, organization has been a key element in supporting the spirit of entrepreneurship among both men and women. They have now placed safety in the workplace on their agenda. As in the formal economy, it is possible to advance simultaneously in the different dimensions of decent work. Also, in the area of social protection, a number of initiatives have already been launched.

Lack of access to appropriate financial institutions and to finance is a major cause of vulnerability in the informal economy. It also means missed opportunities for entrepreneurship in both low- and high-income countries. This is where microfinance can play a major role. Such schemes are excellent instruments for articulating the various dimensions of decent work – opening up employment, helping to promote security, stimulating empowerment, and giving voice through organization.

These initiatives are starting to have a wider impact. In the case of social security, for example, formal institutions are becoming interested in “people’s initiatives”, and are more willing to design new services to meet the needs of other segments of the population, as well as to articulate their services with the emerging schemes.

We have to support these movements towards making universality real. It would be a mistake to underestimate the challenge: it is in the informal economy that the goal of universality faces its severest test. What is clear, though, is that it is feasible for the goal of decent work to guide policy choices in the informal economy.

Concluding Remarks

The workingman is the pillar of the economy. He produces goods and delivers services. He plows the fields, runs machines, and creates products with his hands. He builds infrastructure, transport people, and serves them in commercial establishments. As if these are not enough, he is also in the streets, the corner *sari-sari* stores, backyard enterprises.

He is, therefore, indispensable to agriculture, commerce, and industry, whether big or small. Without him, these engines of progress will not move, and development will remain a dream.

Despite his importance, the worker has yet to see and enjoy the full fruits of his labors. Labor protection still leaves much to be desired and seems to be silent on some issues. While workers in the industries receive minimum wages and some benefits, others sectors get less and some are not afforded coverage by social security medical care, even separation or retirement benefits. In particular, workers in the agriculture sector and those in the so-called *underground* economy, including domestic outworkers and piece-raters are in a less fortunate circumstance.

Labor represents an important factor of production, hence, the improvement of the quality of the labor force and efforts to make it more productive and responsive to growth are necessary for the development of the economy.

Yet, it is time government look into the plight of workers, not merely as tools of production but as partners in development. Thus, this issues zeroes in on the workers – his environment, especially in the informal sector; the extent

Side by side with the 20.537 million wage and salaried workers comprising the formal sector, the informal sector contributes significantly to the country’s economic growth and resiliency,”

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