National Employment Recovery Strategy for the Workers in the Informal Sector

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Impact of COVID-19 on Informal Sector Workers

**Lockdowns restricted economic activities**

- Strict lockdown measures resulted in GDP contraction to -16.5% and increase in unemployment rate to 17.7% in 2nd Quarter 2020.
- “Digital divide” of the society forces small micro-entrepreneurs to take advantage of new business opportunities during the pandemic.

**Resulting in Loss of Livelihoods and Income Sources of Informal Sector**

- Staying at home means no income since informal sector workers rely on **daily earnings to sustain their basic necessities**.
- Worse, displaced workers from the formal sector may turn to informal sector for temporary livelihood.

**Possible Increase in Vulnerability and Poverty Incidence**

- No guaranteed social protection for all the affected population to alleviate the sudden loss of income.
- Informal sector workers are more exposed to the health impact of COVID-19 due to lack of PPEs and limited access to health care.
- Possible increase by around 1.5 million of poor Filipinos (PIDS, 2020)
Objectives

• To create a policy environment that encourages generation of more employment and entrepreneurship opportunities

• To improve employability and productivity of workers

• To provide support to existing and emerging entrepreneurs
National Economic Recovery Strategy Framework

GOVERNANCE
- Gradual reopening of the economy
- Easing of quarantine and age restrictions
- Availability of transport
- No/low interest business loans
- Wage subsidy to preserve employment
- Build Build Build
- Balik Probinsya

RESTART ECONOMIC ACTIVITIES
- Trade and investment promotions
- COVID-proofing of businesses
- Consumer protection
- Enforcement protocol on minimum health standards

RESTORE BUSINESS CONFIDENCE
- Skills needed in the new normal
- Technology-driven training
- Soft/life skills
- Productivity
- Work ethics

UPGRADING & RETOOLING OF THE WORKFORCE
- Virtual platforms for referral and placement
- Career Advocacy and Employment Coaching
- Public Employment Services
- Labor Market Intelligence

SUPPORT INFRASTRUCTURE

National Economic Recovery Strategy 2021-2022

National Employment Recovery Strategy
Consultation Workshops with WIS and Key Outputs

- **Focus Group Discussion (FGD) with the WIS organizations** on 15 April 2021
  - Situational Analysis on the Impact of COVID pandemic to the Workers in the Informal Sector

- **Validation Workshop** on 22 April 2021 and **Job Summit** on 01 May 2021
  - Labor Sector Agenda Towards the Employment Recovery
# 8-Point Employment Recovery Agenda

To address the identified issues and challenges:

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8-Point National Employment Recovery Action Plan

- **Point-1**: Approval of the Proposed Wage Subsidy for Private Sector Workers
- **Point-2**: Conduct of a Job Summit
- **Point-3**: Support the passage of priority legislations and policies that strengthen economic and employment recovery
- **Point-4**: Promote retooling and upskilling of workers
8-Point National Employment Recovery Action Plan

- **Point-5:** Full implementation of youth employability programs

- **Point-6:** Extend assistance to establishments through loans, deferment of applicable fees, upgrading of processes

- **Point-7:** Provide social protection to vulnerable groups”. These include the government livelihood programs (i.e. DOLE Integrated Livelihood Program (DILP)) and cash subsidy from DOTr for affected transport sector workers

- **Point-8:** Monitor and support continuous implementation of programs with high impact on employment
Key Initiatives Towards the Recovery of Workers in the Informal Sector

Provision of Livelihood and Emergency Employment Assistance

DILP
71,972 benef.
P983M
(Y2020 – 1st Q, 2021)

TUPAD
983M benef.
P4B
(Y2020)

TUPAD
1.088 M benef.
P6.126B
(1st Quarter, 2021)
Key Initiatives Towards the Recovery of Workers in the Informal Sector

DOLE’s Contribution to Build Back Better
(Executive Order No. 120 (Strengthening Rehabilitation and Recovery Efforts through Creation of Build Back Better Task Force))

**DILP**
- 4,081 benef.
- P41M

**TUPAD**
- 8,366 benef.
- P63M

Bamboo Planting, Dredging Operations in Cagayan River, rehabilitation of Marikina River, Riverbank stabilization in Bicol

Covered Areas: Regions NCR (Marikina), 2 (Cagayan, Isabela, Quirino), 3, 4-A, MIMAROPA, 5
Coverage of BBB Plan: 2020 -2025
Key Initiatives Towards the Recovery of Workers in the Informal Sector

DOLE’s Contribution to Zero Hunger
(Executive Order No. 101, S. 2020 (Creating an Inter-Agency Task Force on Zero Hunger)

KRA 5:
Ensure Resiliency and Food Stability for Emergencies

TUPAD
7,944 benef.
P33 M
(Y2020)

Repair, maintenance and/or rehabilitation of farm to market roads, irrigation facilities and community farming
Key Initiatives Towards the Recovery of Workers in the Informal Sector

DOLE’s Contribution to Balik Probinsya, Bagong Pag-Asa Program

(Executive Order No. 114, S. 2020 (Institutionalizing the Balik Probinsya, Bagong Pag-asa Program as Pillar of Balanced Regional Development)

**DILP**
62 benef. in Region 8
P1.316M
(rice trading, food vending, vegetable farming, motor parts ad repair services)

**TUPAD**
6 benef. in Region 11
P36,000
Cleaning of their respective households and vicinity and gardening for 14 days from April 16-30, 2020

For completion of requirements of BP2 applicants in Region 11 for availment of DILP and in Region 2 for availment of DILEEP
Plans and Initiatives for Y2021

Regional Rollout of ILO Recommendation No. 204

The Department of Labor and Employment (DOLE) will resume the conduct of rollout activities for ILO Recommendation No. 204 (Transitioning from Informal to Formal Economy) in selected Regional Development Councils (RDCs) across the country. This activity seeks to raise awareness of local policy makers on ILO R204 in developing responsive policies and programs for the workers in the informal sector.

Towards Institutionalization of Informal Employment Statistics

The Bureau of Workers with Special Concerns (BWSC) is working with the Interagency on Labor and Productivity Statistics (IACLPS) to include informal employment statistics in the labor force survey. At present, the IACLPS will create a TWG to formulate a standard definition on “informal employment”
Reconvening of the Subcommittee on Informal Sector (SCIS)

The Department of Labor and Employment (DOLE) will reconvene the Subcommittee on Informal Sector (SCIS) under the Social Development Committee of the National Economic and Development Authority (NEDA-SDC). Also, DOLE will consider possible restructuring to make it more responsive to the policy needs of the sector.

Support to NAPC-WISC Thematic Clusters on Enterprise Formalization

The BWSC will continue its support to the Thematic Clusters on Enterprise Formalization which is being spearheaded by the NAPC-WISC. The inter-agency clusters provide opportunities to harmonize the sectoral agenda with the programs and plans of government agencies.
Ways Forward

- Strengthening the legal identity of “workers association” for economic purposes through amendment of Department Order 40-03.

- Creation of local database for workers in the informal sector as reference for identification of beneficiaries of social assistance programs.

- Institutionalization of informal employment statistics in the Labor Force Survey (LFS)

- Development of a national policy to support the transitioning from informal to formal economy.
Thank you