

# EXPLORING POLICIES AND INITIATIVES IN ONLINE WORK IN THE PHILIPPINES

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PIDS and SERP-P hybrid knowledge-sharing  
forum on "Unpacking the Rise of Online  
Filipino Platform Work and the Gig Economy

October 28, 2024



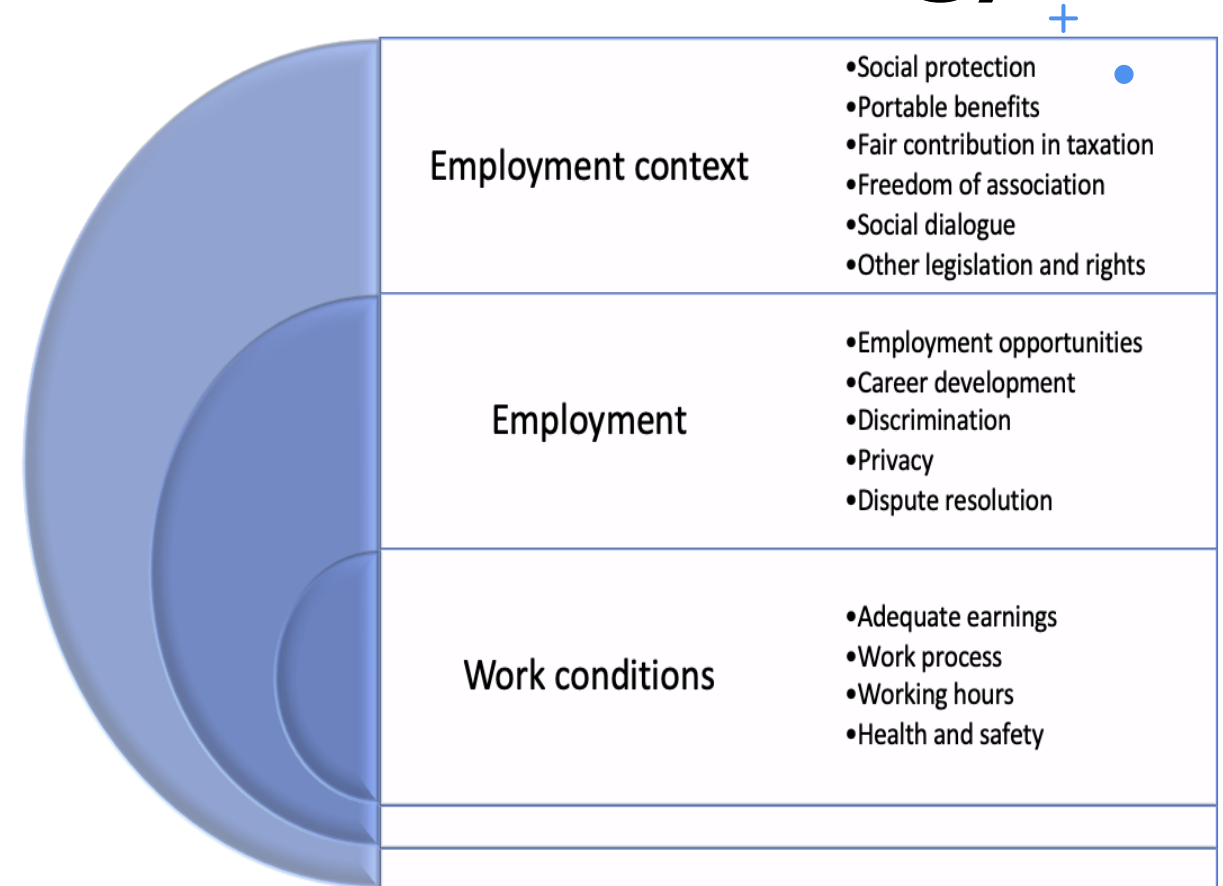
# Objectives

Analyze policies and initiatives related to online work

Identify gaps and issues

Provide recommendations to ensure decent online work

# Methodology



# **Why** is there growing interest in online work?

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**New technologies**

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**Covid-19 pandemic**

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**Filipino qualities**

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**Freelance revenue growth**

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**Women economic opportunities**

# Nature of platform work

## Crowdwork/online outsourcing/cloud work

- Macrotask/online freelancing
- Microtask/
- microwork

## On-demand work/gig work

- work organized online, but the delivery needs interaction between workers and end-users

# Issues

## Vagueness and ambiguity of employment status

- Heeks et al. (2020) – “dependent contractor”
- FOPSCo – online employees; online service providers/consultants; online business owners

## Precarious source of income

- Securing work
- Earning just compensation
- Sustaining work and advancing career

## Lack of social protection

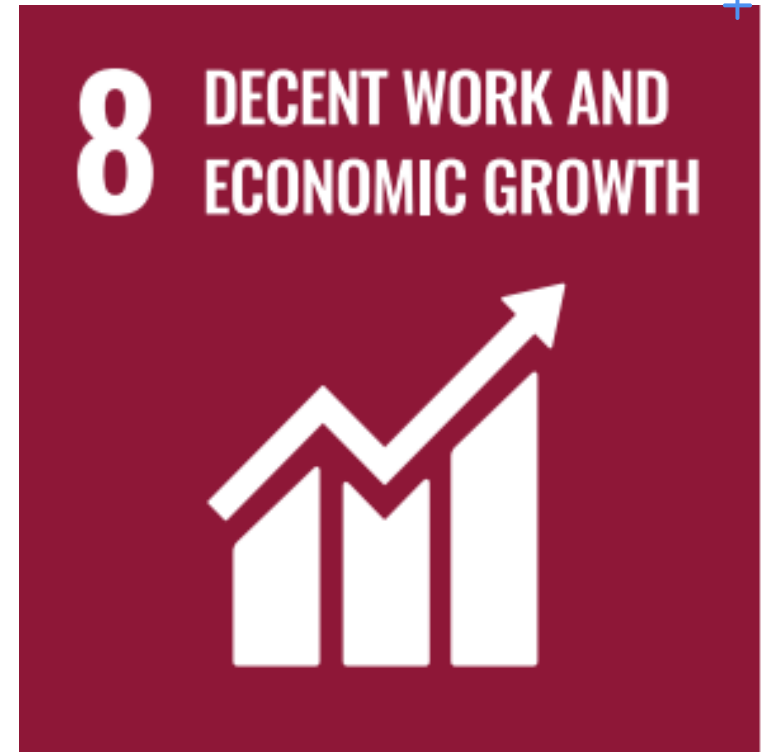
## Susceptibility to risk and exploitation

- Oversupply of online workers
- Employment insecurity
- Discrimination
- Social isolation
- Overwork
- Psychological harm
- Free labor
- ‘Race to the bottom’ wage rates

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# What is decent work?

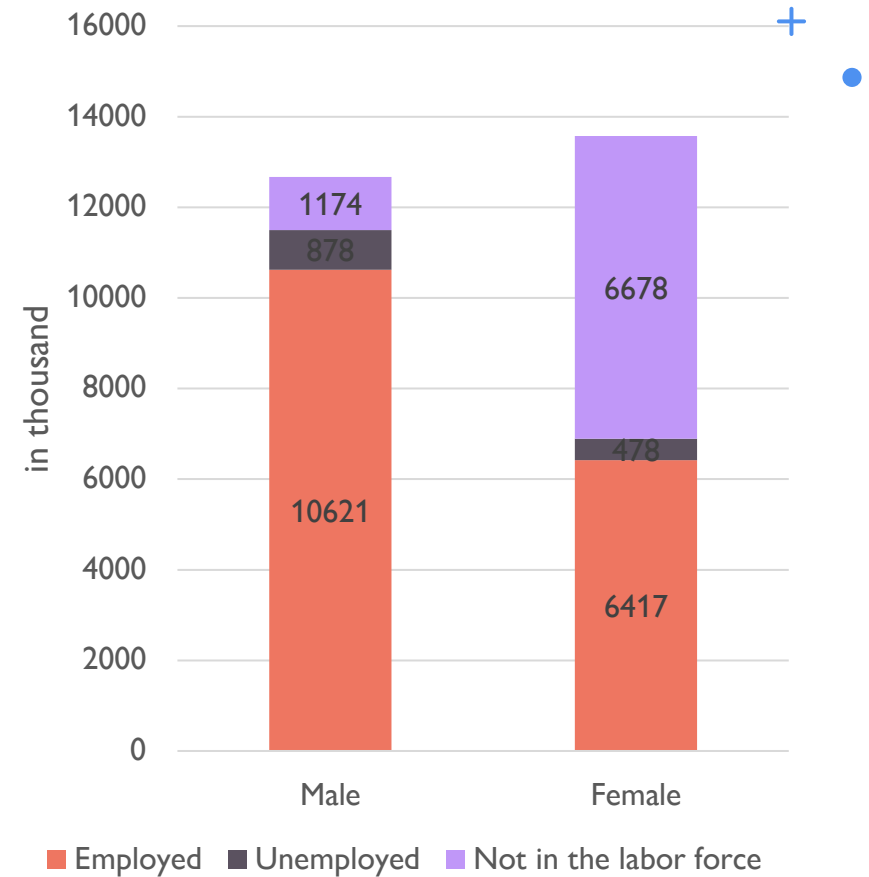
- SDG8 aims to “promote inclusive and sustainable economic growth, employment and decent work for all”.
- Decent work means “opportunities for everyone to get work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration”.



Source: Sustainable Development Goals

# Employment context

- Government Service Insurance System (GSIS) for the government sector
- Social Security System (SSS) for the private and informal sector
- PhilHealth and Universal Health Care Act (RA 11223)
- Portability law (1994)



# Employment context

<b>SSS and GSIS contributing Members (in thousands) [a]</b>		<b>Workers (in thousands) [b]</b>		<b>Estimated coverage (%) [a/b]</b>
<b>SSS members</b>	<b>16,540</b>	<b>Private and wage salary workers, own-account workers, and OFWs</b>	<b>36,316</b>	<b>46</b>
Employees and domestic workers	12,298	Private wage and salary workers	22,684	54
Self-employed and voluntary members	3,693	Own-account workers	12,581	29
OFWs	549	OFWs (1 <sup>st</sup> Sem 2018)*	1,051	52
<b>GSIS members</b>	<b>1,820</b>	<b>Workers in the government or government corporation</b>	<b>3,575</b>	<b>51</b>

Note: SSS and GSIS contributing members – refer to members with at least one month of posted contribution for the given year. Private wage and salary workers – interpreted by the author as the number of wage and salary workers minus those who worked for the government or government corporation.

Source: [a] PSA (n.d.b.); [b] PSA (2018); \*POEA (n.d.)



# Perceived employment status of platform workers and membership in social protection schemes

	Pag-IBIG (mandatory and voluntary contributors)	SSS (compulsory and voluntary contributors)	PhilHealth (direct and indirect contributors)
<b>Freelancer</b>	(not explicitly listed)	(not explicitly listed)	(not explicitly listed)
<b>Independent contractor</b>	(not explicitly listed)	(not explicitly listed)	(not explicitly listed)
<b>Self-employed</b>	✓	✓	✓
<b>Employee</b>	✓	✓	✓
<b>Entrepreneur</b>	✓	✓	(not explicitly listed)
<b>Part-time worker</b>	(not explicitly listed)	(not explicitly listed)	(not explicitly listed)
<b>Platform worker or worker in the app</b>	(not explicitly listed)	(not explicitly listed)	(not explicitly listed)

Note: ✓ = Either the employment status is explicitly stated or has synonymous terms in the membership categories in the laws on social welfare services. Those who are not explicitly stated may fall under other categories.

Sources: RA 9679; RA 11199; RA 11223

# SSS benefits and requirements

Benefits	How to avail benefits
<b>Sickness</b>	3 months of contribution within last 12-month period immediately before the semester of sickness.
<b>Maternity</b>	3 months of contribution within last 12-month period immediately before the semester of childbirth, miscarriage, or emergency termination of pregnancy.
<b>Disability</b>	1 month contribution before the semester of disability.
<b>Retirement</b>	At least 120 contributions to have monthly pension.
<b>Death</b>	At least 36 months contributions.
<b>Funeral</b>	At least one (1) contribution payment
<b>Unemployment benefits</b>	At least 36 monthly contributions paid, where 12 months of which is within 18-month period immediately preceding the month of involuntary separation.
<b>Employees' compensation (EC) program</b>	At least one (1) month contribution prior to the semester of death.

Source: [https://www.sss.gov.ph/sss/DownloadContent?fileName=SUMMARY\\_OF\\_BENEFITS.pdf](https://www.sss.gov.ph/sss/DownloadContent?fileName=SUMMARY_OF_BENEFITS.pdf) (accessed on July 28, 2021).

# Possible BIR classification of online workers

<b>Employment Status of Online Workers</b>	<b>Possible BIR Classification</b>
<b>Freelancer</b>	Professional/single proprietor
<b>Independent contractor</b>	Single proprietor
<b>Self-employed</b>	Professional/single proprietor
<b>Employee</b>	Compensation earner
<b>Entrepreneur</b>	Single proprietor/partnership/corporation
<b>Part-time worker</b>	Professional/single proprietor
<b>Platform worker or worker in the app</b>	Professional/single proprietor

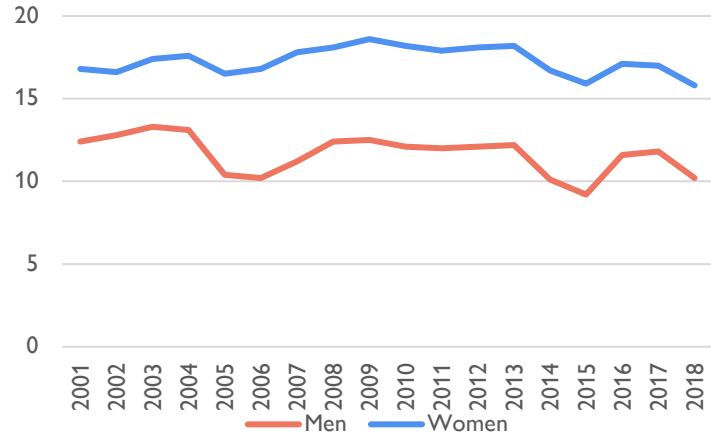
Note: Online workers receiving both compensation income and income from conducting business or professional practice can also be considered mixed-income earners.

Source: Authors' compilation based on BIR (2021) and BIR n.d.

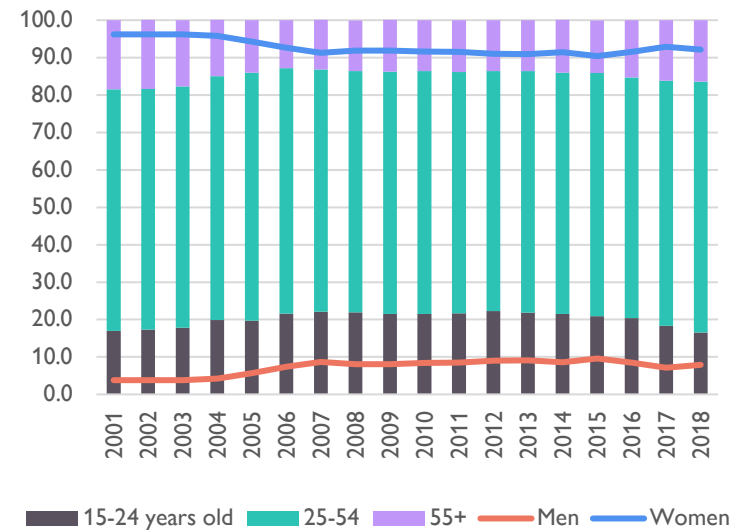
# Employment: Existing and proposed policies and initiatives

<b>Related laws</b>	<ul style="list-style-type: none"><li>• Philippine Digital Workforce Competitiveness Act (RA 11927)</li><li>• Internet Transactions Act of 2023 (RA 11967)</li></ul>
<b>Proposed Legislation (19<sup>th</sup> Congress)</b>	<ul style="list-style-type: none"><li>• Konektadong Pinoy Act</li><li>• Freelancers Protection Act</li><li>• Magna Carta for Workers in the Informal Economy</li></ul>
<b>DICT</b>	<ul style="list-style-type: none"><li>• Free WI-FI for all</li><li>• Tech4ed-DTC</li><li>• DigitalJobsPH</li></ul>
<b>Decent Work Country Programme (DWCP) 2020-2024</b>	<ul style="list-style-type: none"><li>• Tripartite code of conduct</li><li>• Online worker-led rating system</li><li>• Incubation of platform cooperatives</li></ul>
<b>Public-private collaborations and Private initiatives</b>	<ul style="list-style-type: none"><li>• DICT and ILO Women in Stem Programme</li><li>• WeEmpowerAsia program – Connected Women, in collaboration with UN Women, European Union, and TESDA Women’s Center</li><li>• Women Empowerment-ICT (WE-ICT) initiative – #SheMeansBusiness and WeTrainWeMatch</li></ul>

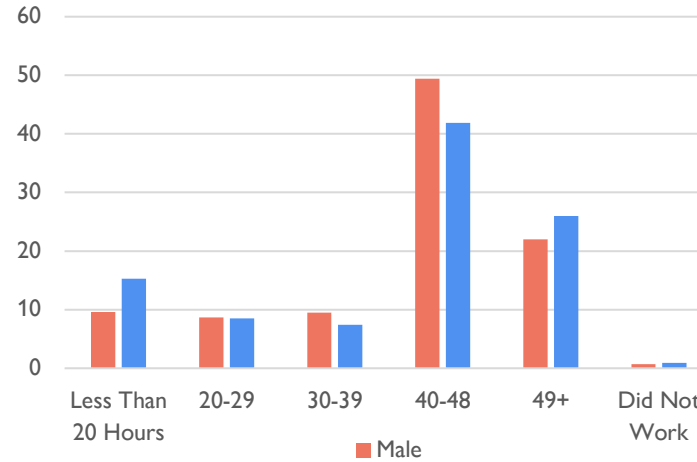
**Percent share of low-paid wage and salary workers to the total employed workers, 2001-2018**



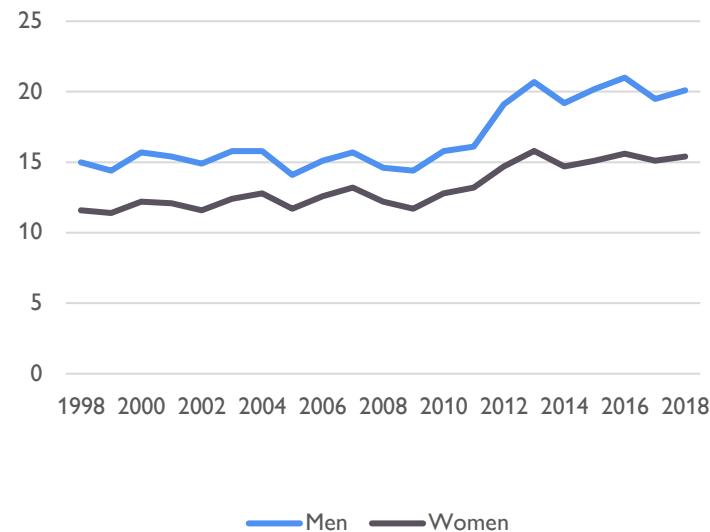
**Percent distribution of economically inactive persons due to household/family duties, 2001-2018**



**Percentage distribution of employed by hours actually worked per week in all jobs by sex, 2018**



**Percent Share of Employees in Precarious Work to Total Employed by Sex (Household survey data), 1998-2018**



Work conditions  
Adequate earnings,  
productive work,  
Care economy, and  
precarious work

# Policies advancing gender equality

## Magna Carta of Women (RA 9710)

- Philippine Commission on Women (PCW)
- Gender Equality and Women Empowerment (GEWE) Plan 2019-2025

## Proposed legislation that ensure gender equality:

- Magna Carta for Workers in the Informal Economy (SB 2478, 1358)
- Freelancers Protection Act (SB 1419, 945, 136, 45)

## Women in decision-making process

- Social Security Commission
- PhilHealth Board of Directors
- Cooperative Development Authority (CDA) Board of Directors

# Summary



The rise of online work presents a great opportunity for Filipinos.



Online workers are heterogeneous and may have different income streams. Online work is also fluid.



The challenge for government and society is to ensure that online work is decent work.

# Employment context

*Legal and institutional foundations for social security or social protection necessary for decent work are in place BUT need to be updated.*

- Maintaining active membership
- Review and update
- Field experiments
- Simplified process of registration
- Universal social protection
- Taxation issue



# Employment

Government's focus on career opportunities

Internet connectivity

Greater public-private partnerships

Marginalized sectors - Skills training; digital divide

Data on the digital economy

Proper role of government (national and local levels)

Monitoring and evaluation of programs

# Work conditions

## Basic rights extend to online workers

- Bills on Freelancers Protection
- Bills on Magna Carta for Workers in the Informal Economy

## Law enforcement outside Philippines

## Informal and formal networks of online workers

## Upskilling to provide high-value services

# Women's participation in the digital economy

Incorporating gender equality in new laws

Communication among national and local government

Women involvement in tripartite councils/consultations

Portable and flexible social protection systems (Bayudan-Dacuycuy et al. 2020)

Unemployment insurance (Bayudan-Dacuycuy and Baje 2021)

Non-contributory maternity cash transfer (Ulep et al. 2020)



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# Thank you!

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Full report can be accessed at:

<https://pids.gov.ph/publication/books/critical-issues-in-the-philippine-digital-economy> and

<https://www.pids.gov.ph/publication/discussion-papers/exploring-policies-and-initiatives-for-online-workers-in-the-philippines>

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