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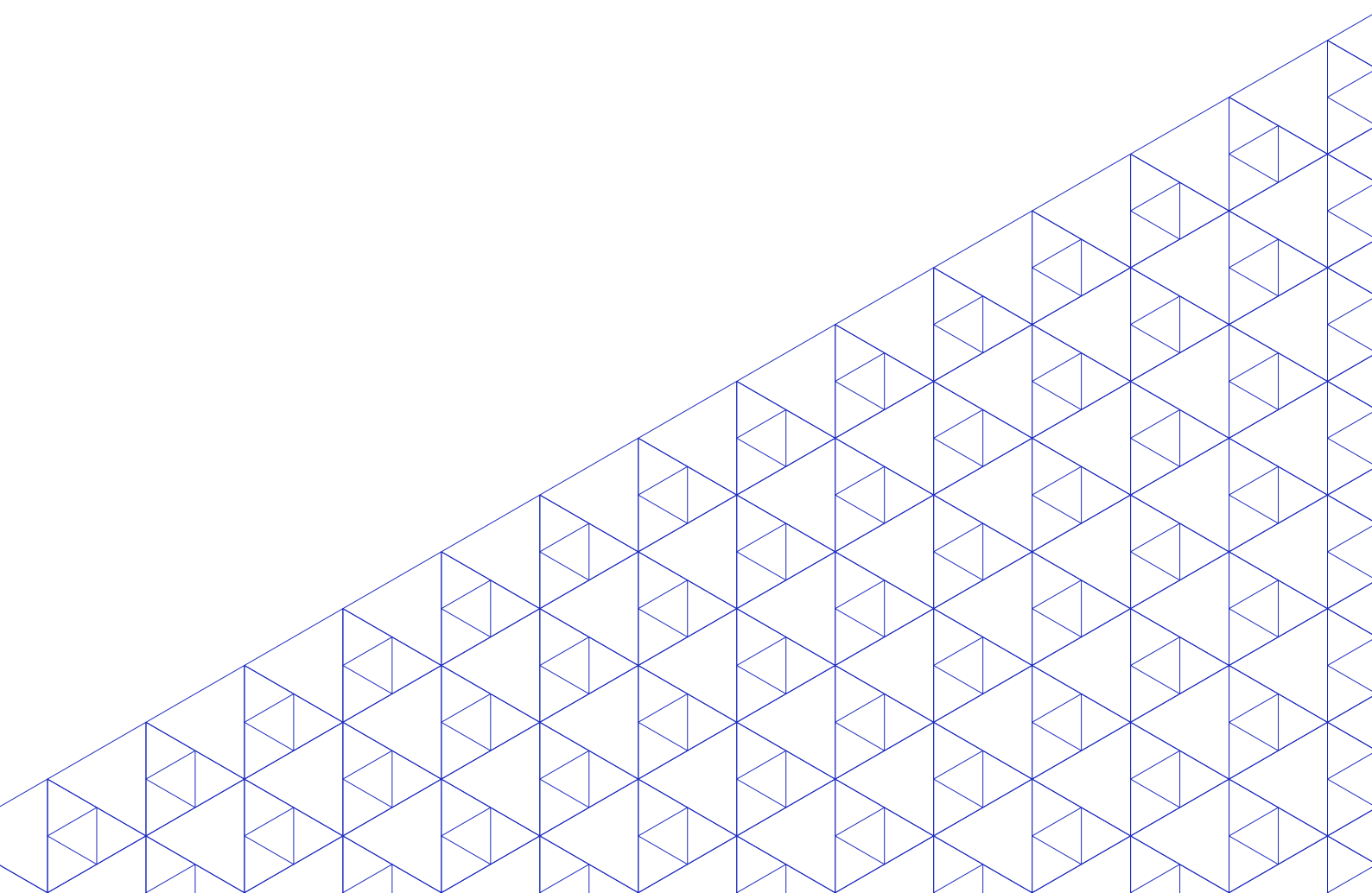
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► Homeworking in the Philippines

Bad job ? Good job ?

Author / Amelita M. King-Dejardin





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Abstract

This report focuses on two categories of homeworkers in the Philippines: industrial homeworkers, who assemble or fabricate goods for factories, retailers or their agents under subcontracting arrangements; and online workers, who render services to their clients or employers via telecommunications technologies and digital platforms. Using new data generated from focused group discussions and interviews with industrial homeworkers, an online survey of online “freelance” workers, and interviews with key informants, this report provides valuable insights into workers’ motivations for engaging in homework, patterns of employment relationships, and working conditions, while comparing the two types of homework, and female and male workers. Entry into homework remains gendered. Child care and family care continue to be the principal driving force for women regardless of income level and educational attainment. Women dominate industrial and digital homework, even as many men take up online work as a principal occupation due to its flexible work schedule and higher pay. Issues of job insecurity, precarious and irregular earnings, exclusion from statutory health insurance and social security, disguised employer-employee relationships, and lack of legal recourse for non-payment of wages cut across both types of homeworking. Fairly high salaries and output-based payments coexist with meagre and volatile earnings in online work, while poverty wages are the mainstay of industrial homework. The value to women of earning, no matter how small, while caring for their children and family cannot be ignored. For them, this is vital and empowering. Nonetheless, the absence of effective governance that ensures homeworkers of fair working conditions and income security, combined with the lack of alternative care support and arrangements, exposes women and men to risks of exploitation, robs them of bargaining power, and traps many in poor quality jobs. An appropriate governance framework for homework is indispensable but not sufficient. Through self-organization and collective action, homeworkers can demand for better governance and State action, claim their legal rights, raise their bargaining position, and minimize a race to the bottom among their ranks.

About the authors

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Introduction

This report focuses on two categories of homeworkers in the Philippines, namely, industrial outworkers, who assemble, fabricate or process goods for factories, retailers or their agents under subcontracting arrangements; and online workers, who render their services to employers via telecommunications technologies and digital platforms. In general, they work in their own homes, but may also work in shared spaces or anywhere outside the premises of their employer.¹ Industrial outworkers have been around for a few centuries but online workers emerged as a new breed only in the past decade.

The use of homework became intense in the 1970s up till early 1990s, the height of the Philippines' labour-intensive manufactured exports. Homeworkers were numerous and visible. The standard narrative of academic research in homework of that period was that homeworkers were effectively excluded from labour and social protection, were vulnerable to labour exploitation, and laboured under poor working conditions for three reasons: the home is their workplace, their employment relationship is informal and hidden in private households, and they are located at the bottom of the global supply chain.

Homeworkers today continue to figure in the manufacture of consumer goods in the Philippines, much less for global markets than for the domestic market. With the decline in the share of garments, handicrafts and other labour-intensive manufactured goods in Philippine exports since late 1990s and start of 2000s, the number of homeworkers engaged in global supply chains has decreased. In contrast, based on the limited data obtained for this report, the presence of homeworkers in domestic supply chains has markedly expanded. In some way, local producers have shifted market destinations. The working conditions of homeworkers in domestic supply chains are much less studied and documented than that of homeworkers in global supply chains.

As regards to online workers, the literature on their employment situation is scarce. Are they as vulnerable as industrial homeworkers? Is the nature of their vulnerability the same? While there are some similarities in respect of workplace and the lack of a clear legal framework covering their work, the technology that mediates the employment relationship between worker and employer is very different.

This report presents the current patterns and issues of these two categories of homeworkers in the Philippines. It attempts to answer several questions. Is the current situation of industrial outworkers different from what past literature described, and does it matter if outworkers are in domestic supply chains as opposed to global supply chains? What are the similarities and differences between industrial homeworkers and online workers? Is one better off than the other, or is homework inherently exploitative? Do homeworking trap women in bad quality jobs and reinforce women's unequal position or can homework be made fair, just and "decent"?

Severe lack of national data does not permit measurement of the population of industrial homeworkers nor of online workers, much less establish trends in their working conditions. To address the questions raised, this report draws from available secondary data, and four new sources of empirical information: six (6) focus group discussions (FGD) with industrial outworkers and two (2) FGDs with online workers (list of FGDs in Annex 1); demographic and job questionnaires completed by 85 industrial homeworkers who participated in the FGDs (tabulated data in Annex 2); an online survey of homebased digital workers who work on online platforms or work directly with clients and employers via IT technologies (tabulated results in Annexes 3 to 6); employment profile of six online workers interviewed during FGDs (Annex 7); and interviews with 19 key informants who are industry association leaders, private entrepreneurs, leaders of homebased and informal workers' organizations, and government officials in relevant policy areas (list in Annex 8).

¹ Under Convention 177, homeworkers are defined as: working in home or in premises not that of the employer.

The next section looks at the challenges of estimating the size of the homeworking sector and available information. Section 2 focuses on the current employment patterns of industrial homeworkers (sometimes referred to as domestic outworkers) and Section 3 examines that of online workers. Section 4 discusses policy issues in relation to the governance of homework and labour and social protection for these groups of homeworkers, while Section 5 cites actions taken by homeworkers to protect and improve their employment situation. Finally, Section 6 raises possible areas of action.

▶ 1 Estimating the size of the homeworking sector

The Philippine labour force survey tracks class of worker, industry classification, and occupational classification. These may be used in estimating the homeworking sector but are insufficient in identifying homeworkers as the survey does not track workplace.² Industrial homeworkers will generally report themselves as self-employed or independent contractors because they work on the basis of job orders and do not have the standard contractual arrangements like waged employees. Daughters, sons and relatives who assist the principal recipient of job orders will most likely report themselves as “contributing family members”. There may be cases, though probably scarce, where industrial homeworkers will report themselves as waged employees, for example members of PATAMABA who have come to learn that industrial homeworkers are disguised wage employees. In 1980, self-employed workers and contributing (unpaid) family workers made up 57.6 per cent of total employed.³ They comprised almost half (less than 40 million) of the total employed labour force up till early 2000s. Their numbers have declined dramatically in the last decade to less than 40 per cent (14-15 millions) of total employed. One could cross-reference class of workers with specific occupational categories of self-employed and unpaid family workers, for example, those who are engaged in particular crafts and related trades occupations (e.g. and elementary occupations (at 3 or 4-digit levels of Major Group 7 and Major Group 9 of the 2012 Philippine Standard Occupational Classification),⁴ and/or into particular manufacturing industries which are known prime users of domestic outwork (e.g. manufacture of wearing apparel, of leather and imitation leather, and of bamboo, cane, rattan and the like). However, without additional information about their production arrangements and economic relationship with the product market, one cannot determine if they are subcontracted domestic outworkers.

In the 1960s to 1980s, the Philippine Government tracked the size of the cottage industry, which could give an indication of the magnitude of homeworking (Lazo 1992:2). For the purpose of targeting government assistance, Philippine laws defined a cottage industry as an “economic activity in a small scale which is carried on mainly in the homes or in other places for profit and which is mainly done with the help of the members of the family”, and with relatively small capitalization (PHP15000 in 1962, less than PHP5 million in 1986).⁵ In 1976, data from the National Cottage Industries Development Authority put the number of registered enterprises in the cottage industry at 75,500, which had estimated 243,000 factory workers and 936,000 contractual homeworkers (Lazo 1992).⁶ By 1979, the cottage industry had 89,153 registered enterprises, with 297,830 regular workers and estimated 1.131 million contractual workers. Regrettably, no further data on cottage industries exist since 1988 when government stopped using “cottage industry” as a category of enterprises.

² The Philippine labour force survey establishes seven main classes of workers: (a) worked for pay for private household (i.e. paid domestic workers); (b) worked for pay for private establishment; (c) worked for pay for government and government-controlled corporation; (d) self-employed, i.e. persons who operate their own businesses or trades and do not employ paid workers in the conduct of their economic activities; (e) employers, i.e. persons who employ one or more paid employees in the operation of their businesses or trades; (f) worked with pay (cash or fixed share of produce) in own family-operated farm or business operated by another member living in the same household; and (g) worked without pay in own family-operated farm or business (room and board and any cash allowance given as incentives are not counted as compensation).

³ www.psa.gov.ph.

⁴ www.psa.gov.ph. Guided by the 2008 International Standard Classification of Occupations.

⁵ Definition under Section 11 of Republic Act (R.A.) No. 3470, approved in 1962; amended in 1968 by R.A. No. 5326 limiting capitalization to PHP15,000; further amended in 1975 by Presidential Decree (P.D.) No. 817, setting capitalization not exceeding PHP100,000 at the time of registration; amended in 1981 by P.D. No. 1788, defining cottage industry as “a modest economic activity for profit using primarily indigenous raw materials in the production of various articles of the country” with total capitalization not exceeding PHP100,000 at the time of registration; Executive Order (E.O.) No. 917 in 1983, increasing the capitalization requirement to a maximum of PHP250,000. In 1986, cottage industries were redefined as enterprises, excluding agriculture, with total assets of over PHP500,000 but less than PHP5 million. In 1990, Congress enacted R.A. No. 6977, which changed the capitalization for a cottage enterprise, viz.: micro- less than PHP50,000; cottage, PHP50,001 – PHP500,000. In 1998, R.A. No. 8289 completely eliminated the term cottage industry or cottage enterprise. Source: <https://bataspinoy.wordpress.com/2012/03/06/definition-of-cottage-industry/>

⁶ National Cottage Industries Development Authority, established in 1981; abolished and replaced by CITC in 1988.

One might also consider using “informal sector” data to estimate the size of the homeworking sector because of the prevalence of self-employment, unpaid family work, undeclared work and non-coverage of social security in the sector.⁷ The 1995 Urban Informal Sector Survey, which covered Metro Manila, estimated that a little over 20 per cent of total employed were engaged in an “informal activity”. Of these, 58 per cent were employees with a fixed wage, 12 per cent were paid on piece-rate, and 20 per cent were engaged in manufacturing (ILO n.d. Primer). In 2009, Phase I of the nationwide Informal Sector Survey⁸ noted that informal non-agricultural employment (wage employees, self-employed, unpaid family workers, and those engaged in production for own consumption) comprised 40 per cent of total employment, and, in urban areas, 22 per cent of employed (Heintz 2010:21). It would thus appear that urban, non-agricultural informal employment increased. Phase II of the same survey enumerated 10.1 million unincorporated household enterprises, of which 95 per cent had zero to 2 employees. According to Heintz (2010), some 11 per cent (1.2 million household enterprises) were engaged in manufacturing, which would, logically, include homebased workers engaged in subcontracted homework. But the absence of information about workplace and contractual relations make it impossible to filter industrial homeworkers from among household enterprise workers.

Estimating the number of home-based online workers faces similar challenges. Like industrial homeworkers, online workers may be found among self-employed, independent contractors or wage employees because of varying employment arrangements under which they are employed (tackled further in latter section). It is also possible that some may refer to themselves as self-employed or independent contractors, and their contract might state the same, even while their actual work arrangements point to an employer-employee relationship (as in the case of domestic outworkers).

At the onset, two broad categories of remote, online workers may be distinguished in the Philippines. The first category, labelled in this report as “telecommuters”, is direct employees (in contrast to outsourced employees and subcontracted professionals) of enterprises based in the Philippines, working from home or outside the premises of the employer via telecommunications technologies. According to interviews with Ms T. Cucueco, Director of the Bureau of Working Conditions (BWC) of the Department of Labor and Employment (DOLE) and Mr. N. Agcaoli, Director of the IT and Business Process Association of the Philippines (IBPAP), the passage of the Telecommuting Act (Republic Act 11165) in October 2018 was a recognition of, and support for, a growing practice in the private sector in the Philippines to allow or encourage their employees to “work from home”.⁹ The often-cited motivation for telecommuting was the worsening Metro Manila traffic congestion and its detrimental effect on employees’ work-family balance and efficiency (Telecommuting Act; Barcelon interview). Some 261 companies in the Philippines are reported to have adopted voluntary flexible work arrangements, including telecommuting (Lugtu Jr. 2017). Among these companies are the Manila Electric Company (MERALCO), Aboitiz Equity Ventures¹⁰, and Integrated Computer Systems (ICS).¹¹ For example, the ICS began two years ago a telecommuting work arrangement with its sales staff who wished to work from home (Barcelon interview). Given satisfactory results on the part of both workers and the company, the ICS plans to expand telecommuting among its sales staff, and introduce the scheme to its technical staff. Several business process management companies also have “work-from-home” policies that

⁷ Until recently, self-employed workers and contributing family members were proxy indicators to measure the size of the informal sector.

⁸ This nationwide survey was conducted by the National Statistics Office with funding assistance provided by the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP). Also see Sources: <https://psa.gov.ph/content/informal-sector-operators-counted-105-million-results-2008-informal-sector-survey>

⁹ Telecommuting is defined under the law as working from an alternative workplace with the use of telecommunication and/or computer technologies. “An Act Institutionalizing Telecommuting as an Alternative Work Arrangement for Employees in the Private Sector” <https://www.officialgazette.gov.ph/downloads/2018/12dec/20181220-RA-11165-RRD.pdf>. IBPAP participated in Congress hearings on the bill; the experiences of BPO firms with their “work-from-home” policies informed the drafting of the law and its Implementing Rules and Regulations (Agcaoli interview).

¹⁰ Aboitiz Equity Ventures, Inc., through its subsidiaries, engages in the power generation, distribution, and retail electricity supply; financial services; food manufacturing; real estate; infrastructure; and portfolio investments businesses in the Philippines. <https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=881457>

¹¹ Provides IT technologies, infrastructure and solutions. <https://www.ics.com.ph/about-us/>

allow their employees to telework (Agcaoili interview).¹² While telecommuting has been cited as a growing practice in the country, no data about its employment size and profile could be obtained from the DOLE.¹³

The second category of remote, online workers consists of all those who are not “telecommuters” as described above. The business process outsourcing (BPO) industry, which provides a wide range of business support and back-office operations to companies via IT technologies, offers a good starting point. Since its first call centre in 1992, the Philippine BPO industry has come a long way (Zoleta 2018). Today, the Philippines ranks 7th among the world’s top outsourcing destinations, according to the 2017 A.T. Kearney Global Services Location Index.¹⁴ Most business process management enterprises are third-party service providers which cater to multiple clients under service agreements, by taking on the responsibility of recruiting, engaging and managing the talents that the service requires. A few are so-called “captives”, i.e. global shared service centres which solely provide high-value services to particular international corporations (e.g. JP Morgan).

Data from the 2015/2016 Integrated Survey on Labor and Employment (ISLE) identified 851 establishments (employing 20 persons or more) registered under the “business process outsourcing” industry.¹⁵ Business process management establishments directly employed 575,600 persons (PSA 2018).¹⁶ Some 77 per cent of these employees enjoyed regular employment status; the rest were on probationary, contractual or project-based, and casual statuses. To supplement direct employees, some 53 per cent of the firms outsourced the services of 29,922 agency-hired workers, and 16 per cent of the firms subcontracted their activities to an unknown number of workers outside the company premises.

Information from the IBPAP indicates a much bigger online workforce.¹⁷ IBPAP currently estimates that the business process management industry employs a regular, fulltime workforce of 1.23 million persons (Agcaoili interview). This number does not yet include an unknown number of non-regular and subcontracted workers. The bulk of regular workers (750,000) are in “contact centres”, which offer voice and non-voice services, mostly for North American clients.¹⁸ The rest provide back office services such as finance and accounting, and IT/technical support, mostly for banking, finance and insurance companies; applications development, support and infrastructure, mainly for clients in North America and Asia-Pacific region; and health care information management, mostly for North American clients (IBPAP 2019). As of writing this report, there is no documentation of the types of services that are outsourced to agency-hired workers or to individual digital workers.

¹² Agcaoili (interview) pointed out that teleworkers need not be working only from their homes; they may be working in co-working spaces or practically anywhere that benefit from strong, reliable internet connection.

¹³ Under the Telecommuting Act, the DOLE will monitor “pilot” cases of telecommuting. At the time of interview with Ms Cucueco, the DOLE had not yet begun monitoring cases.

¹⁴ This ranking is based on financial attractiveness, people skills and availability, and business environment. The country is also said to be the world’s “call centre capital”, with 16 per cent to 18 per cent of global market share. Six Philippine cities made it to 2018 Tholons Top 100 global outsourcing destinations: Manila second; Cebu, eleventh; Davao, 75th, Sta Rosa, 87th, Bacolod, 89th, and Iloilo 92nd. Zoleta cites: <https://www.atkearney.com/digital-transformation/gsli/full-report>. The city ranking is based on digital transformation, talent, skills and quality, costs, ease doing business, and other factors (Zoleta cites: <https://cdn.newswire.com/files/x/24/52/643156aaf-14dcb4d5c8cb43d848f>).

¹⁵ Business process outsourcing is defined by the Philippine Statistics Authority (PSA) as “the leveraging of technology or specialist process vendors to provide and manage an organization’s critical and/or non-critical enterprise processes and applications”.

¹⁶ 88 per cent of whom worked in call centres, 12 per cent in computer-related activities, and the rest in medical transcription and animated films and cartoon production. Data generated from 2015/2016 Integrated Survey on Labor and Employment (ISLE), a nationwide sample survey covering 12,926 establishments with 20 or more workers.

¹⁷ IBPAP is an umbrella organization of four associations: Animation Council of the Philippines, aims to promote the animation industry worldwide with the intention of creating an identity for the Philippines; Contact Center Association of the Philippines (CCAP), aims to promote the Philippines as the country-of-choice for contact centre services, develop professional standards and practices, organize learning and networking events, and work with various stakeholders to further the industry’s contribution to the national economy and strengthen its market position worldwide; Game Developers Association of the Philippines (GDAP), dedicated to furthering the game development industry in the Philippines; Global In-House Center Council Philippines (GICC), an association of various global shared service centres having operations in the Philippines; Healthcare Information Management Association of the Philippines (HIMAP), represents and promotes the Philippine healthcare information management services sector to the global market; and Philippine Software Industry Association (PSIA), and organization of around 160 software & IT service companies in the Philippines. <http://www.ibpap.org/about-us/partner-associations>

¹⁸ According to IBPAP 2019, the Philippines ranks first in voice services in the world; India is 2nd.

At the same time, a group of home-based online workers, who are widely referred to, and commonly label themselves, as “freelancers” appears to be growing. What is an “online freelancer”? Six Filipino online workers met by this author, considered themselves as “freelancers” because they were “not tied to one job” or “not tied to an 8-to-5 office job”; they could do “many jobs”, work for “more than one employer”; they have the “freedom” to engage in a profession and other interests and to arrange their schedule as they wish; they “market” their skills, “brand” oneself; they see themselves as self-employed and independent professionals (Davao City and Quezon City FGDs).¹⁹

One only has to look on the internet to see the explosion of online job opportunities targeting Filipino workers – online sites that promote the benefits of taking on an online job or of outsourcing to homebased virtual workers,²⁰ that advertise and market the virtues of hiring online workers in the Philippines²¹, and that provide a platform for employers to search for a virtual assistant, a virtual editor, accountant, teacher, etc. and for Filipinos to search and apply for online jobs. Said freelancers are engaged by companies and individuals to undertake a wide variety of tasks from data entry, customer services, marketing and sales, finance and accounting, all-around administrative assistant, to web development, graphic design, content writing, translation and teaching. They may be found in a wide range of occupational categories: science and engineering, teaching, business and administration, information and communications technology professionals and associate professionals, clerical support workers, personal services workers, and sales workers.

Little is known about online “freelancers”, how they are positioned in the business process outsourcing industry, and what their employment arrangements. There are no hard data on their total number, only estimates by unverified sources. According to a study by Tabuga, the Philippines is No. 3 in the world, after the United States and India, in online freelancing, and has an estimated 1.5 million Filipino online freelancers (Ofreneo 2018).²² This is likely to be an underestimate because the researcher seems to have included a big number of those working in the BPO industry, which, by IBPAP estimates, has generated more than a million regular fulltime jobs. There are many others who are not associated with BPO firms. The 2016 registry of Upwork, an agency based in the USA which matches freelancers and clients online, listed over 300,000 Filipino freelancers; and OnlineJobs.ph (similar to Upwork) has some 250,000 members (Ofreneo 2018).

¹⁹ Also see Ofreneo 2018s <https://businessmirror.com.ph/2018/08/16/rise-of-freelance-work-force/> (Accessed 8 May2019).

²⁰ Example: <https://outsourceaccelerator.com/articles/may-the-source-be-with-you-philippine-home-based-outsourcing-101/> (accessed April 17, 2019)

²¹ Example: <https://digitalmarketingphilippines.com>

²² Ofreneo 2018 cites Kimberly Tabuga’s a study for UP School of Industrial Relations, which in turn cited a study by a “global researcher”.

▶ 2 Industrial outworkers

2.1 Homework in export and domestic markets

Homeworking has a strong presence in production processes that are labour-intensive, rely on traditional skills, craftsmanship and indigenous raw materials (e.g. abaca, buri, rattan, bamboo, coconut shells, sea shells) and can be disassembled into small segment. Best examples of these processes are native crafts and fabrication of garments. High demand from Western and wealthy countries for low-priced consumer goods in the 20th century intensified the use of homework, generating new income-earning opportunities for entrepreneurs, traders, brokers and homeworkers. The labour-intensive export promotion policy, initiated by the Marcos administration, reinforced this movement and the expansion of international subcontracting in the Philippines (Rutten 1992, Pineda Ofreneo 1982).²³ Although export-oriented manufacturing was concentrated in export processing zones and major metropolitan centres (i.e. Metro Manila, Cebu City), subcontracting incorporated household enterprises and homeworkers in smaller urban centres and rural villages into global supply chains.²⁴ Multi-level subcontracting grew. For example, Manila-based supplier firms would contract out jobs to provincial manufacturers or agents, who would further farm out jobs all the way down to rural households, mainly women and their young children. In Cebu City, in the 1990s, majority of export firms subcontracted to private households an average of 70 per cent of the labour necessary for their products, predominantly in the assembly stage, e.g., furniture firms often contract out the assembly of chairs; fashion accessory firms contract out the stringing of beads for necklace or earrings (Chant and McIlwaine 1995:134-148).

As a result of decades of subcontracting to household enterprises and homeworkers, a form of area-based product specialisation has emerged across of the country. Some are centred around sources of raw materials, such as mat-weaving in the provinces of Aklan and Samar, sawali-making in Bataan, abaca crafts in Albay, and bamboo baskets in Pangasinan; are near regional market centres and offices of prime exporters, such as garment manufacturing in and around Metro Manila and Bulacan, and rattan furniture in Cebu; or are located in the home of traditional crafts handed down through generations, such as fine hand-embroidery in Lumban, and paper maché-making and wooden sculpture in Paete (both towns in Laguna province), and wooden furniture in Pampanga province.²⁵

The business logic that underlies subcontracting to homeworkers has not changed since the 1980s. For private businesses that have to manage seasonal and fluctuating demands, and increasingly competitive markets, subcontracting is a “viable option” – it allows greater flexibility in production methods (Rutten 1992; Chant and McIlwaine 1995; Labajo and Tolentino interviews). An entrepreneur can expand production volume as and when needed by recruiting or contracting large numbers of workers, and terminating their job when demand declines. Core production units can be kept small. Second, outsourcing production to homeworkers and household enterprises minimizes labour costs by circumventing payment of minimum wage and compulsory social security benefits while reaching into the huge supply of women and child labour in economically disadvantaged communities willing to accept almost any pay (Pineda Ofreneo 1982;

²³ Subcontracting is defined by the ILO as “an industrial or commercial practice whereby the party placing the contract requires another enterprise or establishment (the subcontractor) to manufacture or process parts of the whole of a product or products that it sells as its own” (Pineda Ofreneo et al 2002:94).

²⁴ Subcontracting was considered an excellent way for encouraging the growth of small industries particularly outside Manila. Subcontracting was recommended by the World Bank as the strategy for promoting the growth of small industries, according to World Bank, *Industrial Development Strategy and Policies in the Philippines* (cited by Pineda Ofreneo 1982 :283).

²⁵ The Philippine Government’s One Town-One Product programme, which encourages micro, small, and medium enterprises to manufacture, offer and market “distinctive products or services” based on indigenous raw materials and local skills has further reinforced such specialisation. The programme endeavours to capacitate our ‘OTOPreneurs’ to innovate and produce market-ready products and services. The scheme has been in existence since 2002. See <https://www.dti.gov.ph/programs-projects/otop>.

Chant and McIlwaine 1995; Labajo interview). The standard practice of paying industrial outworkers piece-rate works out cheaper than fixed daily wages as it racks up more hours than factory work with its strict working time regulations (Labajo interview). By employers' estimates, according to Chant and McIlwaine (1995), export firms in Cebu City could reduce labour costs by usually 25 per cent. Finally, subcontracting to homeworkers in rural areas brings production close to the loci of traditional craftsmanship and to sources of raw materials, which in certain cases homeworkers have to procure.

The importance and industrial profile of homeworking go with changes and fluctuations in domestic and global markets, particularly for native crafts and consumer goods, especially wearables. Competition from factory-made goods in the 19th and 20th centuries caused a considerable portion of domestic household production to decline, but the commercialization of the Philippine economy, high population growth rate and urbanization created a new momentum for household production in the 20th and 21st centuries (Rutten 1992). Household enterprises that managed to wait and adjust were able to take advantage of new opportunities in the domestic market, and with them, also their network of homeworkers. For example, the department store Shoemart successfully stimulated the demand for garments and shoes among Manila's consumers from the 1960s onwards, and to a large extent satisfied domestic demand with the products of small and medium-scale producers (Rutten 1992).²⁶ Homeworkers themselves adjust to changes in demand for their labour, by re-skilling, adopting new product designs, and migrating to where there are more jobs and wages are higher. A good example is home-based embroidery in the towns of Pandi (Bulacan province, north of Metro Manila) and Lumban (Laguna province, south of Metro Manila). In the 1980s to 1990s, domestic demand for Lumban's hand-embroidered and hand-and-machine embroidered piña-based²⁷ *barong tagalog* and women's Filipiniana formal clothes was higher than the demand for Pandi's machine-embroidered products despite the former's higher price on the market (Pandi and Lumban FGDs).²⁸ Thus, many of Pandi's sewers and embroiderers migrated in the 1990s to Lumban to take advantage of the latter's job opportunities and higher piece-rates.²⁹ In the 2000s, the tide turned; local demand shifted to Pandi's less pricey machine-embroidered garments, which became even more affordable with the entry of cheaper synthetic textile imports (e.g. "piña-organza", mainly from China). Moreover, the Pandi local government and business community took concerted efforts to publicise Pandi as the "national capital" of *barong tagalog* and embroidered gowns.³⁰ In contrast, orders for Lumban's fine hand-embroidery dwindled, limited to well-off clientele and Manila-based couturiers. Homeworkers followed the tide; embroiderers who had previously migrated from Pandi to Lumban returned to Pandi. The number of Lumban's traditional hand-embroiderers is fast declining.³¹

The dynamics of export markets and their impact on homeworking are much more complex. After the export boom in the 1970s to early 1990s, which expanded the use of homeworkers, external developments dealt severe blows on Philippine exports of garments and handicrafts, and, in turn, on homeworkers in their supply chains. The garments industry was the hardest hit. First, competition from other countries - China, India, Bangladesh, Sri Lanka, Indonesia, Mexico, Caribbean Basin countries, and Eastern European - became intense. Mexico and Caribbean exports enjoyed a more favourable position in the USA market under

²⁶ Rutten roughly estimated 5,000 enterprises in Metro Manila and surrounding provinces that supplied this department store (Rutten citing Aguilar and Miralao 1985b, 88).

²⁷ The supply of piña cloth relies on another industry (and its network of households and homeworkers) in another province of the country, Aklan. Piña is fibre from a variety of pineapple; every three years, the leaves may be harvested and its fibre spun into yarn; and woven using a traditional handloom, into yards of cloth, sometimes interwoven with other type of yarn (jusi, cotton, silk). Over the years, it has become increasingly more difficult to obtain enough supply of piña cloth. The supply of piña is threatened by decreasing areas planted to the pineapple variety and decreasing number of households/women interested in weaving the cloth. Fewer weavers are skilled enough to produce fine quality pure piña cloth, making piña cloth very expensive. Source: Añonuevo and Lunes interviews.

²⁸ The rise in local demand for fine *barong tagalog* was attributed to then President Marcos and First Lady who expected government officials to wear the national outfit.

²⁹ In Lumban, embroidery of a piece of cloth for a *barong tagalog* paid Php70-80 per piece, while it paid only PHP 25 per piece in Pandi.

³⁰ <https://disenyo-pandi.com>

³¹ There is concern that Lumban's tradition and skills in fine hand-embroidery will eventually disappear. Skilled hand-embroiderers are fast ageing or have passed away, and few young women are interested in taking their place. One 96-year old embroiderer holds free classes for young individuals in an attempt to keep the tradition alive. Source: Lumban FGD; Añonuevo and Lunes interviews.

NAFTA and CBI (Pineda Ofreneo 1992:92-95; Agoncillo and Young interviews).³² The end of the Multi-Fiber Agreement (MFA) and lifting of all garments quotas by 2005 removed the favoured status of Philippine garments in the United States and EEC markets. This meant that small garment companies, which relied heavily on homeworkers, could no longer rely on quotas allocated by the Garments and Textile Export Board (GTEB) to survive in the export market.³³ The loss of quotas was exacerbated when the United States changed its rules of origin for garment exports, from the country where it was cut and produced to the country where the most important assembly (e.g. textile production) occurred (Agoncillo Interview). This was onerous for the Philippine garment industry because it relied on foreign sources of textile fabrics.

Compliance codes, which include ILO core conventions, that were imposed by foreign buyers became more exigent and stringent (Agoncillo and Young interviews).³⁴ Foreign buyers send compliance audits regularly, and cancel shipments when a company is found to be non-compliant (Young interview). Requirements such as a minimum number of safety officers or male and female toilets for every 50 employees are too costly for small companies, which tend to rely on home-based workers. Compliance codes of big foreign brands of wearing apparel and wearables do not allow subcontracting to households because this could include child labour and poor working conditions (Agoncillo and Young interviews). The few remaining big garment factories in Pandi (Bulacan province) and Taytay (Rizal province) that produce for exports do not subcontract to smaller enterprises or to homeworkers, and rely on computer-aided mechanised processes of pattern-making, cutting, printing, embroidery and assembly (Pandi FGD; Tolentino interview).

The confluence of all these factors led to the decline of export-oriented garments manufacturing, the biggest employer of home-based subcontracted workers.³⁵ By account of the Confederation of Wearable Exporters of the Philippines (CONWEP), before the garments quotas ended in 2005, there were some 2,800 firms in industry, 600,000-800,000 direct workers employed on seasonal basis, plus 1.5 million workers of subcontractors (Agoncillo interview). By 2002, firms began shutting down. Currently, there are some 200-400 firms that export, with 200,000-220,000 direct workers. Small factories of 100-200 workers are no longer in the export scene. The wearables export sector is dominated by CONWEP's members which are the biggest players in the export business: the smallest CONWEP member has 1,000 workers, and two largest players (one group of seven companies, and another of six firms) employ 22,000-24,000 workers and another group of six firms employs 24,000 workers. Most of these are owned by foreign investors, operate in multiple countries (Cambodia, Thailand, Vietnam), and specialise in producing for a single brand (e.g. Coach, Michael Kors, Ann Taylor).

³² Many of these countries had a huge labour surplus and/or increasing efficiency, and could pay low wages while charging low prices for their export products. The Philippines on the other hand was costly - relatively high labour costs relative to world standards, lower labour productivity, high electricity costs and poor infrastructure, overvalued peso from mid 1980s to 1997, and low investments in efficient machines (Pineda Ofreneo 2002:93).

³³ In the period of quotas, foreign buyers had no choice but to purchase from several firms which had GTEB quota allocations. After quotas were removed, A foreign buyer preferred to deal with a company that could produce singlehandedly a huge job order (Agoncillo interview). By 2006, according to Agoncillo, foreign buyers had consolidated their orders, and no longer wanted to deal with 10-20 factories with 100-200 workers each, for small orders of 20000 pieces each.

³⁴ In addition, The EU and US preferential trade agreements also incorporate provisions on respect for human rights. In the 1980's and 1990's, the EU, the US, and other developed countries began to incorporate loose and non-binding human rights language in their preferential trade agreements (PTAs). Today, many of the world's most important trading nations, from Canada and the EU to Brazil and Chile include human rights language in their PTAs. The Philippine garments industry association, together with the Philippine Government, had taken many efforts to secure preferential treatment of Philippine garments and other wearables in the United States and EU markets and thus reverse the decline of Philippine exports (Agoncillo interview). But alleged human rights violations, including assassinations of trade union leaders, and complaints filed with the ILO Supervisory Body against the Philippines, worked against these efforts. Eventually in 2017, several lines of Philippine wearable products (not garments) were accepted into the US GSP.

³⁵ In 1996, exports registered a sharp decline of 9 per cent coinciding with the start of the decline in garment exports. From then on, the share of garments in total manufacturing stagnated between 5.5 per cent and 5.8 per cent from 1996 to 1998. The share of garment exports in total Philippine exports declined sharply from almost 22 per cent in early 1990s to just 8 per cent in 1998.

The contraction of the garments industry meant severe loss of income for many homeworkers.³⁶ According to Pineda Ofreneo (1992:95), the number of subcontractors accredited by the GTEB decreased from 2,396 in 1993 to 1,502 in 1997. In-plant workers employed by subcontractors decreased from 121,690 in 1993 to 100,270 in 1996. Homeworkers decreased from 5,126 to 2,381 in same period. Employment figures improved in 1997, but declined rapidly from 1998. In-plant workers employed by accredited subcontractors (excluding informal, non-registered enterprises) abruptly decreased to 99,550 and homeworkers decreased to 1,553.³⁷

In general, the volume of Philippine merchandise exports has declined since the late 1990s and early 2000s – rattan furniture, bamboo products, fashion accessories using natural materials such as sea shells, wood and coconut shells. Various factors explain the decline in non-garment exports: the country's higher cost of labour and electricity compared to China and other Asian competitors³⁸; old, underdeveloped manufacturing technologies (e.g. local textile industry, footwear) compared to that of competitors; reliance of many export products on artisanal and manual skills and processes (thus of homebased workers); entry of synthetic, cheaper alternatives (e.g. plastic) to natural raw materials such as bamboo and rattan; and more stringent trade rules and compliance codes that govern most exports, including prohibition of subcontracting to small firms and household enterprises, for which Philippine industries are unprepared.³⁹ Take the example of footwear. In the 1970s-1980s, the city of Marikina was exporting one million pairs of shoes, mostly of snakeskin and water lily, destined for the United States (Young interview). However, when Taiwan was allowed access to the United States market, Marikina lost its share of the market as Taiwan could sell a pair at \$3 less and had much better technology than the Philippines (Young interview). Another example is fashion accessories which accounted for a huge part of exports from Cebu province in the 1980s to early 2000s (Labajo interview). The Philippines has lost to China which has cheaper labour cost and could replace Philippine natural materials (carabao horn, animal bone, seas shells) with resin, plastic and cultured shells.

Although subcontracted homework in global supply chains has declined, subcontracted homework in domestic supply has not. With national population and economic growth, one could expect local demand for local consumer goods to continue to grow.⁴⁰ In Taytay and Angono, province of Rizal, the local garment industry, which has become a popular supplier for local shops and department stores in Metro Manila and other cities, is vibrant and upbeat about its future (Tolentino interview; Taytay and Angono FGDs). The local industry relies on networks of subcontracted sewers and embroiderers in both towns. Many of these homeworkers were once direct employees and/or subcontracted homeworkers of garment factories that closed down when exports fell. In Pandi, home-based sewers and embroiderers are part of the local industry that supplies *barong tagalog* and wedding and evening clothes sold in local and Metro Manila stores, and online.

According to Ms Velarde, exporters of native crafts have turned to selling their “export-quality” products to local residents and tourists (Velarde interview). Rising middle class incomes and a growing appreciation among Filipinos for products made of local, indigenous and natural materials have made selling on the domestic market a viable business strategy. Domestic sales are not as important as exports earnings, but these have been “sufficient” in sustaining Ms Velarde’s handicraft business and jobs for her firm’s subcontracted homeworkers in Albay. Similarly, Ms Labajo (fashion accessories and home décor items) has found

³⁶ Layers of subcontracting involved many garments enterprises in the informal sector and those of « cottage industry » type (Pineda Ofreneo 1992). A distinctly smaller part of the dual labour supply are fulltime factory workers employed as designers, cutters, sewers, inspectors, packers, engineers, sales representatives, accountants and clerks in sites in Metro Manila. A few other cities and towns and Bataan Export Processing Zone. The greater part of the labour force are cottage industry workers, divided into directly employed workers who constitute 25-35 per cent of the total industry workforce, and the more numerous indirect workers who labour in their own homes for cottage enterprises or agents connected to factories.

³⁷ National Statistics Office (NSO) figures state that there were 16,067 firms engaged in the manufacture of wearing apparel except footwear in 1995. Of this number, 12628 had only 1-4 workers, and 1181, had 5-9 workers. Source: Pineda Ofreneo 1992).

³⁸ FBAP President, Mr. Young said that the Philippines is the 3rd most expensive exporting country. It cannot compete with China, Vietnam, Myanmar and Thailand. Source: Young interview.

³⁹ According to Mr. Young (interview) unlike its Asian neighbours, the Philippines was unprepared to deal with stringent compliance codes. The governments of other countries assisted its exporters to meet compliance codes.

⁴⁰ While domestic demand has led to alternative income opportunities for homeworkers in domestic supply chains, the latter are not safe from global markets. The availability of cheaper imports, for example, garments and footwear from China, put pressure on local makers of these goods.

potential retail outlets in local tourist areas to ensure women homeworkers in her neighbourhood some, though modest, income source (Labajo interview). In San Carlos City, former makers of exported bamboo hampers and flower baskets turned back to weaving traditional bamboo baskets ("*tiklis*" holds fresh fruits and vegetables; "*tangkulong*" covers newly hatched chicks), and supply local traders in and outside the province (San Carlos City FGD). Sales from current bamboo products only supplement other more important income sources.

2.2 Homeworking – the labour supply logic

Homeworking implies workers who are ready to provide labour under this arrangement, even if the conditions may not be fair. From the perspective of homeworkers, the principal, overarching motivation for homeworking is that it allows them to combine unpaid care work and earning an income.

Homeworkers surveyed in 1988 by Vasquez (1992) in three survey sites said they were "satisfied" with homeworking because it allowed them to earn and augment the family income while taking care of their family and doing household chores. They were free to define their working hours. It was an alternative to doing "nothing". Workers engaged in homebased work in a specific period – when they were married, and 31-59 years old.

The results of the author's FGDs with homeworkers in five sites and their demographic and employment factsheets show that this gender-specific pattern has not changed (see Annex 2). Most of the homeworkers have very young children or grandchildren under their care. While young and single, women find employment as saleslady, shop attendant, restaurant server, sewer in a garment factory, employee at a relative's shop or paid live-in domestic worker. Once a woman marries, begins her own family, has children and grandchildren, her home becomes her preferred workplace. She will engage in homework, following the traditional model of her mother, grandmother, aunt, godmother and women in her immediate community. She will take on small-time, income-generating activity in between caring for children and family, and keeping house. The time devoted to child-care, household care and own personal care, and rest or leisure has "zero" monetary value, so she sees any activity that brings in cash as worth her while. Whether the piece-rate for a dress she smocks or garland she strings is fair or not, is for the most part irrelevant.

Then as now, homeworkers' educational attainment is quite low. Vasquez's survey estimated 62 per cent as having only 4-9 years of schooling, without graduating from high school. Among the participants of the author's FGDs, one third attained only elementary education, and almost half had only some secondary schooling.

Socialisation into homework and the acquisition of associated skills begin very early in homeworkers' families and communities. Skills have been acquired through observation, trial and error and self-study. Girls and boys, as young as 7 or 8 years old, help in weaving the base of bamboo-plated *tiklis* in San Carlos City. At 8 years old, a girl in Angono may already be smocking a dress. At 16 years old, Julie learned to use the embroidery machine at her uncle's workshop, coached by other women embroiderers. Lyna's teenage daughter already helps her sew beads on evening gowns. Thus, a considerable number of FGD participants had been engaged in homework for 20, 30, or more than 40 years. This is especially the case in areas that have a long tradition of home-based crafts, and/or history of homeworking. In brief, most women and girls are practically always ready to take substantial homeworking when and if the opportunity presents itself.

2.3 Patterns of subcontracting and homeworking arrangements

Principal models of subcontracting homeworkers

One can discern three principal models of subcontracting homeworkers based on the author's FGDs. These are similar to those identified by Vasquez (1992) in 1988.

First model: Labour subcontracting, from store to homeworkers

This is the most predominant subcontracting model. In a global supply chain, a foreign buyer (a store, a brand) and an exporter (the principal supplier) in the country agree on the design and technical specifications and price of the product to be supplied. The exporter may manufacture the item, and farm out directly certain aspects of the manufacturing process to homeworkers; or may subcontract another enterprise or supplier, which in turn subcontracts homeworkers. Homeworkers provide only labour, and the tools or equipment of the trade (e.g. sewing machine, embroidery machine, and electricity) (Box 1). Raw and semi-processed materials are provided by the subcontractor.

▶ Box 1: Two examples of labour subcontracting

Eppie Labajo, a known supplier in Cebu City, secured an order for 2000 pieces of starfish garland from an exporter, destined for a Japanese brand. She purchased sacks of starfish and seashells from known suppliers of seashells in the country, and employed a piece-rate worker to clean and bleach the seashells and starfish, sort them by size, and drill holes through each shell. These preparatory processes are carried out in the yard and garage of Ms Labajo's house. She engaged several women from her neighbourhood to assemble, tie and thread a combination of seven starfishes and several seashells. These women had worked for Ms Labajo in the past to meet job orders for fashion accessories and home decor items. During this author's site interview, one homeworker, Mary, and her teenaged daughter were working in a nearby private yard of a neighbour. Source: Labajo interview.

Nature's Bounty Handicrafts produces, exports as well as sells in the domestic market through its own outlet in Metro Manila, a variety of baskets, placemats and bags made of abaca and seagrass. Most of the production is done by homeworkers – mainly women, assisted by members of their family - in the home province of the enterprise and entrepreneur-proprietor, Ms Velarde. The enterprise provides the homeworkers with semi-processed raw materials, wooden moulds and metal frames, which are required for some basket products. The tasks of homeworkers include further processing of the raw materials (e.g. bleaching, drying, dyeing abaca and seagrass) before weaving the products.

Source: Velarde interview.

As noted previously, buyers and importers of handicraft products do not yet impose compliance codes and trade restrictions regarding labour standards and job outsourcing to private homes.⁴¹ Subcontracting to homeworkers is thus a widely used practice in making hand-crafted native products, fashion accessories and home decorative items. In contrast, labour subcontracting to private homes is practically non-existent in the Philippine export industry of garments and other wearables (e.g. handbags, shoes) because of stringent compliance codes.

Labour subcontracting is widely present in domestic supply chains, including the manufacture of garments (Box 2). The job for homeworkers may originate from stores (department store, stall in a commercial centre,

⁴¹ Nonetheless, one cannot completely exclude the existence of backdoor to homeworkers for small production tasks that may escape compliance audits.

retail shop, fashion house) which set the product specifications and provide raw materials. These stores farm out production to homeworkers directly or indirectly through an intermediary, who may be an employee/representative of the buyer, a merchandiser, a broker, or a subcontractor. In some activities, the intermediary is called by their homeworkers “cabo”, “amo” or “manager”.

► **Box 2: Homeworkers in domestic supply chains**

In the towns of Taytay and Angono, well-known for producing garments, many homeworkers sew and embroider ladies and children’s clothes for retail stalls in Divisoria, Baclaran, Tutuban, and in Taytay’s Tiangge (a twice-weekly open market). Similarly, in the town of Pandi, homeworkers are widely engaged in embroidering and sewing piña-organza *barong tagalog* and women’s evening and wedding outfits for stall owners and department stores in Metro Manila. Job orders to homeworkers generally come directly from the stall owners (often referred to as “amo”), together with pre-cut cloths, beads, lace materials and sometimes thread. With area-based skill specialisation, a form of assembly line has emerged in these areas. Each stage of garment-making is carried out by a different set of homemaker: pre-cut cloths are embroidered in one community, then brought to another for assembly and sewing, and another for trimming. In Pandi, skilled sewers equipped with high speed and overlock machines are concentrated in one barangay (a village), while skilled embroiderers and beaders of gowns and *barong tagalog* are concentrated in another barangay. Clothes that require smocking are outsourced to homeworkers in Angono, but the sewing of whole garments is traditionally outsourced to homeworkers in Taytay.

Sources: FGDs in Taytay and Angono; Tolentino interview.

In Lumban, job orders for lengths of hand-embroidered piña cloth (meant to be sewn into a Filipina terno, gown, dress, or *barong tagalog*) originate from Manila-based couturiers and individual clients, and go to a “manager”, who employs embroiderers and/or has an established network of home-based embroiderers. The author met one such manager, Ms Lunes, who employs seven hourly-paid, full-time female embroiderers in her workshop, and contracts home-based piece-rate embroiderers when the workload cannot be assumed by her workshop or when the order is of lesser priority and urgency. Ms Lunes’ principal client/buyer over the past 28 years is a well-known Manila-based fashion designer-couturier, referred to as “my boss”, who sells her designer clothes at the very high end of the domestic market. But Ms Lunes also takes orders from other individual clients. Detailed design specifications are usually given by the buyer (as do the couturiers) or may be based on available designs proposed by the manager. Sometimes the buyer provides the cloth and/or threads; otherwise, the manager advances the money for materials and labour, and takes charge of procuring the cloth (may be of pure piña or piña mixed with silk or cotton, woven by homeworkers in Aklan, an island in the central region of the country) and embroidery threads (which are imported). The manager assigns the job order to embroiderers, monitors the progress of their work, and delivers the final product to the buyer.

Sources: Añonuevo and Lunes interviews; Lumban FGD.

Additional layers may be involved. One homemaker might accept a relatively big job order and share this with two or more homeworkers (relatives, friends, close neighbours) because she does not have the capacity to meet the whole order but could not pass up the earning opportunity, or because she can only do one operation, such as sewing, but not a more specialised task like embroidery or smocking. The principal homemaker may or may not take a “cut” from the price at each stage, but it is an expected and acceptable practice. For example, in Taytay, three women usually work together; one secures the orders from an enterprise or store owner and has the task of sewing the garments while the other two women do the embroidery.

Second model: Labour subcontracting, from factory to homeworkers

A factory or workshop may farm out parts of its production process to homeworkers for various reasons – lack of working space, lack of capacity to meet a big order, or lack of specialised skills. Subcontracting production directly to homeworkers is a feasible option when the factory is located in a community of experienced outworkers (Box 3). Some subcontracted sewers might further outsource part of their work to one or more home-based sewers.

▶ Box 3: Labour subcontracting from factory to homeworkers

A small garment factory in Taytay carries out within its premises the design, cutting, some amount of sewing, finishing and quality control, while it outsources pattern-making to a known skilled homemaker, and sewing to homeworkers. Both in-house employees and homeworkers are well-known to the factory owner. Source: Tolentino interview.

In Lumban, a workshop owner specialised in producing rare piña hand-embroidered cloths, farms out job orders to in-house embroiderers and homeworkers. “Sensitive” orders (complex design, an important client) and orders with tight deadlines are given to in-house employees who can be closely supervised, while orders with a longer timeframe are farmed out to homeworkers. Source: Lunes interview.

The president/CEO of Coco Technologies, a coco coir enterprise based in the province of Albay, had designed and manufactured relatively simple machines that spins coconut husk fibre into yarn and yarns into coco fibre nets. To provide small coconut farmers with additional income source, the enterprise has trained some 1,500 coconut farming families in Albay and Camarines Sur how to spin and weave coconut yarn using these simple machines.⁴² CocoTech collects coconut husks (usually thrown away as waste of copra-making) from small coconut farmers, and processes these into coco fibre, and farms out the coco fibre to the families within its networks of yarn and net producers in a number of communities in Albay and Camarines Sur. A field supervisor, called “cabo” is responsible for delivery and collection of materials and products, and paying the families including giving them advances against future earnings.

Source: Arboleda interview

Third model: Consignment – a marketing arrangement.

The homemaker produces articles that are specified by trader (buyer-seller) under an agreement that these articles will be bought by said trader (Box 4). The homemaker, who procures her own raw materials, will not produce a certain quantity unless her products are to be bought at a pre-arranged price.

▶ Box 4: Consignment model

In San Carlos City, a merchant from outside the province sometimes gives an order for a quantity of *tiklis* or *tangkulong* to a “buy-sell agent” in the locality, who in turn buys the products from bamboo weavers, or reserves/passes the order to a cluster of homeworkers. The agent usually gives the homemaker a cash advance to buy bamboo poles or the skin of bamboo (for *tangkulong*); in some

⁴² Coconut farmers rely heavily on copra for incomes, which are meagre; coconut husks are unutilised. Coco Technologies founder and CEO developed the technology in the 1980s in an effort to open new income opportunities for coconut farmers in Bicol region, which has the second highest poverty incidence in the country. Many other enterprises and cooperatives have since followed suit. Sources: Arboleda interview; CocoTech PowerPoint; newspaper article.

cases, the agent might provide bamboo poles. A big clan of some 50 members is able to accept big orders of bamboo-made *tiklis* from traders. They obtain their bamboo poles from their own bamboo plantation.

Source: San Carlos FGD

In these three models, arrangements in the delivery and collection of materials and finished products vary across areas and product lines. In some cases, workers do both or either; in some cases, the subcontractor does. The frequency of pickup and delivery also varies, but this can be traced to the nature of the product. The subcontractor or agent that farms out the job orders directly to homeworkers may have to demonstrate and teach homeworkers how to produce new items.

The social dimensions of industrial homework

First, it is a woman's world. The principal homeworkers are wives, mothers and grandmothers who are expected (by themselves, their spouses and children) to stay at home and take care of the family and household. As previously mentioned, girls and young women are socialised early in home-based crafts by female members of their family and community. In poor households, homeworking is part of women's traditional employment trajectory.

Second, the family is often the homework production unit. The usual practice is for the principal homemaker to be assisted by their children and spouse, after school, after work and on weekends, with the aim of finishing as many items as possible, thus maximising earnings. In fact, this seems to be the general expectation when subcontractors and agents farm out job orders and when homeworkers accept a job order. For example, a given piece-rate is considered "acceptable" if a day's earnings, assuming so many hours and working hands, can meet at least some of the family's needs (Talisay City and Angono FGDs; Labajo interview). This means much of labour in industrial homework is hidden and unremunerated. The configuration of working conditions and social relations of production in homework go beyond the conventional single worker.

Third, homework is community-based (Vasquez 1992). It often takes place in clusters of households, located in close proximity to each other, perhaps for many years. As in the cases of Pandi, Angono and Taytay, homeworking in particular product lines could be the main source of income of a cluster of neighbourhoods or village. Homeworkers in the same area may be socially connected by blood, marriage, long friendship and social traditions (e.g. god parenthood). Thus, while homeworkers work in the private sphere, they are not as isolated as domestic workers. This community character also gives some aspects of homework a "public" character. There is a degree of public knowledge among homeworkers at the local level of who is engaged in homeworking, what the going piece-rates and practices are, and which subcontractor or agent has failed to pay his/her homeworkers or is unable to give advance partial payment to homeworkers.⁴³

Finally, homework is a social relationship based on trust or the expectation of trust. In the absence of written agreements and state oversight in homework, there is really no choice on the part of homemaker or contractor/agent but to trust that the other party will abide by his/her obligations. Having a degree of trust is helped by the fact that it is not uncommon for contractors, subcontractors or their agents to reside in the same local area as the homeworkers they engage. Some may even be related by blood and marriage. These social ties and the value placed on trust sustain the informality of contractual arrangements in homework.

⁴³ All FGDs gave evidence of a degree of public knowledge of piece-rates, payment, and collection and delivery practices. This offers possibility of collective negotiation with subcontractor; of joint sourcing of raw materials, and of shared facilities; of collecting and monitoring of market information and piece-rates of products done by homeworkers.

2.4 Working conditions in domestic outwork

Homework is done in specific areas of house, most frequently in the living area, sometimes in an open space outside the house.

Women devote variable hours a day to completing a job order, depending on the volume of work and delivery date. Some work 2-3 hours daily, others 4-6 hours, allocated between preparing meals, sending off children to school, doing housework, going to church, and the rest, after the family has gone to bed. When the job order is huge and turn-around time for delivery is short, women work through the night probably with an hour rest, several nights in a row, and delegate cooking and household chores to their older children and/or spouse.

But there may be several months without work at all because of seasonal demand and changes in outsourcing patterns, in global as well as Philippine local markets. For example, the demand for *tiklis* and *tangkulong* is relatively slack in rainy months and high during harvest season. The sales of *barong tagalog* and formal gowns are especially brisk during graduation period, Christmas season and elections. At least for the products of homeworkers met in the FGDs, the demand was deemed reasonably predictable, and fairly secure.⁴⁴ The Taytay and Angono garment makers are quite upbeat about their local markets.

Piece-rate payment continues to be the practice in homeworking. In the case of exports, the “price point” set by the foreign buyer and exporter/supplier for an item to be delivered caps the amount that can be allocated for raw materials, labour, transport and profit. Evidently, the share of the homemaker at the bottom of the production chain is bound to suffer when several layers of subcontracting agents are involved and each one takes a cut. According to Ms Labajo (interview), suppliers of raw materials and homeworkers generally want to sell or earn, and so will be open to a deal where each one can gain “something”. But more intense competition, price squeezing by buyers, and low export volumes are narrowing the margins available to subcontracting parties. One supplier reportedly has agreed to supply an exporter tiny *buri* bags for PHP 1.00 per piece (Labajo interview). One cannot imagine how much goes to the homemaker, whose task includes collecting and preparing *buri* leaves (cutting, whitening in boiling water, drying) and weaving.

In domestic supply chains, payment practices seem less complex and blurry because fewer intermediaries are involved, and the principal buyer and contractor are generally accessible and known. Piece rates vary by industry and product, and are generally fixed and maintained by cycle, a season or year. Rates for standard operations and products seem to be established and fairly well known at local level, thus generally accepted as the “norm” at local level. So at a particular point in time, the likelihood that either contractor or homemaker will initiate an unreasonable increase or decrease of rates is small (Vasquez 1992).

Homeworkers and subcontractors claim to have a fairly good idea of the number of items a homemaker could feasibly finish in a day and thus earn in a day. If a woman deems she could earn an “acceptable” amount after a certain number of hours of work, the rate would be “good enough”. The main strategy is: work more hours, work faster, and involve family members. A few FGD participants in Taytay and Angono said they sometimes do a trial operation to determine the length of time it takes to make a new item, as basis for determining whether with a given piece rate, they would earn “enough” from a day’s work. But for almost all homeworkers met at FGDs, earning something was, in the end, “better than nothing”.

Whether a piece-rate is fair or not is not of primary relevance to most homeworkers. In the same vein, they hardly contemplate negotiating with the agent for a higher piece-rate. “Everyone knows what the going piece-rates are,” is a statement that was commonly voiced by homeworkers. Only one FGD participant in Taytay reported having asked her subcontractor, whom she had known for many years and whose rates had not changed in the last 5 years, for an additional peso. This increase was granted. In Angono where the

⁴⁴ The exception is the hand-made embroidered cloths of Lumban, the demand for which has been in a decline since early 2000s.

local garment industry appears upbeat, sewers said that they could consider refusing an order or an agent if they consider the piece-rate too low. But others will not dare risk losing the chance of obtaining a job order.

In all cases, the piece-rate paid to homeworkers does not take into account the cost of electricity consumed (high speed sewing machines, light when working at night), and equipment rental, purchase and/or repair. These are unmeasured costs shouldered by homeworkers.

In general, homeworkers prefer to be paid upon delivery of finished goods, or on a weekly basis. Delayed payments can occur, but if this happens too often with a particular subcontractor or agent, homeworkers at FGDs said they will refrain from accepting future orders from her/him. Only a few cases of non-payment for job completed were cited, and these pertained to exports. In one cited case, the exporter was said to have gone bankrupt or to have encountered problems with the foreign buyer. Affected homeworkers did not think there was anything they could do, and charged this to experience. It may be that non-payment is less likely to happen in subcontracting for domestic markets than for exports because the end-buyer, contractor, subcontractor and homeworkers are known to each other, accessible and verifiable.

Most homeworkers live on a hand-to-mouth basis and cannot wait till the end of the week or completion of their job order to be paid. It is thus a common practice among homeworkers to ask the contractor/subcontractor for a cash advance against future pay. A contractor or subcontractor must be financially prepared to do this. One who is unable to give a cash advance is unlikely to find homeworkers who will accept the job order, or will likely lose their homeworkers to another subcontractor who can (Labajo, Velarde, Arboleda, Añonuevo and Lunes interviews). Ms Velarde has adopted the practice of paying her homeworkers their full pay up front when she gives the job order. By her experience, an advance payment is never enough; the homemaker will keep going back for an additional amount. In Lumban, where hand-embroidery of meters of piña cloths could take several months to complete, homeworkers tend to accept multiple job orders from different buyers/contractors in order to secure advance payments over time, often resulting in delayed completion of an order (Añonuevo and Lunes interviews). Ms Lunes claims that it is better to employ hourly paid embroiderers in one's workshop; progress of work is easier to monitor and control, and labour cost can be better anticipated. Subcontractors thus bear financial risks – the homemaker, who might not produce on time, or not at all; and the exporter/buyer, who might take weeks or months to pay for delivered goods, or not pay at all.

Based solely on data on piece rates cited during the FGDs, a day's earnings from homework greatly vary from one product line to another (Table 1). In most cases, daily earnings from homework are less than the applicable legislated minimum wage.⁴⁵ Smocking pays least and generates earnings much below the legislated minimum wage. This may explain why very young girls are roped in by their mothers or elders to participate in smocking as many pieces as possible. Making bamboo *tiklis* also pays little, which explains why basket weavers of San Carlos City principally regard it as a secondary source of household income. Basket makers said they shave bamboo poles and weave them mainly as a "pass-time", while watching young children, watching TV and chatting with neighbours, and in between housework.

⁴⁵ The exception is sewing an umbrella-cut evening gown, which is not an everyday product that many sewers of Pandi are asked to do. Only one (a young man) of the FGD participants in Pandi reported regularly receiving job orders for umbrella-cut gown.

► **Table 1: Examples of piece-rates, estimated daily earnings and comparative Daily Minimum Wage**

Task	Piece-Rate (PHP)	Expected Number of Outputs	Expected Daily Earnings (PHP)	Minimum Daily Wage, non-agriculture (PHP)
Smocking “paa ng manok” (chicken’s feet) design (Angono)	7/unit cloth	10 pcs/day	70/day (6 hours)	Region IV-A, Angono: 368
Sewing pre-cut pieces of cloth into a dress (Taytay)	8/dress	28 pcs/day	224/day (6 hours)	Region IV-A, Taytay: 400
Sewing “umbrella cut” gown (Pandi)	300/gown	2 pcs/day	600/day	Region III, establishments Assets less 30M: 393
Machine embroidery of piña-organza for <i>barong tagalog</i> using <i>bastidor</i> (Pandi)	20-30/barong	8-10/day	160 - 300/day	Region III, Establishments Assets less 30M: 393
Bamboo <i>tiklis</i> (San Carlos City)	300/bundle 25 pcs	75 pcs/week	900/week (average 150/day on 6 days)	Region I, micro establishments: 256
Tying/pasting garland of starfish and seashell (Talisay City)	3/garland	100 pcs/day	300/day	Region VIII, Class A: 376-386

Earning streams are largely irregular. Among the 85 participants of this author’s FGDs, 38 per cent rely on homework as their sole income source, while 48 per cent are also engaged in multiple part-time jobs (e.g. live out domestic worker, laundry or ironing, child-carer) or income-generating activities (e.g. waste-picking, food vending, small convenience store) (see table in Annex 2).

Even while many draw from multiple income sources, the majority of homeworkers are unlikely to earn enough to cross the Philippine poverty threshold of PHP 10000 for a family of 4. The great majority (65 per cent) of the FGD participants earned from less than PHP2000 to PHP 6000 per month (PHP 24000 to PHP 72000 a year) from their economic activities; and 86 per cent earned less than PHP10000 a month (Annex 2). Thirty-two per cent of the homeworkers belong to households whose total income (i.e. all income-earners considered) falls between PHP 5000 and PHP 10000, precariously below or at the margin of the poverty threshold (Annex 2). Considering that the average family income in the Philippines was PHP 267,000 in 2015, a substantial proportion of homeworkers are in the bottom half of the Philippine family income distribution.⁴⁶

In principle, homeworkers are entitled to coverage under the national social security and health insurance systems. However, among the 85 homeworkers who participated in the FGDs, only 22 per cent (19 individuals) are entitled to benefits from the national social security system (SSS), but most only as beneficiaries of a spouse, parent, or child who is a SSS member (Annex 2). Only seven individuals are direct voluntary members of the SSS. A bigger proportion (60 per cent) are covered by PhilHealth (the national health insurance system). Among them only seven individuals are direct, voluntary members and four are beneficiaries of spouse, parent or child; the rest are sponsored by Government under the conditional cash transfer programme (4Ps) and other schemes (Annex 2). To meet emergency needs and make ends meet, homeworkers rely heavily on microcredit schemes based in their areas, such as CARDE, ASA and PAGASA, as well as on loan sharks.⁴⁷

⁴⁶ <https://psa.gov.ph/sites/default/files/attachments/ird/pressrelease/tab2.pdf> Accessed 27 August 2019.

⁴⁷ Locally referred to as « bombay » and « turko ».

▶ 3 Filipino digital “freelancers”

This section focuses on “online freelancers”. To fill the enormous data gap about online workers in the country, an online survey targeted at online freelance workers in the Philippines was carried out by the author in September 2019. The online survey generated responses from 317 qualified⁴⁸ online workers, but only some 290 submitted questionnaires that could be considered complete.⁴⁹ Of the 292 survey respondents who gave their demographic data, 85 per cent (248) are women, and 15 per cent (44), men. Some declined to answer certain questions.

The survey sample of online workers is not representative of the population of online freelance workers, so the survey results cannot be generalised. However, the survey dataset is the first empirical documentation on this category of homeworkers, and permits one to draw some patterns regarding the socio-demographic and economic characteristics, employment trajectories, working conditions and labour relations of home-based online “freelance” workers in the Philippines.

Based on information gathered from six Filipino online workers whom the author interviewed in June 2019, there are two major types of online freelance work in the Philippines: work through digital platforms, and direct work with clients overseas or in the Philippines using the internet and IT technologies. The online survey tried to capture these two major types. Much of the analysis of survey data in this section compares the employment characteristics between these two types of online work as well as between male and female online workers.

3.1 The demand for online freelance workers

Online sites that encourage outsourcing to homebased online workers list two principal benefits to companies: savings on the costs of employing permanent workers on company premises, with the associated regular salaries, benefits, payroll taxes, and workspace; and ready access to diverse talents and skills practically anywhere in the world without minimal search, hire and training efforts. The freeup.com website presents comparative rates for US, UK and Canada vis-à-vis international freelancers for various skill sets, highlighting the lower cost of the latter.⁵⁰ The cost advantage for employers is aptly described by the onlinejobs.ph website: “Because Filipino VAs are foreign contract workers rather than US employees, you don’t have to worry about 1099s, W-2s, benefits, unemployment, disability or other IRS pains. In fact, you have no obligation to report your VAs wages to the IRS. And your VA is solely responsible for taxes due to the Filipino government.”⁵¹

Apart from being “relatively cheap” and “charging less for quality work”, hiring Filipino online workers has also been advertised by the Philippine business process industry and online job sites as having the following

⁴⁸ Agreed to participate in the survey, were 18 years old or above, lived constantly in the Philippines, and work on freelancing and performed tasks online through digital platforms or directly with clients, for financial compensation at least once in the past 12 months.

⁴⁹ The online survey used the Survey Monkey application and platform. Many questions were fashioned after the survey questionnaire used in the ILO Ukraine survey of platform workers. Unlike the Ukraine survey, the Philippine survey classified the respondents into two types, those who worked on online platforms only or mostly and primarily, and those who worked online directly (not via online platforms) with clients only or primarily and mostly; some questions about employment arrangements were different. To invite respondents from the Philippine online worker community, the author requested (with a promise to share tabulated results of the survey) Ms Julmar Grace U. Locsin, the business owner of online training organization for online Filipino workers, Filipino Virtual Assistance, to post my invitation on her organization’s Facebook site, <https://www.facebook.com/FVAConsultancy/>, and encourage online Filipino workers to participate (see also: <https://www.fvaconsultancy.com/>). Qualified respondents who submitted completed a questionnaire were also compensated US\$5 each.

⁵⁰ <https://freeup.com/pricing> (Accessed 26 April 2019).

⁵¹ <https://blog.onlinejobs.ph/simplified-taxes-another-way-outsourcing-saves-your-business/> (Accessed 2 June 2019).

competitive edge: robust and diverse talent – the 3rd most English proficient country in Asia, 96 per cent literacy rate, 550000 college graduates annually, 2M graduates of technical and vocational courses, 7000 CPA Board passers, with Asian and European language capabilities; compatibility with the Western culture; and high work ethics.⁵²

3.2 Who are online freelancers?

Among 288 respondents who specified the type of online work they perform, the great majority (72 per cent) work on online platforms only or primarily and most of the time (Table 2). Detailed data on the socio-demographic and work profile of online freelancers are provided by tables in Annex 3.

Men and women are similarly distributed between online platform and direct online work. The length of online work experience among the survey respondents is fairly distributed. Many (40 per cent) have been working online for 1-2 years but considerable proportions have been working from only 1-6 months (15 per cent) to 7-12 months (13 per cent) and 3-4 years (17 per cent).

They perform a wide variety of tasks, but the majority are clustered in four groups of tasks, namely, data entry, general virtual assistance, IT and micro tasks (Annex 3). Data entry appears to be more popular in online platform work than online direct work, while general virtual assistance looks more common in direct online work. Proportionately more women are engaged in virtual assistance jobs than men.

► **Table 2: Type of online work**

Type of work	No. of survey respondents	Percentage
Only online platform work (work for clients through an online platform)	112	38.89 %
I do both, but I do mostly and primarily online platform work	96	33.33 %
Only direct online work for clients (outside online platforms)	41	14.24 %
I do both, but I do mostly and primarily direct online work with clients (outside online platform)	39	13.54 %
Total	288	100 %

As regards to their regional location, online workers are concentrated in Metro Manila (29 per cent) and in the two regions immediately south (Calabarzon, 23 per cent) and north (Central Luzon, 12 per cent) of the capital region.⁵³ Roughly three-fourths of survey respondents reside in the island of Luzon. Outside of Luzon, the regions of Davao, Central Visayas and Western Visayas have considerable shares. Two-fifths said they lived in a big important city and 21 per cent, in a small city, i.e., areas with relatively well developed communication infrastructure and high educational levels. Only 9 per cent said they lived in a rural area.

⁵² See for example: IBPAP PowerPoint 2019; <https://digitalmarketingphilippines.com/why-foreigners-outsource-to-the-philippines-2018-edition-infographic.html>. The Chinese-based company 51Talk CEO Huang prefer Filipino English teachers due to neutral English accent, cultural compatibility, and same timezone (Roque 2018)

⁵³ These regions have highest income levels among 17 regions in the country. Per capita Gross Regional Domestic Product 2017: Compared to national average PHP 82592 at constant 2000 prices: NCR, 1st, PHP 244453; Calabarzon, 2nd, PHP 99328; Central Luzon, 4th, PHP 73921; Davao and Central Visayas regions come 5th and 6th. Source: http://openstat.psa.gov.ph/PXWeb/pxweb/en/DB/DB_3E_CH_MA/0073E3D73A0.px/table/tableViewLayout1?rxid=5bf7d5c2-1a5c-4991-a66d-5a3e07689377 (Accessed 20 September 2019). In terms of Average Family Income in 2015 at 2006 prices: Compared to national figure PHP 189 per year, NCR is highest, PHP 322; Calabarzon, 2nd, PHP 223; Central Luzon, 3rd, PHP 211. Davao and Central Visayas come 5th, Western Visayas, 7th. Source: <https://psa.gov.ph/sites/default/files/attachments/ird/pressrelease/tab3.pdf> (Accessed 20 September 2019).

Online workers are mostly in their prime working age, with average age of 31 years. This is the same for both types of online work. Men, however, tend to be slightly older than women by two years on average. In respect of marital status, about 60 per cent of online workers are married or cohabiting. There is no difference by type of online work, but a larger proportion of women are married or cohabiting than men (61 per cent versus 53 per cent).

Overall, online workers with lower educational levels are few, and are proportionately less among online platform workers than among direct online workers. The majority (61 per cent) of online workers hold a bachelor's degree, with a few having also obtained a post-graduate degree. The pattern is the same for online platform workers and online direct workers. Women appear to do much better than men in this respect (64 per cent versus 52 per cent). A good two-fifths of survey respondents have reached tertiary educational level but have not yet obtained a degree. One of the observations from the Davao FGD with direct online workers is that it did not matter to their clients what their educational attainment was or what degree they possessed but rather what tasks they could do, their willingness to learn and their motivation to work. Yet, online workers are distinctly much better formally educated than the general employed population of the Philippines, of which only 16 per cent completed a college degree.⁵⁴

3.3 The labour supply logic – why freelance?

For survey respondents, the most important reasons for engaging in online work are, first, that they have to work from home; second, a preference for working at home; third, the flexibility in working hours; and, fourth, better pay (Annex 3). There is a marked gender difference though. While male online workers cited flexibility in working hours (36 per cent of men) and better pay (26 per cent) as their foremost motivations, women cited that they could work only at home (36 per cent of women), preferred to work from home (26 per cent) and liked the flexibility in working hours (18 per cent), which are motivations that may be associated with women's unpaid care role. Ninety per cent of women who said they could only work from home attributed this to the need to take care of children and 68 per cent of women who said they preferred to work from home also attributed this to having children to take care of.⁵⁵ A few women preferred to work at home in order to care for family, siblings, a parent or elderly, while earning an income. Avoidance of traffic, travel time, expense associated with working in an office, and flexibility were less frequently cited by women. The few men who preferred home or felt they could only work at home cited convenience, flexibility or family in same measure.

Online workers met by the author outlined four categories of Filipinos who are predisposed to taking up homebased online "freelance" work: women (especially single mothers) with either child-care or elder-care responsibilities;⁵⁶ the young generation (Millennials, Generation Z) who do not want to be tied to a 8am-5pm office job or to only one occupation, and who want the freedom to work and attend to other interests; those who are tired of dealing with bad city traffic and inefficient public transportation system every day; and those who are in areas where remunerative job opportunities are few (Davao City and Quezon City FGDs with online workers).⁵⁷

⁵⁴ As of labour force survey results of January 2019, only 16.2 per cent of employed persons graduated from college; 23.9 per cent among women and 11.2 per cent among men. Only 6.9 per cent of all employed persons reached tertiary level but did not graduate; 7.3 per cent among women and 6.6 per cent among men. Source: Table 3 Percent distribution of employed persons by highest grade completed by sex and age, January 2019 <https://psa.gov.ph/content/statistical-tables-labor-force-survey-lfs-january-2019> (Accessed 20 September 2019).

⁵⁵ See the website of Filipina Homebased Moms (FHMoms), which reflects this group of women. <https://www.facebook.com/fhmomscommunity/> (Accessed 26 October 2019).

⁵⁶ "She can now take care of her four kids and earn from home" – heading of case in Virtual Assistant Bootcamp <https://vabootcamp.ph> (Accessed 30 June 2019).

⁵⁷ Two of online workers met specifically stopped office job and turned to online job because they wanted time for their children.

Special health or physical conditions do not figure prominently as a driver of homebased online work. Only one per cent claimed being in poor health condition and 11 per cent had a special health or physical condition, a third of which said this would determine the kind of paid work they could do.⁵⁸

Immediately before taking on their first online job, 70 per cent of online survey respondents were employed in a job or engaged business that was not online work, and relatively more so among men than among women (82 per cent versus 68 per cent, Annex 3). Half of them have continued their previous job or business alongside online work. Interestingly, 12 per cent of women online workers were not employed but were caring for children, elderly or persons with disability.

Two-fifths of survey respondents – slightly more often among men (46 per cent) than among women (42 per cent) – paid to take training courses to better equip them for online work. The courses they took, mostly online⁵⁹, ranged widely from simple tasks such as data entry and encoding, to more technical skills like programming and web development, social media management, and use of specialised tools such as Adobe Photoshop, Canva and Hive. The training areas most frequently taken were: virtual assistance and freelancing (45 per cent of 100 who responded), social media management and marketing (23 per cent), online marketing and e-commerce (16 per cent) and English language proficiency (14 per cent).⁶⁰ Currently, two fifths still regard themselves as needing further technical training or English language training to be able to do all tasks posted online, while 14 per cent think they are overqualified.

3.4 Models of labour relations and contractual arrangements

Labour relations in homebased online freelancing have two overlaying dimensions. The first dimension concerns the presence of an intermediary between the worker and the ultimate buyer-user of his/her labour. Online workers may be in a triangular relationship, with a digital labour platform as intermediary agency, or may be in a direct contractual relationship, operating outside of a digital platform and using IT technologies, with the ultimate user/buyer of their services. The second dimension concerns the nature of relationship between the worker and the ultimate buyer-user of his/her labour and, in the case of a triangular relationship, the digital platform as well. The second dimension is quite often blurry as discussed below.

Online platform workers in a triangular relationship

Digital labour platforms are intermediaries that match the demand and supply of labour, and facilitate the economic interactions between businesses and workers. Clients – persons or companies – post tasks and job openings, while workers search tasks or jobs that match their skills and capacities, effectively giving businesses access to a global supply of suitable candidates, and job seekers, a window to more work opportunities than what are physically accessible to them.

Within the past three months from the online survey, most (83 per cent) of online platform workers worked on only one platform; the rest worked on multiple platforms. While 35 per cent worked for a single client on a platform, half worked for 2-5 clients on a single platform and the rest for six or more. Clients of the big majority of online platform workers in the Philippines were based overseas; only 5 per cent worked exclusively for clients in the country. Top countries of origin of clients were the United States (cited by 79 per cent of workers), Australia, the United Kingdom, the Philippines and Canada.

⁵⁸ Two had mentioned an « eye condition » and disability.

⁵⁹ They used online training and educational platforms, such as Filipino Virtual Assistance, Udemy, Coursera, Google Ads Academy, Boot Camp and HubSpot Academy. A few cited TESDA, the Philippine vocational training authority.

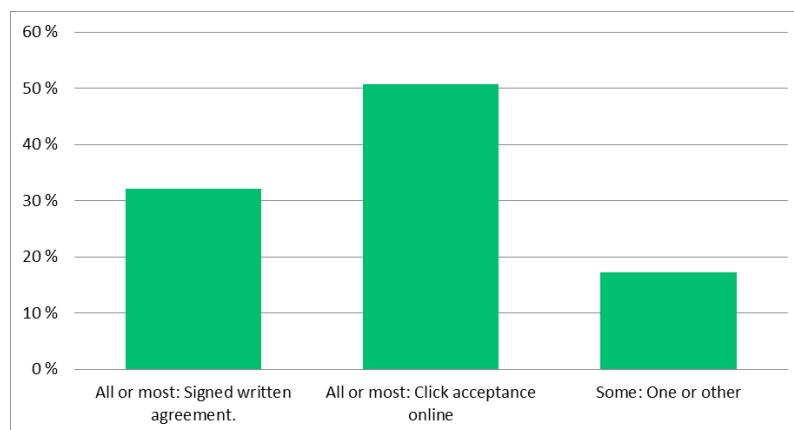
⁶⁰ An audit of sign-up on Virtual Staff Finder in November 2013 noted that 72 per cent of clients were looking for « general virtual assistants ».

Filipino online workers named 58 different online platforms that they have worked on in the past year. The ten platforms with the highest number of citations are: Upwork (56 per cent of 197 who responded), Freelancer (46 per cent), Humanatic (16 per cent), onlinejobs.ph (14 per cent), Appen (8 per cent), PeoplePerHour, 199Jobs, Golance, Toluna, RemoteWorkmate and VirtualStaffTalent. The tasks that these online platforms provide vary in respect of the technical skills and time they require. Some involve simple and brief tasks that last a few minutes (micro tasks), while some could take a few weeks and require high technical skills (e.g. design, programming) and others provide full-time work for specific clients (e.g. virtual assistance). More importantly, their institutional arrangements with clients and workers also vary. The platforms play an active role in mediating the economic transaction itself between clients and workers in different ways.

The author's online survey provides useful information on common practices of online platforms. More detailed information given by online platform workers about their work practices and experiences are found in tables in Annex 4.

The contract of service occurs on two ends - on one hand, between the client and the platform company, and on the other, between the worker and the platform company. The agreement between worker and platform is often formalised, either through a written agreement or through a simple "click" on the platform website accepting the platform's policies and rules of engagement (Chart 1). For example, with Virtual Coworker, its site says it issues a contract and letter of offer upon hiring a staff.⁶¹ According to one worker who worked on Upwork, she effectively agreed to the terms and conditions of the employment once she signed up and created an account with the platform (Quezon City FGD). The most usual contents of these agreements, whether the written form or online, pertain to tasks, working hours, pay rate and manner of payment, and duration of engagement.

► **Chart 1: Form of agreement between online platform and worker**



What is the nature of relationship between the worker and the client and platform company? Most digital labour platforms present themselves as offering job opportunities for "freelancers", i.e., flexible, work when and as much as you want to, independent contractors.⁶² The companies or persons who receive and use the services of online workers are generally and widely referred to as "clients". Drawing from the online survey results, the lines of supervision and degree of control exercised by clients – through the platform and/or directly – over online workers who provide to them the services they require, vary and are not so easily defined. Whether the characteristics of the employment relationship support the classification of "independent contractor" would need to be determined by labour courts.

⁶¹ <https://www.virtualcoworker.com.ph/why-join-virtual-coworker/> (Accessed 17 April 2019)

⁶² The author visited many of sites of digital platforms cited by the survey respondents. One platform, Virtual Coworker explicitly states that an online "home-based" worker is an independent contractor.

Note that more than two-thirds of online platform workers say that clients give them detailed instructions on how to do the work; but instructions are often posted indirectly through the online platform manager (40 per cent). Some platforms require communications between worker and client to be conducted only via the platform workspace (40 per cent of respondents).

Note further that workers do not always know the identity of clients they work for. Many knew who their clients were, but one-fifth didn't know them at all and one-fourth knew the identity of only some of their clients. For example, RY, a content creator, is part of a team of writers on a platform and her task is writing for some unknown clients 4-5 blogs/articles of 300-500 words each from a list of topics given by the platform per day (Quezon City FGD). Information on the nature of business of the clients might be provided to help contextualise the article. The identity of specific clients is also likely to be unknown to the worker in the case of platforms that sell clients "bucket" plans or "weekly or monthly plans", which consist of a defined number of hours of a type of services that are delivered by a team of workers (e.g. Task Bullet and Virtual Assistant Talent⁶³). In these situations, one could ask if the platform's relationship with the online worker is only of an intermediary or a fielder of tasks, or that of an employer.

Working hours are controlled or closely monitored through various ways, through fixed hours, daily time record, tracking software, etc. For some two-thirds of surveyed online platform workers, this happens for all clients or some clients (Table 3). Some platforms have systems and tracking applications which ensure that workers deliver tasks and outputs as required, and clients only pay for work done or worker's time devoted to their tasks.

► **Table 3: Online platform: Extent of monitoring of working time**

Questions asked	% of online platform workers
If clients monitor worker's working hours	
Yes, this happens always with all clients	27.22 %
Yes, this happens with some clients	38.89 %
No	33.8 %
If clients require worker to submit a daily time record	
Yes, this happens always with all clients	22.22 %
Yes, this happens with some clients	33.89 %
No, not at all	43.89 %
If clients require screenshots of work done or installation of software on worker's computer that take screenshots	
Yes, this happens always with all clients	26.82 %
Yes, this happens with some clients	39.11 %
No	34.08 %
If clients require worker to be available during specific hours	
Yes, this happens always with all clients	28.09 %
Yes, this happens with some clients	46.07 %
No	25.84 %

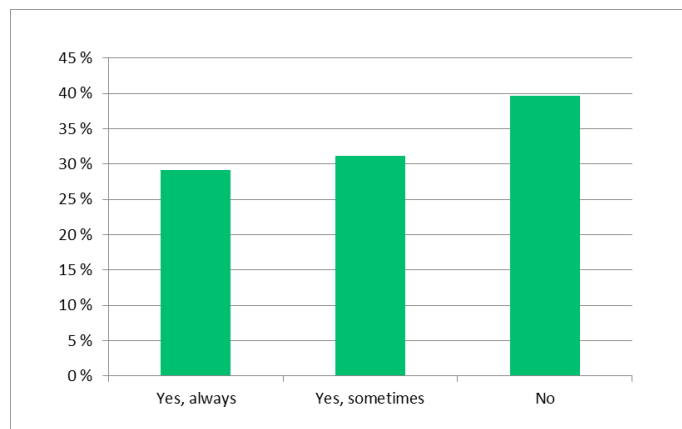
The platform quite often delivers the payment to workers. For example, with Freelancer, a client or employer is expected to provide funds equivalent to the total service price at the time of ordering the service. Under its

⁶³ <https://www.taskbullet.com>; <https://virtualassistanttalent.com>

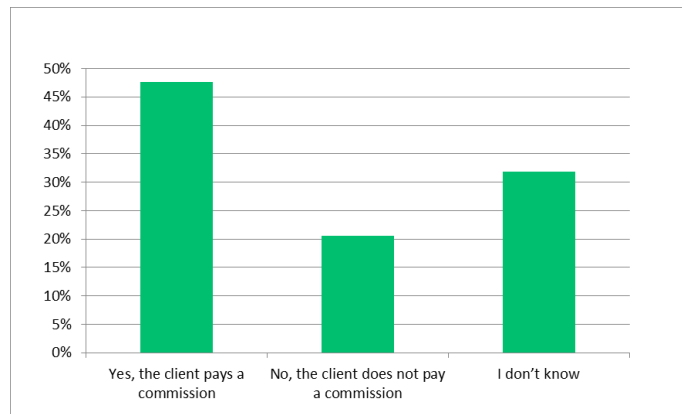
Milestone Payment System, payment is made according to goals and upon completion of specific milestones set by the client.⁶⁴ Upwork uses a licensed escrow service to release funds as pre-set milestones are met.⁶⁵

In many cases, workers pay the online platform a commission (Chart 2). The survey data say this could range from less than 5 per cent of a worker’s pay (54 per cent of workers who pay a commission) to 5-10 per cent (30 per cent); and for some, 10 percent to more than 20 per cent of their pay. One should perhaps take these figures with some caution. The calculation of commissions paid to the platform may be quite complicated (for example, the method adopted by Upwork⁶⁶), or not fully transparent to workers. According to almost half of workers, clients also pay a commission to the platform (Chart 3).

► **Chart 2: Pay a commission from one's pay to the online platforms of past 12 months**



► **Chart 3: If clients pay any commission to the online platforms**



Online Direct workers

The companies and individuals to whom online direct workers provide services are, as with online platform work, commonly referred to as “clients”. According to 70 percent of online direct workers, all or more than half

⁶⁴ <https://www.freelancer.com/info/how-it-works/>

⁶⁵ <https://www.upwork.com/i/how-it-works/client/>

⁶⁶ Upwork charges the freelancer a fee of: 20 per cent for first \$500 billed with the client; 10 per cent for lifetime billings with the client between \$500.01 and \$10000; and 5 per cent for billings with the client that exceed \$10000. <https://www.upwork.com/how-it-works/freelancer/> (Accessed 2 June 2019).

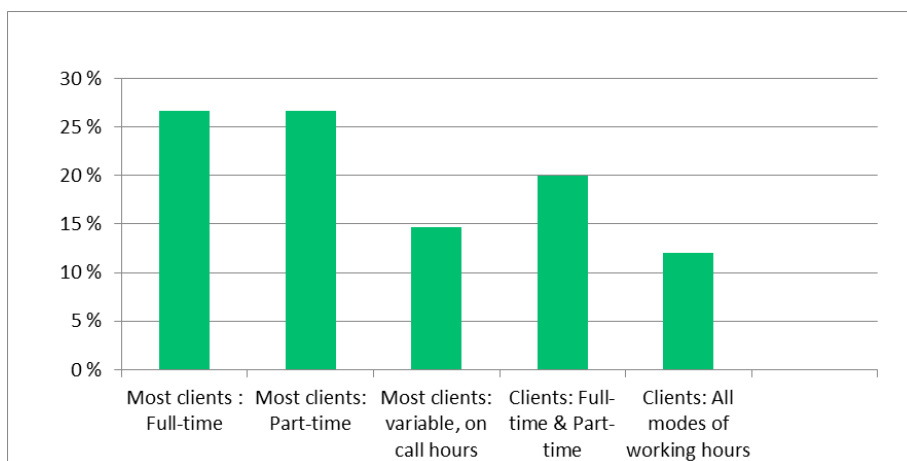
of their clients are based outside the Philippines. Only 12 per cent have clients who are based in the country. The top countries of origin of their clients are the United States, the Philippines, Australia and Canada.

Workers found their clients through any of the following channels: an online platform that advertises both online job openings (the tasks, skills required, sometimes country of residence of worker) and job seekers (their profile, sometimes the package of services they offer); direct application by a worker to a potential client based on job announcement posted on social media (e.g. Facebook); direct contact by a client who had seen the worker’s profile on social media (e.g. LinkedIn); and informal referral by friends and colleagues. The most frequent channel (42 per cent of workers) is recruitment through the mediation of online job matching platforms.⁶⁷ Either the worker posted his/her profile and the employer/client found his/her profile to be suitable; or the worker had applied for the post. As part of the recruitment process, the employer/client will usually interview the applicant and request for more information via email and skype; the worker will collect more information about the potential employer/client; and both will discuss the job and terms of employment.

During the month that preceded the online survey, 40 per cent of online direct workers surveyed had one client, and 42 per cent worked for 2-3 clients at same time. The rest had many more clients. Workers are able to handle multiple clients by combining part-time and fulltime clients, clients that require different schedules, and clients that do not require fixed schedule and/or do not track working hours with clients who do, and/or by employing or subcontracting another person to accomplish some of one’s tasks and outputs (Davao City FGD). For example, MT works on fulltime basis for four clients three of whom do not impose a fixed schedule, do not track working hours, but only require certain tasks to be completed, a report on accomplishments and for MT to respond to issues as needed. As noted later, because a job for a client could be terminated any time, having more than one client offers a degree of employment security.

The job is usually time-based, and may be fulltime (usually 40 hours a week, 160 hours a month), or part-time (Chart 4). Working schedule may be fixed (e.g. 8am to 5pm) or flexible (i.e., up to the worker to establish). Even with flexible schedules, there is generally an agreement as regards the minimum hours to be devoted to the job or minimum outputs to be produced daily.

► **Chart 4: Online Direct Workers: Number of working hours required by clients**



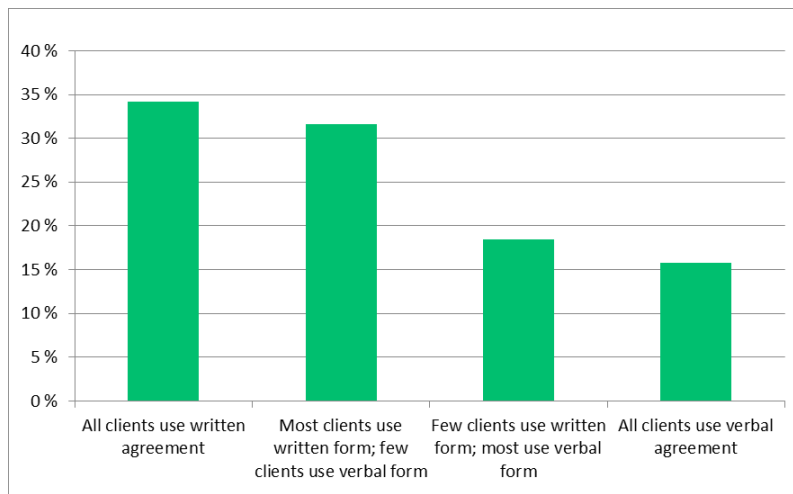
Although many workers serve multiple clients, more than two-thirds say they have one primary client (79 per cent of online direct workers), and have an ongoing working relationship with one client (78 per cent).

⁶⁷ Examples of job matching sites: Onlinejobs.ph; Virtual Staff Finder <https://www.virtualstafffinder.com/faq> (Accessed 2 June 2019).

Refer to statistical tables in Annex 5 for detailed data on common practices in online direct work.

Most online direct workers have a written agreement with their clients, and the most common provisions pertain to the worker’s tasks, and payment terms (pay rate, frequency and manner of payment), followed by the number of working hours, and a specification that the worker is an independent contractor (Chart 5). A considerable percentage, though apparently less frequent, have only verbal agreement with their clients.

► **Chart 5: Online direct workers: Written or verbal agreement with clients**



The nature of the relationship between worker and his/her client is as much an issue in online direct work as in online platform work. A contract might establish a worker as an independent contractor, but, in practice, the work might contain elements of an employee-employer relationship. For example, an online direct worker met by the author has a written contract that refers to her as “service provider” and states that her status is “independent contractor with respect to the client and not an employee of the client”, and that the client “will not provide fringe benefits, including health insurance benefits, paid vacation, or any other employee benefit.” Yet, she is required to follow a fixed set of working hours during weekdays; her hours are monitored by her client through a time tracker on her computer; has been advised by her client not to put in more hours than agreed; and regularly receives tasks via morning skype calls. The Virtual Coworker online platform states that all home-based staff engaged through the agency are considered “independent contractors”, without the applicable employee compensation structure, benefits such as leave credits, 13th month pay and social security.⁶⁸ However, it also states that fulltime contractors are required to “be logged on for a total of 9 hours per day which includes a 1-hour lunch break, and two 10-minute breaks”, while part-time contractors “work a minimum of 4 hours with one 10-minute break. In addition, Virtual Coworker requires workers to log on the agency’s time tracking management system, which captures the screen randomly every few minutes to record attendance, also used in preparing the payroll.

Although there are cases where the worker has a good margin of decision-making over his/her tasks without supervision, detailed instructions on how to complete tasks are received by most workers, and communication between worker and client occurs every day or quite frequently, by Skype, WhatsApp, Viber, Messenger, Zoom, email and the like (refer to table in Annex 5).

Control and monitoring of one’s working time is exercised by the client through various means. The most stringent of these measures is a software (e.g. Time Doctor) on the worker’s computer which tracks the worker’s hours and takes screenshots of her/his computer, and a requirement for the worker to stay active

⁶⁸ <https://www.virtualcoworker.com.ph/faqs> (Accessed 17 April 2019).

on Skype while at work. Five online direct workers met by the author have flexible work schedules, i.e. free to fix their work schedule, and allocate time to various tasks and to more than one client. However, most of their clients required a daily accomplishment report or daily time record as proof of having devoted the minimum agreed upon working hours (Davao City FGD). Half of the online direct workers surveyed say their hours are not tracked at all. One online worker met by the author also shows that there may be, in some cases (i.e. at least when one is in direct contact with the client) a margin to negotiate out control over working hours. VG successfully negotiated with her client not to use a time tracker by pointing out that some product descriptions (her main task) could take more time to research and would require overtime pay on some days, while others would not (Davao City FGD). In place of a time tracker, VG committed to meet a minimum number of product descriptions per day of 8 hours' work.

3.5 Working time, pay, benefits, and job security of “online freelancers”

Working time arrangements on online platforms and in direct online jobs are diverse. Some online workers are engaged in fulltime jobs, some in part-time. There are those with a fixed schedule; others with flexible hours. Some online workers are engaged on project basis or on demand basis, for instance for output-based tasks (e.g. programming, logo design, survey) for which the actual number of hours necessary to finish an output varies. Still, there are workers who perform micro tasks, each of which requires only a few minutes to perform, and for which one could devote as much or as little time as one wishes.

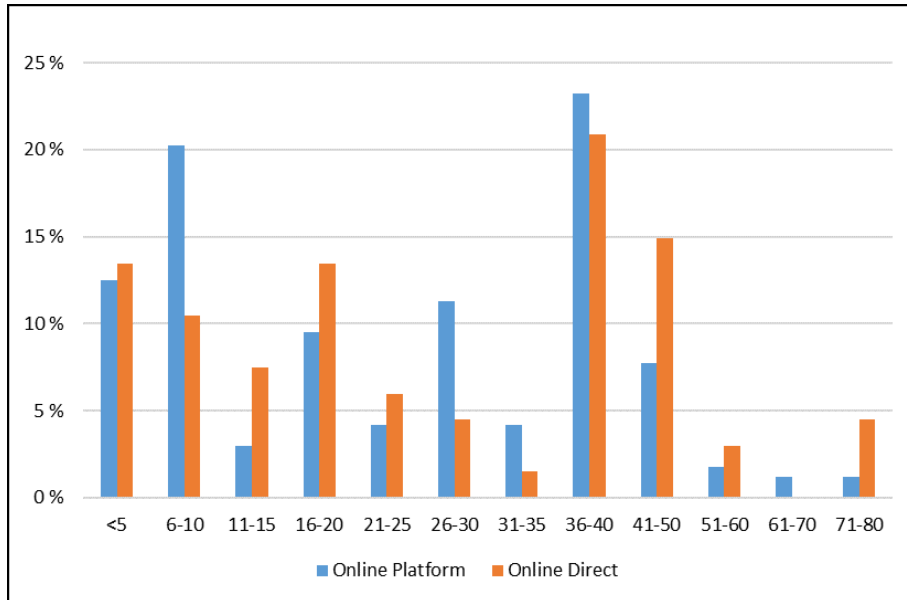
One key aspect of working time is the frequency of having to work outside regular hours to finish tasks, and of being required to be available outside regular hours, not necessarily paid (Table 4). These situations occur in both online platform and online direct work. Both have substantive shares of work outside required hours, and stand-by time. Online direct work tends to have more flexible work schedules but also stand-by time and work beyond agreed-upon hours.

► Table 4: Working time arrangements

Questions asked	Online Platform	Online Direct
Do your clients require you to be available during specific hours?		
Yes, this happens with all clients	28.09 %	32.89 %
Yes, this happens with some clients	46.07 %	27.63 %
No, schedule is flexible	25.84 %	39.47 %
Are there times when you have to work more hours than required in order to finish the tasks?		
Yes, this happens frequently	25.00 %	25.00 %
Yes, this happens from time to time	45.00 %	56.58 %
No, never	30.00 %	18.42 %
Do your clients request your availability outside regular hours?		
Yes, this happens frequently	15.56 %	14.47 %
Yes, this happens from time to time	37.22 %	52.63 %
No, never	47.22 %	32.89 %

Chart 6 shows the wide variation in the number of hours actually worked by online workers in a typical week in the past three months from the online survey – a reflection of the diverse working time arrangements available in online work.

► **Chart 6: Hours worked in a typical week in past 3 months: Online Platform, Online Direct (% of workers)**



Payment arrangements are equally diverse. Pay may be based on time (hour, month) or output. Payment may be delivered to the worker (via e.g. PayPal, Global Cash, Zoom) on a weekly, bi-monthly or monthly basis, or upon delivery and acceptance of an output. In one case, pay is delivered only when the online worker has accumulated a certain amount of pay, which could be achieved quickly in a few hours or in any number of days (e.g. at Humanatic, when a call reviewer has achieved \$10 of work).

Four issues with respect to pay should be highlighted. One issue concerns payment that is purely tied to approval of one’s output, or on the number of rejects and mistakes. An example is a call reviewer’s task at Humanatic: the output needs to be approved by a Humanatic moderator before a worker is paid, from \$1.50 to \$4.50 an hour.⁶⁹ One’s actual pay depends on the rate of rejections and, thus eventually, according to the Humanatic website, to one’s skills and experience. While one cannot argue against ensuring quality of work, there is a problem when the basis for rejecting outputs is not sufficiently transparent to the worker and/or when technical support to the worker to ensure improvement in quality is lacking. Such situation can result in many unpaid working hours and unpredictability of actual pay.

I worked 30 hours per day but the total compensation isn't in full amount. ... Do I earn PHP 6000?

Answer is no. I don't earn that much money weekly. I haven't been paid in full. Mistakes are deducted, like "right minus wrong basis". I compensate my other part-time work outside freelancing.

(Source: email from an online platform respondent to the author. The worker did not identify the online platform referred to.)

A second issue is non-payment for work done, and the absence of legal recourse. Among online direct workers surveyed, 50 per cent have experienced not being paid for work completed; 18 per cent of them as many as three times and 36 per cent, twice, in their online career. Less than half tried to retrieve their pay, such as by writing to the client’s email, social account and phone and reporting on the platform where client was found, but to no avail. The rest did not take action because they did not know what to do, believed

⁶⁹ Humanatic provides companies with an in-depth analysis of their phone calls. Rather than using computers to transcribe and decipher recorded phone calls, it provides “working opportunities for tens of thousands of people all over the world just like you. Our reviewers work from home listening to recorded calls, and they provide us with the answers we need to create a meaningful analysis of our clients calls. By combining human intellect with computer generated algorithms, we are able to provide clients with specific reports and statistics to help them make the changes necessary to improve their business.” <https://www.humanatic.com/faq.cfm>

that there was nothing they could do, or did not know which authority to address their complaint. Of the five online direct workers met by the author, two had experienced one case each of non-payment. After having been paid weekly at the end of the first or second week of work, the employer simply “disappeared” and was no longer accessible online. There was nothing the workers could do. Their agreement with the clients was verbal. But even if an agreement had been written, which government authority has jurisdiction over their contracts? And if the government of the employer/client has jurisdiction, how could an online worker feasibly file and follow up a complaint overseas? For the online workers met, this is a risk they have to take, and their only form of protective cover is taking on more than one online job, cultivating other income sources (e.g. a convenience store), and/or insisting on being paid weekly to minimize unpaid work, at least until one has established the reliability of the client (Davao City FGD).

A third issue is the absence of minimum or standard rates (Davao City FGD). Pay rates could range from a dollar an hour to \$160 or more an hour. According to online workers met, many Filipinos are willing to accept low rates, pulling down rates offered to Filipino online freelancers (Davao City FGD). Undergraduate students, who want only a side-line, do not much care about low pay; and others who do not know the value of their skills and “how to price themselves”, will also accept any pay (Davao City and Quezon City FGDs). The absence of standard rates is aggravated by the lack of space for negotiation, especially in the case of online platform workers.⁷⁰ Asking for higher pay could also risk losing a client as one survey respondent mentioned.⁷¹ One virtual assistant website suggests salary guidelines for Filipino homebased virtual assistants as of January 2017: minimum monthly salary of \$500 for a general virtual assistant; \$800 or more than \$1000 a month for jobs involving higher skills such as graphic designer, web developer, web marketer and software developer.⁷² Such information may be useful guideposts for some clients and online workers, but appear only relevant to time-based jobs for direct, dedicated clients. How these are converted to output-based and project-based tasks, and the extent to which these are based on the actual labour market, are unknown.⁷³

Table 5 and Charts 7 and 8 below show the resulting pay per hour when actual payment and working time arrangements are taken together. Online workers were asked how many hours they worked in a typical week in the three months before the survey and how much they received in pay. On the average, actual hours worked were fewer, pay received was less, and pay per hour is lower in online platform work than in online direct work. On average, women online platform workers are paid less than their male counterparts for every hour they worked. The Charts show that actual pay received per hour worked by online platform workers is quite spread out from low to mid-range levels, while that of online direct workers is bunched at very low level and at mid-range pay level. Men in online platform work tend to be in better paying tasks than women (Chart 7). Online direct work might probably give women more high-paying job opportunities than men, but this is not conclusive due to the small number of male online direct workers in the survey (Chart 8).

⁷⁰ As stated previously, online workers who are employed through an agency, have limited or no direct contact with their employers or clients.

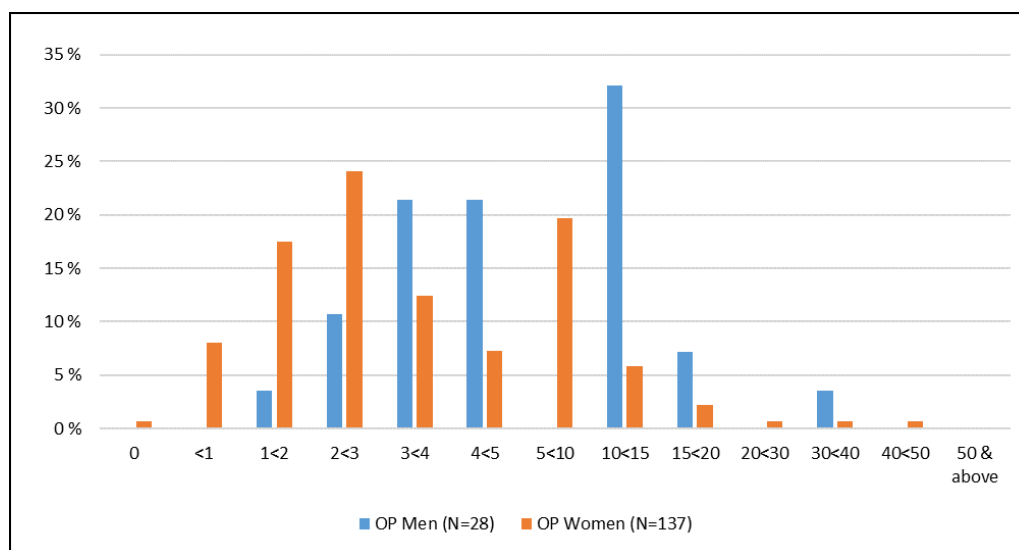
⁷¹ One online direct worker gave this reason for termination of her job by a client.

⁷² <https://www.chrisducker.com/how-much-do-i-pay-my-virtual-assistant/> (Accessed 17 April 2019).

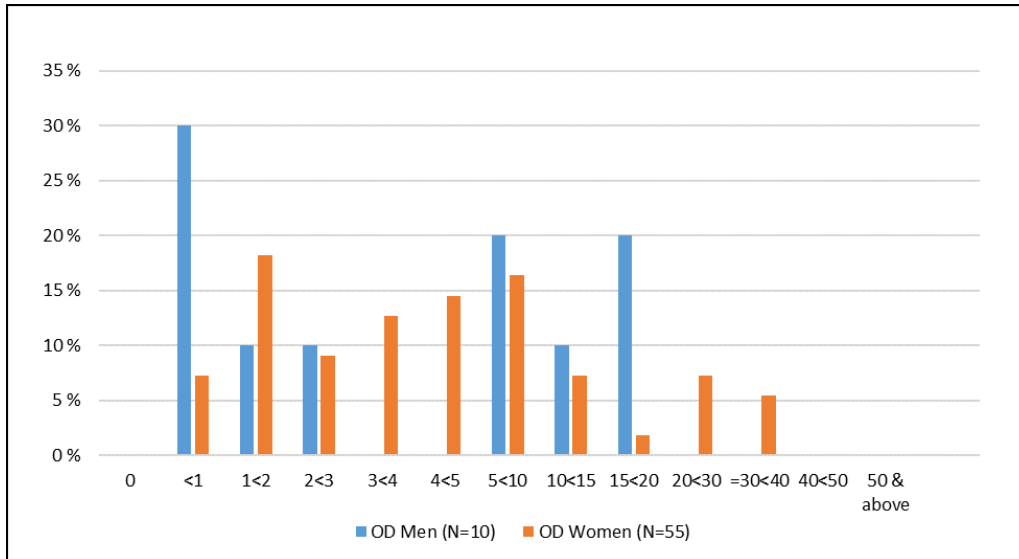
⁷³ The website of KCG Recruitment presents monthly salaries for IT-BPO staff in Manila and these are quite modest in comparison to [chrisducker.com](https://www.chrisducker.com): Entry-level IT-BPO staff – US\$200 – US\$250; Experienced IT-BPO – US\$350; Team Lead Agents – US\$500 – US\$700. <https://kcrecruitment.com/hr-consulting/labor-and-employment/salary/it-bpo-staff/> (Accessed 23 Oct. 2019).

► **Table 5: On a typical week in past 3 months: Hours worked and pay received**

	Online Platform	Online Direct
Total		
Average hours	25.6	28.97
Average pay	92.11	191.38
Average Pay/Hour	4.84	7.05
Women		
Average hours	25.42	28.82
Average pay	87.26	191.76
Average Pay/Hour	4.46	7.15
No. Respondents	137-138	55
Men		
Average hours	26.89	29.80
Average pay	117.07	189.30
Average Pay/Hour	5.29	6.51
No. Respondents	28-29	10

► **Chart 7: Online Platform: Pay Per Hour (US\$), Men, Women**

► **Chart 8: Online Direct: Pay Per Hour (US\$), Men, Women**



Online freelancing is touted by digital labour platforms as great income opportunities. Indeed, well-paid jobs exist. The online direct workers met by the author were employed as virtual assistants with varying tasks and levels of responsibilities. They were employed on fulltime basis with monthly salaries ranging from \$300 to \$480 a month (at \$3/hour, 160 hours a month) and \$650 a month (Annex 7). For them on-line jobs are definitely more attractive than office-based jobs, and that salaries are at least twice to triple of what they would receive in the Philippines. Having a flexible schedule on top of a stable monthly salary allows one to work for more than one client, increasing one's earnings further. MT has four employers - three with flexible hours and one with fixed hours and time-tracker. Some tasks are quite easy and quickly done, but MT also pays someone else to do certain tasks (e.g. graphic design, data entry). Armed with a good laptop, smartphone and mobile data plan, she is able to attend to her job demands practically wherever she goes (Davao City FGD).

But at the other end of the online job spectrum are online tasks with very short-term contracts and highly volatile earnings. This situation is reflected in difficulties some survey respondents had in stating their hours and pay in a "typical week" in the past three months of the survey. The explanations given by survey respondents to the author reflect this issue (Box 5).

► **Box 5: Clarifications emailed by survey respondents to the author concerning working hours and pay received in a typical week in the past three months**

For the other online platforms, again there are times that they offer task to do and it is not really regular. I really have to monitor every now and then for some task are being catch by early birds but still I get some last few task. And by the way some platforms are too keen on the quality of work.

I worked 20 hrs per week and I earned 21,000 per month and for a week it is not fixed sometimes. I earned 5,000, sometimes it is lesser or greater. My total monthly earning for a month is 21000.

It's an estimate depends on how many freelance job I have. But I have 2 regular clients with an average per week from approximately 7500.

Yes, my total monthly earnings from freelancing is correct but I am not loaded with work sometimes. Some months, I don't have work, some I am loaded with work.

I only estimated it mam because my salary it varies every week depending on how many hours I work.

Monthly Paying Online Apps (Not My Own): 28.74 USD to 38.32 USD. I work on it if I have free time only since it's not regular.

The Php 26000-30000 earnings happens during peak season only and when the company still gives incentives.

Typically in a week is \$30 but there are weeks that I receive below that and weeks that I can go as high as 50. It is not really consistent and it varies most of the time.

Source: Emails to the author

As regards non-wage benefits, online work scores poorly. The survey results point out that paid sick leave, paid vacation leave, paid maternity leave, end-of-year bonus, 13th month pay, paid public holidays (the Philippines' or the client's), and health insurance rarely or infrequently, if they do, occur in online platform work and online direct (Annex 6). Solely in relative terms, an end-of-year bonus and 13th month pay occur more frequently than other benefits, and an online platform worker seems to have a better chance of enjoying these benefits.

Finally, job insecurity is a major challenge. Of online platform workers surveyed, 38 per cent have experienced having their account with a client shut down by the platform (Annex 4). For 44 per cent of them, most of these shutdowns were unjustified.

As regards online direct workers, more than half say that their client can terminate their job any time and nearly two-fifths say that clients can "probably" do this (Annex 5). One online worker met by the author said that on every pay day, she expects it would be her last. Moreover, 56 per cent of surveyed online direct workers actually experienced having their jobs terminated, and according to most of them, without justification (Box 6). In contrast, only one-fourth of online direct workers believe they can terminate their agreement with their client any time, and half think they probably could. Only 40 per cent have ever, on their initiative, terminated their work with a client (Box 7). Several reasons had to do with delayed payments, failure of client to communicate, better opportunity and pay elsewhere, and problem of working time.

► **Box 6: Some explanations of why termination was deemed unjustified by the online direct worker**

- *There were sudden changes to the requirements that I was not aware of. My work got rejected.*
- *I asked for extra pay for the extra work they wanted me to do.*
- *They just suddenly terminate it without explaining and i can't do anything.*
- *He gave a personal reason/excuse not related to the job.*
- *I was doing my tasks as usual, but when a new manager came aboard our team and raised some issues and new procedures, some of us were let go without any notice. We were surprised that we can't access the accounts anymore and the team chat.*
- *I was terminated abruptly without giving me time to look for another job.*
- *Due to the fact that I was not informed ahead of time. And all tasks are up to date.*

Source: Online survey

► **Box 7: Some reasons why online direct worker terminated her/his work with client**

- *He was obnoxious and kept on swearing while we chatted on Skype.*
- *Client not responding*
- *Delayed payments*
- *He stopped communicating*
- *Time consuming yet low rates*
- *I was required to report once or twice a week with overdue hours. Sometimes the tasks given to me were not for me to handle.*
- *Better opportunity*

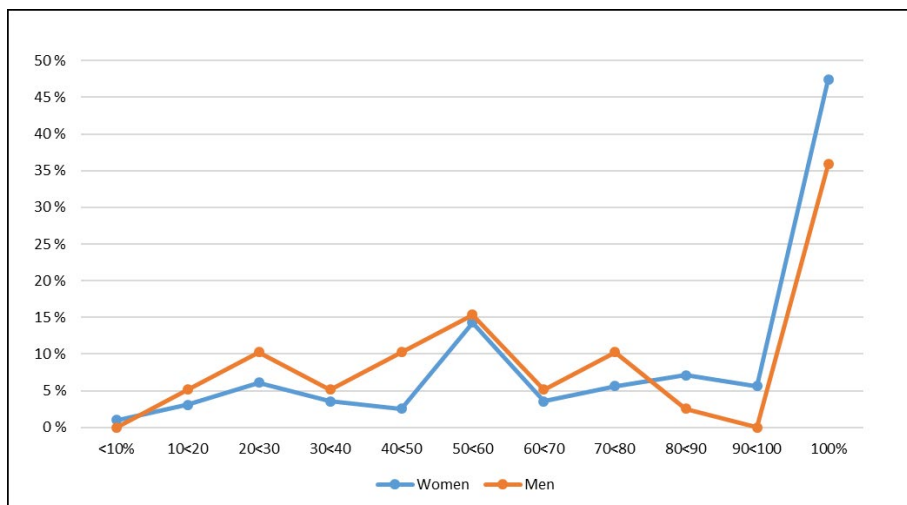
Source: Online survey

3.6 Economic and social security

The insecurity of online jobs is especially challenging for workers who depend on online work as a primary source of income, and who heavily rely on one platform or on one client. Some 80 per cent of online direct workers have one primary client, and 54 per cent say they will or most probably will have difficulty in finding a replacement. As to online platform workers, 83 per cent work most of their time on only one platform, and 69 per cent say they rely on online platform work as their primary source of income.

However, there is a difference between men and women online workers. On the average, the share of online work is more important for women's earnings than for men's earnings. Online work contributes 89 per cent of monthly earnings of women engaged in online platform work only or primarily, and 87 per cent in the case of women engaged in online direct only or primarily. In contrast, online work accounts for 66 per cent of earnings of men in online platform work only or primarily, and 58 per cent for those in online direct work. Chart 9 shows that women are proportionately more at higher share levels.

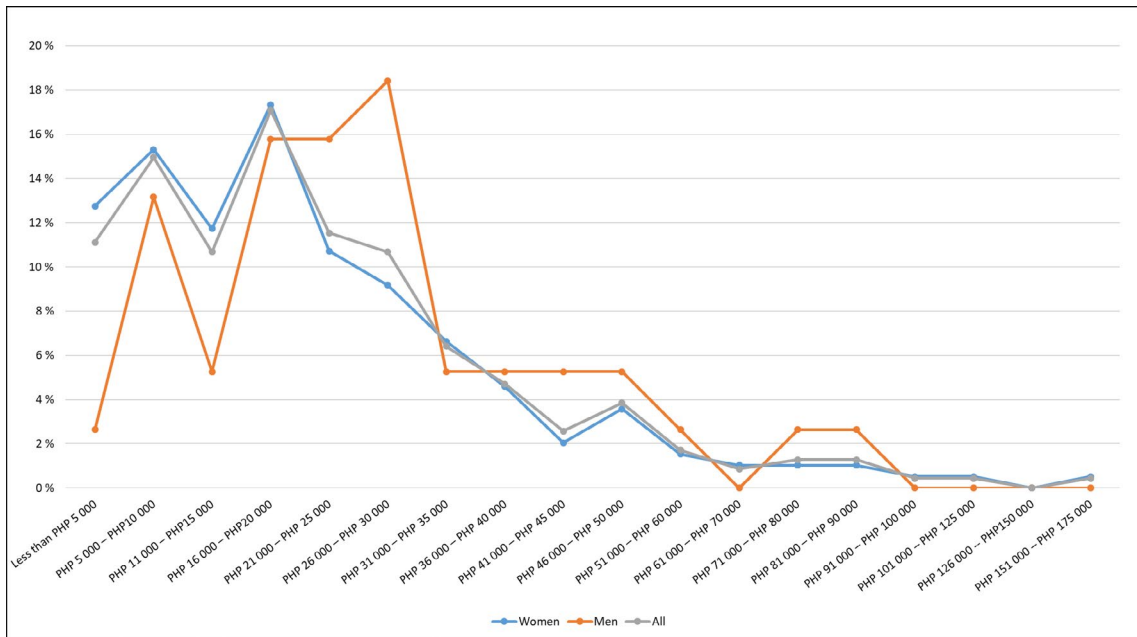
► **Chart 9: Percent share of online work earnings of total monthly earnings, women, men**



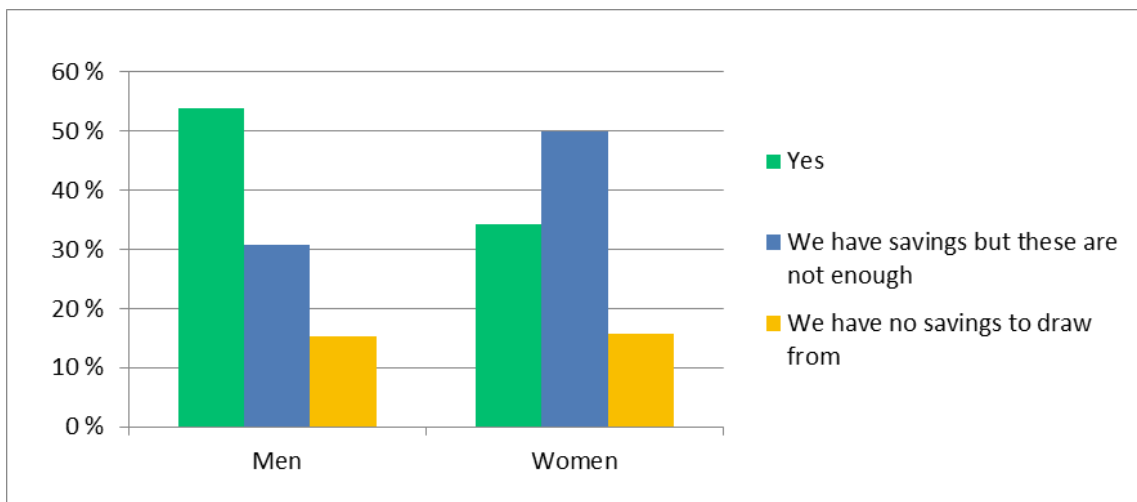
A small proportion, 11 per cent, earn less than Php5000, and notably, most of them are women workers. Three-fourths comfortably earn above the national poverty threshold, Php10000 for a family of four, but

half are concentrated in income levels between Php11000 to Php30000 (Chart 10). Men tend to dominate higher levels of earnings. This may explain why more than half of men are quite positive that their household incomes and savings could cover a major emergency (Chart 11). Women are less confident.

► **Chart 10: Total monthly earnings from online & non-online work, women, men, all (%)**

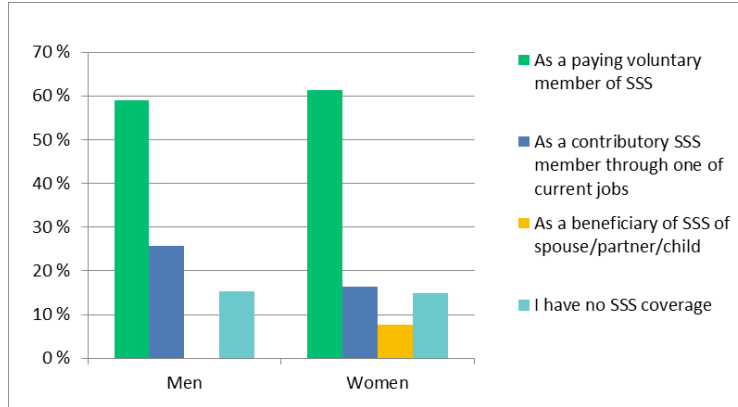


► **Chart 11: Would you or household have enough money in your savings to cover a household emergency?**

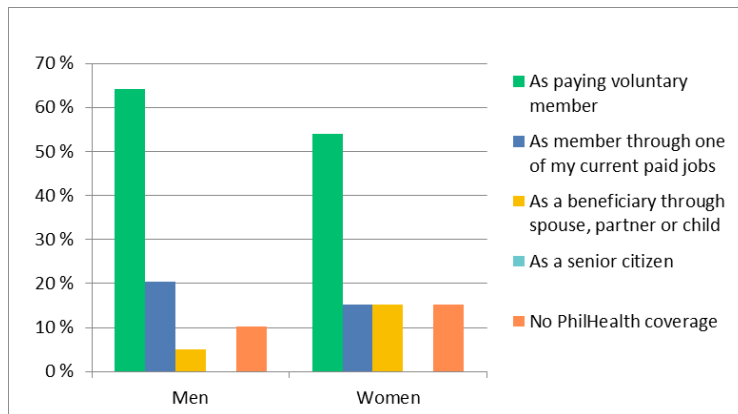


The principal downside of online “freelancing” is that it rarely provides health insurance, and certainly not social security benefits (Davao City and Quezon City FGDs). Online workers have to pay for these themselves if they wish to have some form of security in case of illness, accident or death. As Charts 12 and 13 show, more than half of online workers surveyed are paying voluntary members of the SSS and PhilHealth.

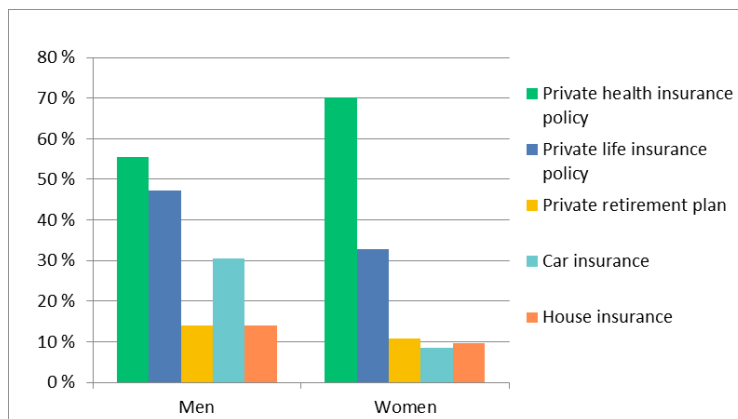
► **Chart 12: Form of SSS coverage**



► **Chart 13: Form of PhilHealth coverage**



► **Chart 14: Types of insurance policy workers have**



► 4 The (non)governance of homeworking

4.1 Industrial homeworkers: out of sight, out of mind

Homeworkers are not absent from Philippine labour regulatory framework but they have been forgotten, left in the shadows of state regulation and labour protection. When the Philippine Government codified national labour regulations and standards into one legal framework in 1974, it took cognizance of the particularity of industrial homeworkers. Chapter IV of Title III (Working Conditions of Special Groups of Employees), Book Three of the Philippine labour code (Presidential Decree 442 as amended) defines industrial homeworkers and clearly establishes their status as wage employee.⁷⁴ Specifically, Article 155 defines the employer of industrial homeworkers as “any person, natural or artificial who, for his account or benefit, or on behalf of any person residing outside the country, directly or indirectly, or through an employee, agent contractor, sub-contractor or any other person:

1. Delivers, or causes to be delivered, any goods, articles or materials to be processed or fabricated in or about a home and thereafter to be returned or to be disposed of or distributed in accordance with his directions, or
2. Sells any goods, articles or materials to be processed or fabricated in or about a home and then rebuys them after such processing or fabrication, either by himself or through some other person.”

However, the Labor Code left it to the Department of Labor and Employment (DOLE) to issue specific regulations governing the employment and working conditions of industrial homeworkers. This did not happen until nearly two decades later, in 1992, when the DOLE Secretary R. Torres issued Department Order No. 5 (DO 5).⁷⁵ The DO5 provides for the following: i) registration of employer, contractor and subcontractor; ii) Social Security System, MEDICARE and Employees Compensation coverage of homeworkers, requiring homeworkers and employers to pay their shares of the premium contributions;⁷⁶ iii) establishment of standard output rates or standard minimum rates by the DOLE Secretary to be determined through time and motion studies, individual or collective agreement, or consultation of employers' and workers' representatives in a tripartite conference; iv) immediate payment of homeworkers after finished goods have been collected; v) protection of homeworkers from unfair and unreasonable deductions, and conditions of payment of work in case of rejects; vi) joint and several liability of contractor, subcontractor and employer to the worker in case of failure to pay wages and earnings; and viii) the right of homeworkers to organize and for their organization to be registered with the labour and employment department and to acquire legal personality.

To implement one of the provisions of DO 5, PATAMABA (the national association of homebased workers formed in 1989, now of informal workers more broadly) and the DOLE undertook one time-and-motion study in garments-making in Taytay in 1992. It was supposed to be the first in a series of time-and-motion studies that would form the basis for establishing and legislating piece-rates for domestic outworkers. However, this study was not followed through; the DOLE did not allocate further resources to this exercise.⁷⁷ The term of Secretary Torres, who issued DO 5, ended by mid-1992 along with the change in the Philippine

⁷⁴ <http://hrlibrary.umn.edu/research/Philippines/PD%20442%20-%20Labor%20Code%20of%20the%20Philippines.pdf>

⁷⁵ Worthwhile noting that the issuance of DO 5 coincided with ILO preparations towards consideration of an international labour standard concerning homeworkers, and was the result of the mobilization of homeworkers under the leadership of KaBaPa and HomeNet, and of an ILO technical cooperation project in collaboration with then DOLE's Bureau of Rural Workers.

⁷⁶ Payment upon receipt of finished goods by employer to homeworkers, contractor or subcontractor for work performed, less the corresponding homeworkers' share of SSS, MEDICARE and ECC premium contributions, which should be remitted by the contractor/subcontractor or employer to the SSS together with the employer's share.

⁷⁷ No documentation of that study has been found by the author, and little information could be obtained from PATAMABA leaders.

Presidency. It is not uncommon for government legislative priorities to shift with change in government administration. There was little time to build political support for labour standards in a sector which had never been the focus of State regulation, which was a key factor in sustaining the cost-competitiveness of Philippine manufactured exports, and which involved multiple subcontracting layers that were too complex and invisible to regulate.

There was another failed attempt to implement DO 5 (Box 8). In 1992-93, PATAMABA assisted a group of makers of *sawali* products (e.g. wall decors) find legal recourse for non-payment for work done (Jardeleza interview). Three months after filing their complaint with the DOLE Regional Office which had jurisdiction over resolution of complaints of non-payment, the case was still unresolved.⁷⁸ The homeworkers eventually gave up; they could no longer bear the cost of travelling to and from the DOLE Office.

► **Box 8. Dispute resolution mechanism – too long and costly for homeworkers**

In Barangay San Benito, Dinalupihan, Bataan, 30 makers of sawali woven products (from a type of bamboo called baeto) items were subcontracted by an agent, a resident of the same barangay who was subcontracting for another subcontractor residing in a neighbouring province. Most of the homeworkers were women, but included children. Because it was rainy season, the workers found it difficult to dry the strips of baeto, which resulted in a high rate of rejection by the subcontractor, and non-payment of job order. Both homeworkers and the agent agreed that the products would be redone and revised. The homeworkers made the necessary revisions, and delivered finished products to their subcontracting agent, who in turn delivered the finished items to the next higher subcontractor level, supposedly based in a neighbouring province. But the homeworkers' immediate agent did not pay them although some homeworkers were told that he had been paid by the principal subcontractor. At that time the total amount of the unpaid cost of labour was about Php 10,000.

PATAMABA, which was then organizing homeworkers in Bataan, held a series of meetings with homeworkers, and together they decided to file a complaint with the DOLE Regional Office III located in another province for non-payment of work done under the DO 5.⁷⁹ After nearly three months of following up the case with DOLE Regional Office, the case remained unsettled. Homeworkers and members of PATAMABA decided not to pursue the case because they no longer had the financial resources to cover cost of travel to and from the DOLE Office. DOLE was unable to move the process. The homeworkers were angry with their subcontracting agent, who was still resident of their barangay, they eventually just let the experience pass. This was also partly because some of the homeworkers were relatives of the immediate subcontracting agent. After their complaints, the homeworkers of Barangay San Benito no longer received job orders; they heard job orders had shifted to another village.

Source: Jardeleza interview and email to the author

From this author's interviews with DOLE top officials, Ms T. Cucueco, BWC Director, and Ms A. Dione, Undersecretary for Industrial Relations and Special Concerns, in April and May 2019 respectively, DO 5 had clearly fallen by the wayside and out of DOLE's sight. The BWC Director was not aware of DO5 prior to the author's interview, but she recognized that her bureau would have to give attention to this special category of workers.⁸⁰

⁷⁸ One possible reason was that DOLE regional officials had no prior experience nor operational guidelines with regards to wage violations and disputes involving homeworkers and layers of agents.

⁷⁹ Technical assistance provided by ILO-DANIDA project on homeworkers.

⁸⁰ Ms Cucueco's lack of knowledge of DO5 may be explained by the fact that she was newly appointed to the BWC post; as former head of the Occupational Safety and Health Center, her principal labour field was occupational safety and health.

The Philippine Labor Code contains provisions that regulate contracting and subcontracting arrangements. In March 2017, in response to the trade union movement's clamour for the Government to put an end to repeated contractualization of workers and violations of workers' right to security of tenure, the DOLE issued Department Order No. 174 (DO 174). It reiterates and reinforces existing regulations against "non-permissible" contracting and subcontracting practices.⁸¹ Labour-only contracting, defined as an "arrangement where the contractor or subcontractor merely recruits, supplies or places workers to perform a job or work for a principal", and certain specified elements are present⁸², is prohibited by law. Workers, hired by the contractor or subcontractor to perform or complete a job or work farmed out by the principal, are considered employees of the contractor or subcontractor, and "entitled to security of tenure, and all the rights and privileges provided under the Labor Code" including safe and healthful working conditions, rest days, overtime pay, special security benefits, etc. (Article 10 of DO 174). Does this regulation apply to industrial homeworkers? The author would think homeworkers engaged under the primary model of homeworking (classified in this report as "labour contracting") would be entitled to protection and benefits under DO174.⁸³ But then, like much of Philippine labour legislation, these rules were crafted with enterprise-based workers in mind. Ms S. Tesiorna, the President of ALLWIES (national labour union of informal economy workers) thinks that the DO 174 is not clear regarding its application to homeworkers and to local "agents" of subcontractors (Tesiorna interview). Homeworkers are not aware of DO 174, and, at the time of this report, PATAMABA national officials had not considered its application to domestic outworkers.

4.2 Online freelancing: In legal limbo

Currently, there are no labour regulations that concern online "freelancers". The recently passed Telecommuting Act was adopted taking into account companies in the private sector that wish to offer their employees, on voluntary basis, a telecommuting work arrangement. The law has three principal elements: that the telecommuting program is available to employees only on voluntary basis; that the terms and conditions of the programme are mutually agreed upon by employer and employees; and that telecommuters receive fair treatment in respect of minimum labour standards and employees working at the employer's premises. Telecommuters should be given the "same treatment as that of comparable employees working at the employer's premises", in respect of: pay, including overtime and night shift differential and other monetary benefits, right to rest periods, regular holidays and special nonworking days, workload and performance standards, access to training and career development opportunities, training, and collective rights and access to workers' representatives.⁸⁴

Nonetheless, the Philippine government is actively promoting and encouraging Filipinos to take up online freelancing. Online jobs (like BPO jobs) are seen as the new generator of employment. The Department of Information and Communications Technology (DICT) aims to train some 500,000 "unemployed Filipino workers from the provinces to make them globally-competitive digital workers by 2022" (Roque 2018).⁸⁵ In 2014, the DICT launched the digitaljobsPH Training Project (formerly Rural Impact Sourcing Technical Training Project), which consists of training courses and technical assistance aimed at helping Filipinos in

⁸¹ [http://caraga.dole.gov.ph/fndr/mis/files/DO%20174-17%20Rules%20Implementing%20Articles%20106%20to%20109%20of%20the%20Labor%20Code,%20As%20Amended\(1\).pdf](http://caraga.dole.gov.ph/fndr/mis/files/DO%20174-17%20Rules%20Implementing%20Articles%20106%20to%20109%20of%20the%20Labor%20Code,%20As%20Amended(1).pdf)

⁸² Enumerated in Section 5 of DO 174: contractor or subcontractor does not have substantial capital, or does not have Investments in the form of tools, equipment, machineries, supervision, work premises, among others, and contractor's/subcontractor's employees recruited and placed are performing activities directly related to the main business of the principal.

⁸³ Under almost all subcontracting and homeworking models, industrial homeworkers are provided design specifications and pre-processed, pre-cut raw materials, and disposition and distribution are done by the principal – employer, or his contractor or subcontractor. No official opinion from DOLE Officials on this question could be obtained by the author.

⁸⁴ Section 5 of "An Act Institutionalizing Telecommuting as an Alternative Work Arrangement for Employees in the Private Sector".

⁸⁵ based on interview with DICT Industry Development Bureau head Yvett Cebrera.

the countryside gain employment in the “online freelancing industry” (DICT n.d.; Versoza-Delfin n.d.).⁸⁶ The prime target population is unemployed and underemployed persons in towns and cities with few job opportunities. In 2017, 30 per cent of some 530 trainees found online jobs, and some did so even before completing the course; and in 2018, 50 per cent of some 2000 trainees have found online jobs (Versoza-Delfin interview). Iconic examples of the project’s success are a fish vendor by day but social media influencer for a European company by night; a person with cerebral palsy who has succeeded to find a job as content writer; a single mother with three young children who is now a freelancer and online seller; a farmer by day but online worker by night (Versoza-Delfin interview). The DICT is taking steps to monitor the employment outcomes of its digitaljobsPH training project. However, the fact that online workers have undetermined, unestablished labour and social protection coverage, is a matter that had not been considered at the time of writing this report (Versoza-Delfin interview).⁸⁷ Generating jobs is at centre and front stage.

4.3 Precarious access to social protection

The country’s social protection floor has many deep cracks and homeworkers easy slip into these. At present, SSS coverage is obtained either by having a regular, declared job (with shared contributions from employee and employer, except domestic workers with salary below Php5000) or through voluntary membership (premium fully paid by the worker). Beneficiaries of SSS members also enjoy some entitlements. PhilHealth coverage is acquired through four ways: regular, declared job; voluntary membership; government sponsorship if one is a beneficiary of the conditional cash programme (4Ps) or a programme for indigent persons, or if one is a local government employee; and as a declared beneficiary of one’s spouse, parent or child.

While the national labour legislation requires subcontractors to enrol their industrial homeworkers with the SSS, none do; DO5 is unenforced, forgotten or unknown. Past wage employment experience of industrial homeworkers rarely allowed them access to SSS or PhilHealth. It was fraught with casual, short-duration (repeated 5-month) employment contracts, which employers used to avoid regularizing an employee, and with failures by employers to register their employees and/or remit premium contributions that had been deducted from workers’ wages. Some industrial homeworkers attempted voluntary SSS membership but without extra funds from a reasonably regular income source, it was difficult to sustain regular premium payments (Pineda Ofreneo 2006:57).

As regards to online platform and direct workers, considered as “independent service providers” by online platforms, clients, the Government and the workers themselves regardless of what actual employment relationship indicators might say, they have to pay for their own insurance if they wish. They are in a relatively better financial position than domestic outworkers, and a good majority are SSS and PhilHealth voluntary members or contribute to a private insurance plan. None of the parties in online work seems interested in interrogating or clarifying their employment relationship, for there are certain advantages for the online workers as well as for their clients: no income taxes for workers; no social security charges, payroll taxes and job termination restrictions for employers/clients. For Government, job generation appears to take precedence over labour and social protection.

The passage of the Universal Health Care Act in February 2019 might patch some of the cracks in social protection floor.⁸⁸ The law promises that every single Filipino citizen will be granted “immediate eligibility”

⁸⁶ The project began with collaboration with Upwork and Freelance.com, with online job advocacy workshops across the country. Eventually, with substantial government funding since 2017, the project has conducted technical training courses. In collaboration with local governments, DICT sets up « hub » in each project area, equipped with internet connectivity, computer equipment and printer for use of training graduates. Source: Phone interview with DICT Director Ms Delfin 24June2019. Also see links to DICT documents: <https://drive.google.com/file/d/1c1dd7djcljWu6zj1Tazba3pVktZqLK/view>; https://drive.google.com/file/d/1IZB0P4KQnRq_wGMGYnzdybrlVOjmenUB/view

⁸⁷ Delfin did not deny the importance of determining working conditions of online workers. She cited that this is a matter that could be addressed in the annual meeting planned in July 2019. But she had no information on how online workers could be protected from unfair practices.

⁸⁸ <https://www.officialgazette.gov.ph/downloads/2019/02feb/20190220-RA-11223-RRD.pdf>.

for membership in the newly-created National Health Insurance Program (NHIP), with access to the full spectrum of health care. Employees and self-earning professionals, classified as direct contributors, are required to pay their contributions; the rest, the “indirect contributors”, will be subsidized by the government. However, it is not clear how the more basic issues of non-compliance and disguised employment relationships will be resolved.⁸⁹

⁸⁹ As of writing of this report, the implementing rules and regulations were still being worked out. It may take several years for all elements to be in place for a fully functioning universal health care system.

▶ 5 Protecting and promoting homeworkers: Workers take actions

5.1 PATAMABA – three decades’ old and still going

The most well-known national homeworkers’ organization is the PATAMABA (*Pambansang Kalipunan ng mga Manggagawang Impormal sa Pilipinas*), which celebrated its 29th founding anniversary in May 2019.⁹⁰ It was the principal interlocutor of homeworkers in the formulation of Department Order No. 5 and of Philippine inputs to the ILC discussion on an international labour standard for homeworkers, ILO Convention No. 177.

Founded in 1989 initially to organize and represent home-based workers, PATAMABA has expanded its scope in recent years to include informal workers, such as street vendors, tricycle drivers, and own-account workers.⁹¹ It has a membership of more than 18,000 persons, most of them women, covering 10 regions, 34 provinces and over 200 chapters nationwide. Of these numbers, more than 2500 are in subcontracted work, more than 12,000 are self-employed, and about 1500 are engaged in both self-employment and subcontracted homeworking.

PATAMABA works on two levels. At the national policy level, PATAMABA remains active and visible since its advocacy for Convention No. 177 and DO5 (PATAMABA May 2019). In recent years, PATAMABA representatives have actively participated in public hearings regarding the draft magna carta for workers in the informal economy, the new occupational safety and health law which contains provisions for micro enterprises, the extended maternity law, and the universal health care act.

At the grassroots level, the organization helps home-based and informal economy workers form self-sustaining groups, mobilizes the young members of the informal workers’ community, and undertakes livelihood, microcredit and social safety net initiatives at the grassroots level (PATAMABA May 2019). FGDs with industrial homeworkers identified their expectations from the organization, which are largely related to meeting material needs: livelihood assistance – capital, equipment (e.g. sewing machine for home-based sewers); small group savings in case of death, illness, etc. (such as indigenous *damayan*); micro-credit; and training in new skills for alternative jobs and business. First-generation members of PATAMABA reported having enjoyed the benefits of project loans, livelihood assistance, sewing equipment, and assistance in negotiating right to land, but some younger generation of members (Talisay City FGD) lament not having received the same benefit. On the other hand, youth members of PATAMABA appreciate the organization differently, citing new skills, new knowledge, leadership, and activities that divert the youth from drugs and gadget-addiction (San Carlos City FGD).⁹²

Social protection of homeworkers and informal workers broadly has long been PATAMABA’s primary concern, and it launched several initiatives in this field. In the mid-2000s, the PATAMABA Balingasa Chapter piloted the Automatic Debit Account (ADA) programme of the SSS in Quezon City in collaboration with DOLE and Philippine Savings Bank (PSBank), aimed at enabling informal workers who did not have regular, stable

⁹⁰ The Alliance of Workers in the Informal Economy (ALLWIES) is another national organization that includes homebased workers, but it does not have a tradition of organizing subcontracted homeworkers.

⁹¹ <http://patamaba.net/>

⁹² PATAMABA has been organizing the youth in the local communities of their members to assist older homebased workers and prepare for the organization’s future leadership.

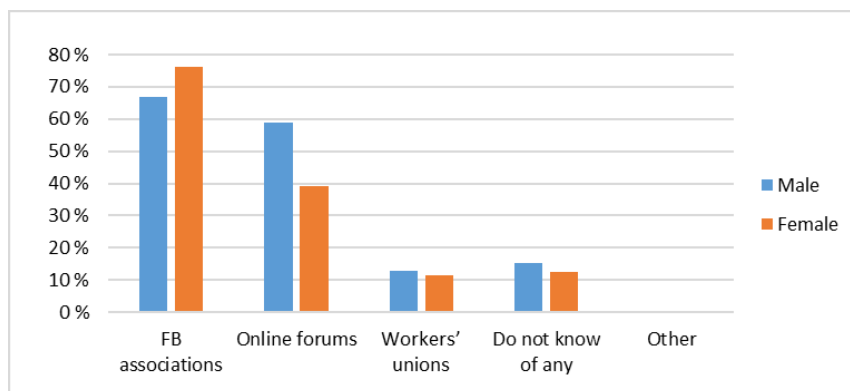
income stream to pay their SSS premiums.⁹³ Under the plan, a participating worker opened a savings account with the PS Bank with a minimum deposit of PHP 100, instead of the standard minimum PHP 2000-5000, and needed to maintain a balance of only PHP 100. Each member could save what they could and at their pace; and every month, the monthly premium was automatically debited to SSS. As a result, homeworkers were able to put aside money whenever they had extra income, had a convenient way of making payments to the SSS (PS Bank branch was accessible), and were encouraged at the same time to save for other purposes (Pineda Ofreneo 2006:55). The major downside was that, it was learned later, the PS Bank was late (by as much as 6 months) in remitting the premium payments to SSS, which put the members' status and benefits at risk. The ADA programme was not sustained and replicated, though it showed its potential.

PATAMABA has conducted group discussions among its members to encourage them to become voluntary members of the SSS, Philippine Health Insurance, and Red Cross accident insurance scheme. In Angono and Taytay, PATAMABA and other informal sector leaders succeeded in convincing the municipal governments to allocate funds for health insurance premiums and to embark on other community-based social schemes (Pineda Ofreneo 2006:37-38). However, even among members and despite campaigns for members to enrol in formal systems, only a minority has access.⁹⁴ For PATAMABA national officials, the solution lies in universal access to social insurance. In this vein, it has advocated actively, together with other membership-based organizations in the informal economy (e.g. ALLWIES) and NGOs, for a Magna Carta of Workers in the Informal Economy, which outlines the rights of informal workers⁹⁵, and for the recently passed Universal Health Care Act.

5.2 Collaborations powered by social media

True to the IT world in which they work, social media and online chat forums are the prime vehicles used by online workers to collaborate and help each other. From the survey, more than 60 to 70 per cent know of Facebook associations of online workers; some half know of chat forums (Chart 15). Many use these vehicles principally to communicate with other online workers (Chart 16).

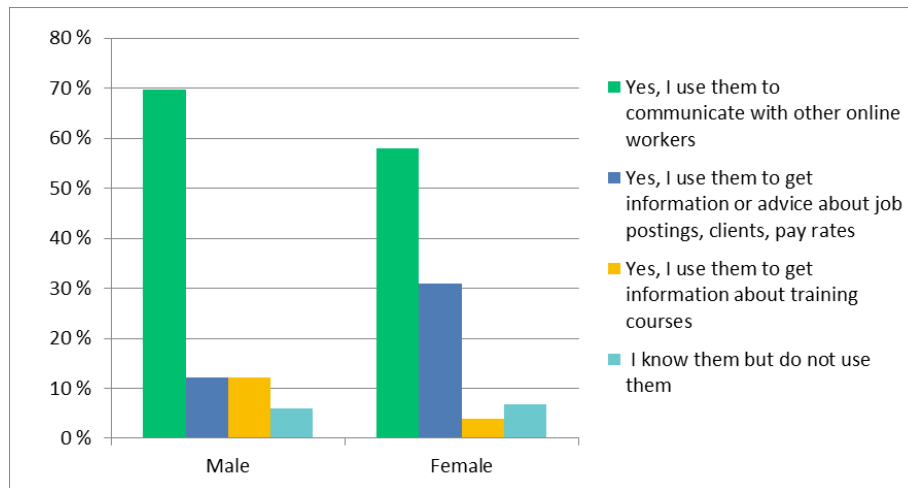
► Chart 15: Forms of collaborations known to online workers, men, women (%)



⁹³ The Balingasa Chapter consisted of homebased workers engaged in production of slippers, doormats and rugs, pillows, lace, various novelty items, Christmas décor, processed food, and garments subcontracting. It started with 15 homebased workers, and reached 175 by 2006.

⁹⁴ Workers, their organizations and small groups (as with PATAMABA) thus rely on microcredit schemes and alternative and indigenous social protection schemes – *paluwagan* and *damayan*. In *damayan*, each member contributes a certain amount when a member dies. In *paluwagan* (pooled money), each member pays a certain amount agreed upon by all members; the pooled money is taken alternately by members who draw lots to determine the first beneficiary.

⁹⁵ Several draft versions have been deliberated in the National Congress. It will most likely be revised further in view of the recently passed Universal Health Care Act and other pending bills in the legislature.

► **Chart 16: Have you used any of these collaborations among online workers?**

It is difficult to find and name all associations of online workers, and several are local communities of online workers. A few examples from a rapid internet search are presented in Box 9. One with the largest registered membership is Online Filipino Freelancers (OFF). Its Facebook serves primarily as a communication and information-sharing platform for online workers. OFF also holds periodic conferences to provide information on various online job opportunities.⁹⁶ Interestingly, according to the Davao City FGD, this association also seeks to protect pay rates in the freelancing industry. The author was informed that members have agreed not to accept rates lower than \$3/hour so as to prevent Filipinos and clients from pushing down the salaries and value of Filipino online workers.⁹⁷ Also worthwhile noting is the Filipina Homebased Moms (FHMOMS), which has a much smaller membership base but is distinct in that it aims to support mothers in online jobs. The Freelance Writers Guild of the Philippines has been mobilizing and holding meetings with freelance writers, for both print and online (Quezon City FGD). The Guild is especially concerned with “protecting the working conditions of freelance writers”.⁹⁸ Among its plans is to set up minimum and ladder rates based on level of skills and years of experience.

The principal mission of most associations and groups appear to be to promote online work as a fulltime career or part-time job, which is projected as attractively remunerative without the “inconvenience of leaving the comfort” of one’s home (or country) and one’s family care obligations. Referring to Filipino workers who have left the country for higher paying jobs in other countries, the Digital Career Advocates of the Philippines (DCAP) calls online Filipino freelancers as the new breed of “overseas Filipino workers”, OFW version 2. Promoting the welfare of online workers is assumed under the promotion of online jobs; protecting workers’ employment and working conditions does not emerge as a prominent or distinct goal. However, online workers met by the author think that Facebook-based networks and associations have the potential role of making salary rates for defined skill sets widely known among online workers, thus enabling them choose better paying jobs (Davao City and Quezon City FGDs).

The DCAP is different from other online workers’ groups in that it consists not only of online freelancers but also of online workers who manage their own team of online workers (called “Home-Grown BPO”) and

⁹⁶ SIDE GIG 2019 poster states « The most profitable part-time side-line jobs in the Philippines » “Side Gig Conference is a one-day-only event that you cannot afford to miss! Discover the ways on how you can earn extra income, even while you still have a day job. Learn from our roster of speakers who are experts in the said fields, and get information on the platforms that you can use to get started. » <http://educ.tgfiph.com/side-gig/> (Accessed 26Oct2019).

⁹⁷ FGD Davao City claimed that online workers in India accept to be paid \$2.5 per hour. The Filipinos should maintain \$3.00 because this highlights and reinforces the fact that Filipinos offer better quality work performance.

⁹⁸ <https://fwgpblog.wordpress.com/about/>

outsourcing agencies.⁹⁹ In May 2019, DCAP announced its partnership with the Network of Outsourcing Agencies, “the Philippines’ 1st Agency-Focused community” whose mission is “to help start and grow at least 300 digital agencies and generate at least 3000 jobs by 2023”. Working closely with, and supported by, the Philippine Government through the DICT, the DCAP aims to promote the growth of the Online Outsourcing Industry and advocate for the welfare of online workers all over the Philippines. It seeks to represent the industry in the creation of laws and policies that will benefit online workers and the industry.

► **Box 9: Collaborations among online workers: Examples**

ONLINE FILIPINO FREELANCERS

<https://www.facebook.com/onlinefilipinofreelancers/>; created in January 2015; currently with 186,526 members.

Excerpts from Facebook page:

Online Filipino Freelancers is a group made for online freelancers by online freelancers from the Philippines. We are not in any way directly affiliated with Elance and Upwork or any other online freelance platform and will remain to be that way.

Our aim is to provide a dynamic and fun community for Online Filipino workers who can freely speak their minds, share insights, help each other out and grow as freelancers. Members are encouraged to be active and speak their minds but we ask that we still keep everything positive and professional. We do not support unprofessional and unethical behavior in or outside any platform at any given point in time.

Members and admins of this group will entertain any questions that are related to being a freelancer (e.g. but not limited to how to start, pay related, client and platform related) but are not responsible or in any way compelled to answer all the time. We strongly encourage new freelancers to read the files we have in the Files Section as well as read the threads and forums on the platforms themselves.

FILIPINA HOMEBASED MOMS (FHMOMS)

<https://www.facebook.com/fhmomscommunity/>; Facebook started in February 2017; 75000 plus followers.

A support group via Facebook, initiated by Maria Korina Cope, a mother who found a successful online career, with a mission « to help fellow parents, mothers especially, to find jobs suitable to their lifestyle through freelancing ».

Excerpts from Facebook page :

We are dedicated to help all Filipina moms out there who are aspiring to work from home, be able to land the online jobs they deem of having, through the support group we came up with over Facebook. Through this group, we aim to cater to all the needs of fellow freelance working Pinay moms.

Our MISSION: Whatever kind of freelance mom you wish to become, FHMOMS will always be with you every step of the way. We will be with each and everyone of you to and through your freelancing journey and will act as your bridge to socialize to socialize, collaborate, and share experience to other Filipina moms.

Our VISION: Our vision is a nationwide scope of empowered home-based Filipina moms through a supporting, respectful, and flourishing community. This is a goal that we will actively pursue by encouraging and motivating moms to make wonders in their freelancing, parenting, and entrepreneurship adventures.

We are looking forward to create a ripple effect of kindness to our MOMbers who have developed gratitude by giving back to and through different organizations and families. We aim to build a nationwide community of work-at-home moms and governed by love, respect, and hope for a better and empowered life.

PAYPAL PHILIPPINES FREELANCER COMMUNITY

<https://www.facebook.com/groups/PayPalPHFreelancers/about/>; the Facebook network has currently 11, 514 members.

Excerpt from Facebook page:

This group provides a place to share, discuss and collaborate insights, tips & tricks on everything Freelancer related. For help with your customer service related PayPal enquiries, please join our main PayPal PH Facebook Page, send a DM and our customer service representatives will get back to you.

FILIPINO VIRTUAL ASSISTANCE AT FVA CONSULTANCY

<https://www.facebook.com/FVAConsultancy/>

Filipino Virtual Assistance offers online jobs courses, virtual assistance services and franchising opportunities. While it is not an association of online workers, its Facebook serves as platform for FVA to disseminate information on training courses and coaching services as well as to answer queries about various issues about online work such as payment

⁹⁹ See <https://www.facebook.com/DigitalCareerAdvocatesPH/>. The Facebook page contains a video of launching of DCAP which provides information on the vision and mission of DCAP.

questions. The platform also serves as information sharing about training graduates and online workers who have secured good online jobs. Its Facebook has some 55 thousand followers.

NEGROS ONLINE WORKERS

<https://www.facebook.com/groups/bacolodworkathome/>; created in August 2014; 565 members.

Its Facebook page says the group is « *for freelancers based in Bacolod City and nearby places in Negros* », and « *open for individuals who are aspiring to start working from home* ».

ONLINE BICOLANO WORKERS

<https://www.facebook.com/groups/onlinebicolanoworkers/>; created in January 2015; 3,118 members.

Its Facebook page says this is a group « *where bloggers, graphics artists, virtual secretaries, online sellers, etc. can share job experiences, job openings, tips and online opportunities. This group is also open for those who want to learn more about online jobs and business opportunities.*»

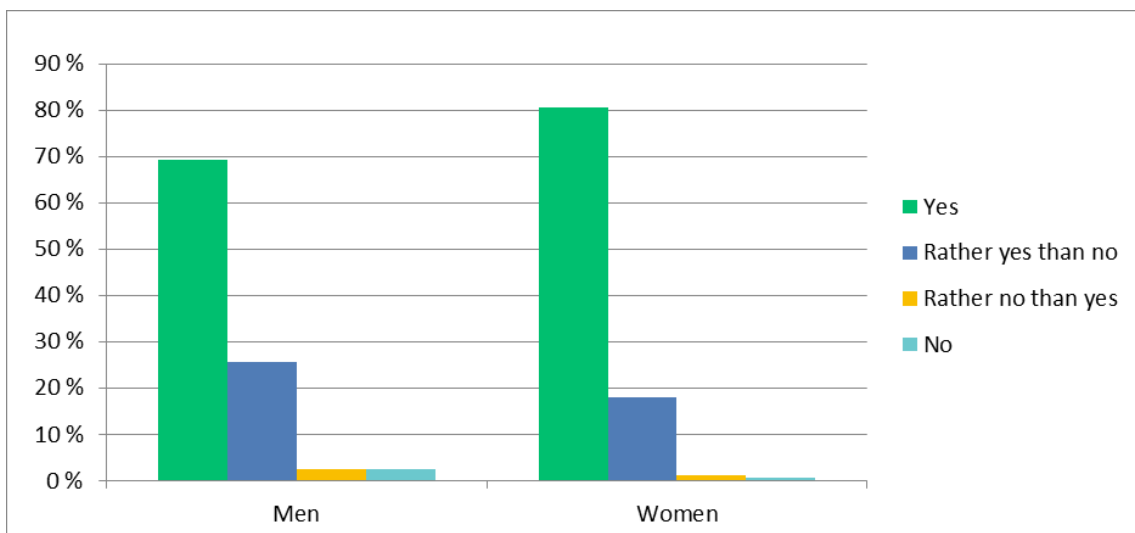
► 6 Making homework more decent: Challenges and areas for action

6.1 Good job? Bad job?

At PATAMABA's anniversary meeting on May 5, 2019, when asked whether homework should simply be discouraged or prohibited by law, homeworkers overwhelmingly answered in the negative. They expressed the need for the income that homework allowed them to realise, no matter how little. Homework enabled them to shore up earnings from other sources and of other income-earners. Moreover, the cases of Taytay's and Pandi's thriving local garment industry and CocoTech's arrangement with some 1500 families for coco yarns and coco fibre also demonstrate that homeworking is a marketing channel for homebased workers who do not have the acumen nor resources to deal with the intricacies of markets or bear the risks involved.

When asked whether the clamour of Philippine national trade union federations to ban all forms of contractual employment and to require all jobs to be regularised, online workers met by the author explicitly rejected this. They believe that workers should have the freedom, flexibility and power to choose the type of employment contract suitable to their requirements. Of the online workers covered by the survey, 79 per cent of men and 93 per cent of women wanted to do more online job than they were doing at the time of the survey. Moreover, most see themselves as continuing to do online work 3-5 years in the future (Chart 17).

► Chart 17: Online work 3-5 years from now?



The freedom and flexibility in combining family care responsibilities with earning an income, and the ability to “control one’s own time”, are regarded by both industrial homeworkers and online freelance workers as the prime advantage of working in industrial homework or online freelancing. Yet, the working time of a substantial proportion of online workers is fixed and/or closely tracked.

Are pay rates and earnings fair? For industrial homeworkers, earning something is better than nothing; whether a given piece-rate is just and fair is a question that is not really worth the while to raise. But as the data from 85 industrial homeworkers showed, in the majority of cases, earnings are not sufficient to sustain a households’ basic needs such that homeworkers’ households depend on multiple income sources.

A day's earnings based on documented piece-rates are below the applicable legislated minimum wage. In the case of online workers, pay rates and earnings could be double or triple what some could earn in the country, but could also be low and at times nil.

There are no "standard pay rates" and no or little room for negotiation over pay in industrial homework or online work. Earning streams from domestic outworking are precarious and irregular. Online jobs do not offer income security either; jobs could be terminated any time while some rely on available tasks daily.

Moreover, the labour status of homeworkers is in the shadows. Philippine labour legislation on industrial homeworkers may be considered progressive in that it recognizes industrial homeworkers as employees, and makes their subcontractors, contractors and principal jointly and severally liable to their obligations to the homeworker. However, this legal provision has slid out of the vision of law enforcement in the country. Online workers, on the other hand, are largely considered "freelancing" professionals, i.e., independent contractors, without the right to employee benefits even where the "client" and online platform exercise hierarchical power over the online worker.¹⁰⁰

There is no effective legal recourse in case of non-payment of wages or breach of agreement. Informal, verbal transactions dominate industrial homework and Department Order 5, which clearly provides for homeworkers' labour rights and due process in case of disputes, has sadly been forgotten. Online work is, more often than not (especially in online platform work), covered by an agreement – written or virtual – between the parties, but there is no established legal recourse for non-payment and violations of agreement.

Finally, the absence of entitlements to health insurance and social insurance are considered by homeworkers as the most important deficiency of homeworking or online freelancing. DO 5 provides it for industrial homeworkers, but it is not enforced. The lack of social and health insurance renders industrial homeworkers highly dependent on subcontractors and agents for financial assistance in case of illness, death in the family, or tuition for child's schooling, cutting down further any bargaining leverage. In this, homeworkers are not so much different from many other Filipino workers, including those in wage employment relationships and in the formal sector. Many in low-wage and informal jobs do not effectively enjoy their rights to social security and health insurance. Thus, the solution lies in the broader social protection system of the Philippines. Hopefully, the Universal Health Care could be a start towards an institutional solution.

6.2 Protection from labour exploitative practices: Possible areas for action

First, an effective governance framework concerning homework and online work. This will involve a delicate balancing act, between regulation and protection of workers on one hand, and employment promotion and protection of workers' income sources on the other. Currently, the bills proposed by the mainstream trade union against subcontracting arrangements lean towards protecting the small formal, enterprise-based sector. More empirical data regarding homework and online work should inform rule-making.

Nonetheless, while law is indispensable, the constraints to the effectiveness of regulatory measures in homework are real:

- Homeworkers are not captured by LFS. They are invisible statistically.
- They are dispersed.

¹⁰⁰ The presence of hierarchical power has been traditionally established as the distinctive feature of employee-employer relationship: the employer's power to give orders and directives to the employee, the power to control and monitor how the employee performs the work and follows directions; and the power to impose discipline or sanction poor performance (ILO 2016: 15).

- Work in private homes lies outside of current standard labor inspection mechanisms.
- Homeworkers do not know their rights under the Labor Code, and probably do not consider themselves as “wage employees” with rights like enterprise employees.
- “Clients” of digital homeworkers are often located outside the Philippines. Even if covered by national laws, how can these be enforced?

The DOLE will most likely never be sufficiently equipped to carry out routine inspections of actual working conditions, in enterprises and homework. However, for industrial homeworkers, a more accessible mechanism – more rapid, less costly and time-consuming – for the resolution of complaints and rights disputes should be crafted. The mediation-conciliation system in place in the DOLE is a good start, but the institution (its procedures, culture, people) is heavily oriented towards traditional enterprise-based employee-employer relationships. Effort must be devoted to finding a creative approach – practical guidelines, re-orientation and training of DOLE regional officials – that is appropriate and effective with non-conventional categories of working arrangements and employment relationships.

In the case of online work, Cherry (2019) points out that, as long as the focus of regulation is on workplaces and physical locations where work is performed, “effective regulation of crowdwork will remain elusive”. She suggests, rather than look at geographical applications of law, one should look at extraterritorial applications of law, sectoral regulation and corporate codes of conduct for ways forward. The DICT and the DCAP, whose members comprise of online freelancers, online workers operating BPOs, and outsourcing agencies, may be in the position to lead participatory consultations with networks of online workers and industry leaders, and the formulation of codes of practice or conduct and minimum standards for Filipino online workers.

Second, empowerment of workers. Even while a clear governance framework is in place, to be effective, a governance framework requires “empowered workers” who can, by themselves, take steps towards resisting low wages, claiming their rights, and negotiating for better terms of employment. Workers’ power comes from their organizations, social networks, being statistically visible (captured by national statistics), information and knowledge, and some degree of income and social security. Worker’s power also comes from politically and socially aware workers who will not engage in a race to the bottom.

Third, access to the power of information. Public knowledge about current piece rates of domestic out-work or salaries of online virtual assistants has proven useful in enabling workers to at least maintain wages within a certain range, not lower. National statistical systems that enumerate homeworkers as a distinct category of workers, and a systematic documentation of their wages and terms of employment, should be supported. Without data, homeworkers will remain socially and politically invisible, their organizations will have weak basis for advocacy, and policies will be poorly informed.

Making information on current salaries and piece rates accessible to clusters of homeworkers at local level, associations and networks of industrial homeworkers and online workers, and through social media, is a prime instrument for empowering workers. For online workers, such information may be helpful in being able to “price themselves” in their online profile. For industrial homeworkers, they could at least refuse a low-priced job order.

In this regard, the DOLE and DICT have an important responsibility – ensure that the Philippine Statistical Authority undertakes a labour force survey that better captures workplace and working conditions of homeworkers. Both agencies should give attention to wages, working hours and job security, not simply touting the great new jobs that online homeworking can offer.

Finally, innovations in collective agreements and local social enterprise. The Mariveles Bagmakers Multi-Purpose Cooperative in the town of Mariveles (province of Bataan) represents a successful example of how industrial homeworkers can, as a collective, remove their economic dependence on subcontractors and intermediaries, and forge a more direct line to their markets (Box 10). The country has other similar

examples of cooperatives and groups of small producers – farmers, weavers, garment sewers - who produce and/or market their products collectively. It would be useful to make the lessons from these experiences continually and widely accessible to homebased workers.

In Taytay, Angono, Pandi, Talisay City, and San Carlos City, homeworkers and locality-based subcontractors and traders are members of the same community, local clusters and PATAMABA organization. This fact raises the possibility of crafting a local consensus on fair practices of economic exchange at least at this lowest level of the subcontracting chain. How can one facilitate virtuous agreements between local suppliers or subcontractors and homeworkers on common principles and terms that benefit both subcontractor and homeworkers, and protect them from unfair practices of actors in the higher levels of supply chains? Social innovations along this line are worthwhile considering.

► **Box 10: Mariveles Bagmakers Multi-Purpose Cooperative**

A group of displaced skilled factory workers from a closed bag manufacturing company as well as a few homebased bag makers decided to pool their skills, talents and resources together to form a cooperative that produces quality affordable bags (school backpacks, laptop bags, travelling bags, belt bags, cycling bags, etc.). To boost the bag industry (adopted as Mariveles' One Town-One Product in 2005), the Mariveles municipal government, Bataan Provincial Government, the Department of Trade and Industry and the Department of Labor and Employment provided various interventions to assist the cooperative compete in the local and national market. To make the quality of their bag products recognized and well-known in the domestic market, the Cooperative branded their bag "MB Bags". In respect of production and marketing, the Cooperative sources raw materials (e.g. various fabrics) and accessories at bulk price, and sells these to the bagmakers on credit at low interest, offers common facilities (bar tack machine and embroidery machine) which are too costly for one bagmaker to purchase and maintain, accesses new trends in design through group visits to the Product Development Design of the Philippines, and carries out facilitates massive marketing and promotion campaigns. Members' benefits are death assistance, calamity assistance, Christmas Package, livelihood training, and hospitalization assistance. Other services offered by the Cooperative are fixed deposit, savings deposit, time deposit, and loans.

Sources: Ma. Lina V. Marcos, Manager, "MBMPC Profile", An unpublished note by the Manager of the Mariveles Bagmakers Multi-Purpose Cooperative; Mariveles Bagmakers Multi-Purpose Cooperative brochure.

Annex

Annex 1: Seven focus group discussions

FGD Site: Barangay Laray

San Roque, Talisay City, province of Cebu

16 homeworkers/homebased workers residing in Bgy Laray

San Roque, engaged in making home decor and fashion accessories (e.g. made of seas shells, starfish, coco materials, wood)

5 former makers of rattan chairs

Date: 3 March 2019

FGD Site: Barangay Bega, San Carlos City, province of Pangasinan

25 Homeworkers residing in Bgy Bega and Bgy Lilimasan making bamboo tilklis (baskets to hold fruits and vegetables at harvest time) and tangkulong (dome shaped covers used principally to cover newly hatched protect them from rats ; sometimes used as lampshades)

Date: 9 March 2019

FGD site: Barangay Dolores, Taytay, province of Rizal

15 Makers of garments from Taytay

Date: 30 March 2019

FGD site: Barangay San Vicente, Angono, province of Rizal

16 Smockers & sewers

Date: 31 March 2019

FGD site: Barangay Bagong Barrio, Pandi, province of Bulacan

17 Sewers and embroiderers of barong, gowns

Date: 7 April 2019

FGD site: Davao City

5 Online workers

Date: 1 June 2019

FGD site: Quezon City

3 Freelance writers

Date: 7 June 2019

Annex 2: Socio-demographic profile of homeworkers in five FGD sites

FGD Sites : Angono, Rizal ; Pandi, Bulacan ; San Carlos City, Pangasinan ; Taytay, Rizal ; Talisay City, Cebu.

Demographic Profile of FGD Participants			
Total 5 sites		85	100%
Sex	Women	77	91%
	Men	8	9%
Civil Status	Married	64	75%
	Wid/Sep	14	16%
	Never M	7	9%
Age	< 25	7	8%
	<35	10	12%
	<45	11	13%
	<60	40	47%
	60 & older	17	20%
With child < age 6	Yes	52	61%

Highest Educational Attainment		
Total 5 sites	85	100%
Elem-Gr1-6	26	31%
HS 1-5	39	46%
Post HS education	19	22%
With Diploma-Degree	6	7%

Household Size (number of members)		
2-3	10	12%
4-6	48	56%
7-10	24	28%
10 + more	3	4%
Total 5 sites	85	100%

Current Jobs		
All 5 sites	Number	%
	85	100%
HW only	32	38%
One job (not HW)	5	6%
HW + part-time jobs	41	48%
Multiple jobs (not HW)	6	7%
No job	1	1%

Homework Product Line	Number	%
All 5 sites	85	100%
Sewing clothes	26	31%
Sewing bags	2	2%
Smocking	12	14%
Embroidery, beading, patching	4	5%
Doormat making	2	2%
Assembling home decor items, fashion accessories (shell, coco)	6	7%
Weaving bamboo products	22	26%
Boneless bangus	1	1%
No longer HW	8	9%
Past HW; now Subcon supplier/buy-sell HW products	2	2%

Number of Years Doing Homework		
	Total	%
< 2 years	5	6%
2-5 years	9	11%
6-10 years	16	19%
11-20 years	16	19%
21-30 years	14	16%
31 & more	19	22%
No data	6	7%
All 5 sites	85	100%

Maximum Monthly Earnings of HW Participants		
Pesos	Number	%
Less 2K	11	15%
2-less 4K	16	22%
4-less 6K	20	27%
6-less 8K	13	18%
8-less 10K	3	4%
10-less 15K	6	8%
15K - above	2	3%
No response	2	3%
All 5 sites	73	100%

Usual Total HH Monthly Income (all earners)		
Pesos	Number	%
< 5K		
5-10K	27	32%
11-20K	33	39%
21-30K	17	20%
31-40K	6	7%
41-50K	1	1%
51-75K	0	0%
Higher	1	1%
All 5 sites	85	100%

Annex 3: Online workers – socio-demographic and general online work profile

Type of Online Work in past 12 months	Male	Female	Total
Only online platform work (work for clients through an online platform)	41,86%	37,86%	38,46%
	18	92	110
Both, but mostly and primarily online platform work	32,56%	33,74%	33,57%
	14	82	96
Only direct online work for clients (outside online platforms)	18,60%	13,58%	14,34%
	8	33	41
Both, but mostly and primarily direct online work with clients (outside online platform)	6,98%	14,81%	13,64%
	3	36	39
Total	15,03%	84,97%	100,00%
	43	243	286

Length of time since started doing online work by Type of Online Workers, by Sex	Type of Online Work			Sex		
	Online Platform only or primarily & mostly	Online Direct only or primarily & mostly	Total	Men	Women	Total
Less than 1 month	5,29%	8,75%	6,25%	4,65%	6,58%	6,29%
	11	7	18	2	16	18
1-6 months	16,83%	8,75%	14,58%	11,63%	15,23%	14,69%
	35	7	42	5	37	42
7-12 months	13,94%	10,00%	12,85%	11,63%	13,17%	12,94%
	29	8	37	5	32	37
1-2 years	38,46%	42,50%	39,58%	37,21%	39,92%	39,51%
	80	34	114	16	97	113
3-4 years	17,79%	17,50%	17,71%	23,26%	16,46%	17,48%
	37	14	51	10	40	50
5 years or more	7,69%	12,50%	9,03%	11,63%	8,64%	9,09%
	16	10	26	5	21	26
Total	72,22%	27,78%	100,00%	15,03%	84,97%	100,00%
	208	80	288	43	243	286

Tasks Performed by Type of Online Workers	Online Platform Only or Primarily & Mostly		Online Direct Only or Primarily & Mostly		Total	
	Frequency of Mention	%	Frequency of Mention	%	Frequency of Mention	%
IT (e.g. software development, web programming)	104	50,00%	22	27,50%	126	43,75%
General virtual assistance – administrative tasks, e.g. calendar management, flight & hotel bookings, email filtering; preparing reports, other tasks assigned by client.	20	9,62%	20	25,00%	40	13,89%
Data entry	63	30,29%	9	11,25%	72	25,00%
Social media manager	9	4,33%	10	12,50%	19	6,60%
Voice and non-voice customer support to customers/buyers	20	9,62%	5	6,25%	25	8,68%
Other customer services - processing refunds & replacements, tracking orders, compiling reviews of customers	10	4,81%	3	3,75%	13	4,51%
Marketing and sales services - product research, product sourcing, product listing, product launching, drop shipping	8	3,85%	3	3,75%	11	3,82%
Marketing strategies – lead generation, SEO, Pay Per Click campaigns, email marketing, social media marketing	5	2,40%	0	0,00%	5	1,74%
Accounting and Finance – bookkeeping, accounting, business analysis, etc.	2	0,96%	1	1,25%	3	1,04%
Content creation – blogging, writing, copywriting, editing, audio or video editing	8	3,85%	4	5,00%	12	4,17%
Design – design of logo, graphic, flyer, T-shirt or web	2	0,96%	2	2,50%	4	1,39%
Teaching, tutoring	14	6,73%	4	5,00%	18	6,25%
Translation	6	2,88%	1	1,25%	7	2,43%
Micro tasks	33	15,87%	11	13,75%	44	15,28%
Other	6	2,88%	3	3,75%	9	3,13%
Number of Respondents	208		80		288	

Tasks Performed by Sex	Men		Women		Total	
	Frequency of Mention	%	Frequency of Mention	%	Frequency of Mention	%
IT (e.g. software development, web programming)	21	48,84%	104	42,80%	125	43,71%
General virtual assistance – administrative tasks, e.g. calendar management, flight & hotel bookings, email filtering; preparing reports, other tasks assigned by client.	0	0,00%	40	16,46%	40	13,99%
Data entry	14	32,56%	57	23,46%	71	24,83%
Social media manager	4	9,30%	15	6,17%	19	6,64%
Voice and non-voice customer support to customers/buyers	5	11,63%	20	8,23%	25	8,74%
Other customer services - processing refunds & replacements, tracking orders, compiling reviews of customers	1	2,33%	12	4,94%	13	4,55%
Marketing and sales services - product research, product sourcing, product listing, product launching, drop shipping	2	4,65%	9	3,70%	11	3,85%
Marketing strategies – lead generation, SEO, Pay Per Click campaigns, email marketing, social media marketing	1	2,33%	4	1,65%	5	1,75%
Accounting and Finance – bookkeeping, accounting, business analysis, etc.	0	0,00%	3	1,23%	3	1,05%
Content creation – blogging, writing, copywriting, editing, audio or video editing	3	6,98%	9	3,70%	12	4,20%
Design – design of logo, graphic, flyer, T-shirt or web	1	2,33%	3	1,23%	4	1,40%
Teaching, tutoring	1	2,33%	17	7,00%	18	6,29%
Translation	1	2,33%	6	2,47%	7	2,45%
Micro tasks	7	16,28%	37	15,23%	44	15,38%
Other	0	0,00%	9	3,70%	9	3,15%
Number of Respondents	43		243		286	

Regional Location of Online Workers by Type	Online Platform Only or Primarily & Mostly		Direct Online Only or Primarily & Mostly		Total	
	Number	%	Number	%		
National Capital Region (Metro Manila)	60	28,99%	23	28,75%	83	28,92%
CAR	9	4,35%	2	2,50%	11	3,83%
Ilocos Region	10	4,83%	2	2,50%	12	4,18%
Cagayan Valley	3	1,45%	1	1,25%	4	1,39%
Central Luzon	25	12,08%	11	13,75%	36	12,54%
CALABARZON	47	22,71%	18	22,50%	65	22,65%
MIMAROPA	2	0,97%	0	0,00%	2	0,70%
Bicol Region	7	3,38%	2	2,50%	9	3,14%
Western Visayas	7	3,38%	5	6,25%	12	4,18%
Central Visayas	16	7,73%	4	5,00%	20	6,97%
Eastern Visayas	2	0,97%	0	0,00%	2	0,70%
Zamboanga Peninsula	0	0,00%	1	1,25%	1	0,35%
Northern Mindanao	6	2,90%	3	3,75%	9	3,14%
Davao Region	12	5,80%	8	10,00%	20	6,97%
SOCCSKSARGEN	0	0,00%	0	0,00%	0	0,00%
CARAGA	0	0,00%	0	0,00%	0	0,00%
ARMM	1	0,48%	0	0,00%	1	0,35%
Total	207		80		287	

	Average Age	Number of Respondents
Online Platform only or mostly & primarily	31,24	206
Direct Online only or mostly & primarily	31,87	80
Male	32,93	42
Female	30,94	235

Marital Status by Sex, by Type of Online Workers	Sex			Type of Online Work	
	Male	Female	Total	Online Platform only or mostly & primarily	Direct Online only or mostly & primarily
Never Married	20 46,51%	91 36,99%	111 38,41%	79 38,73%	28 35,44%
Married/Co-habiting	23 53,49%	149 60,57%	172 59,52%	123 60,29%	47 59,49%
Divorced/Separated/ Widowed	0 0,00%	2 0,81%	2 0,69%	0 0,00%	2 2,53%
Not specified	0	4	4	2	2
Total	43	246	289	204	79

Highest Educational Attainment by Sex, by Type of Online Workers	Sex		Type of Online Work	
	Male	Female	Online Platform Only or Primarily & Mostly	Direct Online Only or Primarily & Mostly
	0	0	0	0
Elementary graduate or less	0	0	0	0
	0,00%	0,40%	0,48%	0,00%
High school undergraduate	0	1	1	0
	6,82%	6,88%	4,81%	12,50%
High school graduate	3	17	10	10
	9,09%	2,83%	3,85%	3,75%
Post-secondary (non-degree) undergraduate	4	7	8	3
	6,82%	4,86%	5,77%	3,75%
Post-secondary (non-degree) graduate	3	12	12	3
	25,00%	21,46%	23,56%	18,75%
College undergraduate	11	53	49	15
	50,00%	60,73%	59,62%	57,50%
College degree graduate (bachelor's degree)	22	150	124	46
	2,27%	2,83%	1,92%	3,75%
Post baccalaureate graduate (master's degree, doctoral degree)	1	7	4	3
Total	44	247	208	80

Most Important Reason for Doing Online Work by Sex	Men		Women		All	
	N	%	N	%	N	%
	I could not find other employment.	2	5,13%	10	4,88%	12
I can only work from home.	3	7,69%	74	36,10%	77	31,56%
I prefer to work from home.	8	20,51%	49	23,90%	57	23,36%
The pay from online work is better than other available jobs.	10	25,64%	17	8,29%	27	11,07%
I like the flexibility of working hours it offers.	14	35,90%	38	18,54%	52	21,31%
To complement salary from my other jobs.	0	0,00%	6	2,93%	6	2,46%
To earn money while going to school.	1	2,56%	1	0,49%	2	0,82%
It is a form of leisure.	0	0,00%	1	0,49%	1	0,41%
I enjoy it.	0	0,00%	3	1,46%	3	1,23%
Other	1	2,56%	6	2,93%	7	2,87%
Difficult to say	0	0,00%	0	0,00%	0	0,00%
Total	39		205		244	

Pre-online Career Status	Men		Women		Total	
	N	%	N	%	N	%
Working a paid job or running a business that I am still doing now	16	41,03%	66	33,67%	82	34,89%
Working a different job that I no longer do	12	30,77%	53	27,04%	65	27,66%
Running a business that no longer exists	4	10,26%	14	7,14%	18	7,66%
Unemployed	4	10,26%	29	14,80%	33	14,04%
In school or training	2	5,13%	9	4,59%	11	4,68%
Caring for children, a disabled person or an elderly adult	1	2,56%	25	12,76%	26	11,06%
Total	39		196		235	

Assessment of Skill Set	Men		Women		Total	
	N	%	N	%	N	%
I would need further technical training to perform all of the tasks	10	25,64%	68	34,00%	78	32,64%
I would need further English-language training to perform all of the tasks	6	15,38%	25	12,50%	31	12,97%
My present skills correspond well with all of the tasks	16	41,03%	69	34,50%	85	35,56%
I have skills to do more demanding tasks that what are available	6	15,38%	28	14,00%	34	14,23%
Difficult to say	1	2,56%	9	4,50%	10	4,18%
Prefer not to specify	0	0,00%	1	0,50%	1	0,42%
Total	39		200		239	

Annex 4: Online platform work – experiences and practices

1. Clients

Clients in the past 3 months: Overseas or domestic	N= 189 Respondents
All my online platform work is for overseas clients	62.43%
More than half of my work is for overseas clients	22.22%
Less than half of my work is for overseas clients	10.58%
All my work is for clients inside the Philippines	4.76%
Country of origin of clients: Top Three Countries Identified	
Country	No. of Rs who named country /186)
USA	78.49%
Australia	33.33%
UK	32.80%
Philippines	32.26%
Canada	19.89%
China	8.60%
Japan	3.76%
Singapore	1.61%
Germany	1.08%
Malaysia (1)	0.54%
Korea (1)	0.54%
Difficult to say	5.38%
Prefer not to say	1.61%
At any one time in the past 3 months, number of clients usually served on one online platform	N= 185 Respondents
One	35.14%
2-5	51.89%
6-10	3.78%
11 or more	3.78%
Difficult to say	3.24%
Prefer not to say	2.16%
If Worker knows the identity of clients to whom he/she provides services	N= 179 Respondents
I know the identity of all my clients on online platform	24.02%
I know the identity of most my clients	31.28%
I know the identity of some clients	25.14%
I do not know at all the identity of my clients	19.55%

2. Online platform transactions

In the past 3 months, Workers with one online platform on which they worked most of the time	N= 190 Respondents
Yes	83.16%
No	16.84%
Whether online platform on which Worker worked most of the time prevented him/her from working on other online platforms at the same time	N=157 Respondents
Yes	23.57%
Probably	25.48%
No	47.77%
Difficult to say	3.82%
If Worker pays a commission from his/her pay to the online platforms	N = 189 Respondents
Yes, always	29.10%
Yes, sometimes	31.22%
No	39.68%
Usual commission paid by Worker (N= 136)	N = 136 Respondents
Less than 5% of my pay	53.68%
5%-10%	29.41%
10%-20%	15.44%
More than 20%	3.68%
If clients pay any commission to online platforms	N= 185 Respondents
Yes, the client pays a commission	47.57%
No, the client does not pay a commission	20.54%
I don't know	31.89%

3. Agreement and contents

How engagement of Worker on online platform is formalised	
All or most online platforms require me to send them a signed written agreement.	32,09%
All or most online platforms require me to click acceptance (e.g. "I agree", "I accept") of the set of policies and conditions posted online.	50,75%
Some online platforms require online acceptance of their policies and conditions of engagement, while some require a signed agreement.	17,16%
I have never signed an agreement or given my formal acceptance online to any set of policies and conditions.	0,00%

Usual contents of written agreement or set of policies /conditions that Worker accepts	Online Platform (N= 134) Frequency of Mention
Your tasks and duties	94,03%
Status of employment – example, describing your as "independent contractor"	57,46%
Duration of work or of engagement	61,19%
Pay rate	76,87%
Frequency and manner of payment	52,99%
Working hours	52,99%
Fixed work schedule, if any	31,34%
Conditions of termination	55,22%
Non-wage benefits	18,66%
Non-disclosure agreement	33,58%

4. Supervision and control

If Clients give Worker detailed instructions on how to do work	N= 180 Respondents
Yes	66.67%
More often Yes than No	23.89%
Cannot say Yes or No	6.11%
More often No than Yes	2.22%
No	1.11%
How worker usually receive instructions about tasks from clients	N= 179 Respondents
Always posted to me by On line platform managers	25.70%
Most often posted to me by On line platform manager	13.97%
Most often sent to me directly by clients through workspace of on line platform and/or other communication channels	39.66%
Always sent to me directly by clients through workspace of online platform and/or other communication channels	17.32%
How Worker usually communicates with his/her client	N= 180 Respondents
Only through the workspace provided by online platform	38.89%
Only outside the platform (via Skype, WhatsApp, Messenger, and/or email)	35.00%
Combination of both online platform and outside the platform	26.11%
If Clients supervise Worker's work	N= 180 Respondents
Yes	32.78%
More often Yes than No	25.00%
Cannot say Yes or No	15.56%
More often No than Yes	12.78%
No	13.89%
If Worker has ability to decide how work should be carried out	N= 180 Respondents
Yes	50.00%
More often Yes than No	34.44%
Cannot Yes or No	9.44%
More often No than Yes	3.89%
No	2.22%

5. Monitoring of working time

If Clients monitor Worker's working hours	N= 180 Respondents
Yes, this happens always with all clients	27.22%
Yes, this happens with some clients	38.89%
No	33.89%
If Clients require Worker to submit a daily time record	N= 180 Respondents
Yes, this happens always with all clients	22.22%
Yes, this happens with some clients	33.89%
No, not at all	43.89%
If Clients require screenshots of work done or installation of software on Worker's computer that take screenshots	N= 179 Respondents
Yes, this happens always with all clients	26.82%
Yes, this happens with some clients	39.11%
No	34.08%

6. Working hours

If Clients require Worker to be available during specific hours	N= 178 Respondents
Yes, this happens always with all clients	28.09%
Yes, this happens with some clients	46.07%
No	25.84%
If Clients request Worker availability outside regular hours	N= 180 Respondents
Yes, this happens frequently	15.56%
Yes, this happens from time to time	37.22%
No, not at all	47.22%
If there times when Worker works more hours than required in order to finish the tasks	N= 180 Respondents
Yes, this happens frequently	25.00%
Yes, this happens from time to time	45.00%
No, never	30.00%

7. Job security

In all your online platform work experience, have you ever had an account with a client shut down?	N= 179 Respondents
Yes	38.55%
No	61.45%
In general, do you think that shutdowns of your accounts were justifiable?	N= 69 Respondents
They were justifiable	18.84%
Most of them were justifiable	27.54%
Some of them were justifiable	23.19%
A few of them were justifiable	7.25%
They were not justifiable	14.49%
Difficult to say	8.70%
Prefer not to specify	0.00%

Annex 5: Online direct work – experiences and practices

1. Clients

In the past 3 months, clients outside the Philippines	N= 77 Respondents
All direct online work is for clients outside the Philippines	62.34%
More than half of my direct online work is for clients outside the Philippines	18.18%
Less than half of my direct online work is for clients outside the Philippines	7.79%
All are for clients inside the Philippines	11.69%
Country of origin of your clients (top three countries)	Frequency of mention (78)
USA	62.82%
Canada	17.95%
Australia	20.51%
UK	15.38%
Japan	3.85%
China	6.41%
Philippines	30.77%
Other countries (South Korean, Cyprus, Taiwan, Thailand, Sweden, New Zealand)	7.69%
Difficult to say	5.13%
Prefer not to specify	1.28%
With one main (primary) client in past 3 months	N= 78 Respondents
Yes	79.49%
No	20.51%
Has an ongoing working relationship with one client	N= 78 Respondents
Yes	77.63%
No	17.11%
Probably	5.26%
No of clients in the past month	N= 78 Respondents
0	3.85%
1	39.74%
2	23.08%
3	19.23%
4	2.56%
5	6.41%
6	1.28%
7	0.00%
8	1.28%
9	0.00%
10	0.00%
11	0.00%
15	1.28%
30	1.28%
Client with longest working relationship	N= 78 Respondents
Less than 6 months	32.89%
6 - 12 months	27.63%
13 - 18 months	9.21%
19 months - 24 months	10.53%
More than 2 years	19.74%
If main client were not to contact again, problems finding a new one	N= 59 Respondents
Yes	15.25%
Most probably	38.98%
No	45.76%
Most frequent way clients were found	N= 77 Respondents
Online platform that matched job seekers and clients	41.56%
Read information about job on social network (e.g. Facebook)	27.27%
Informal referrals by friends/colleagues	18.18%
Client saw my profile (e.g. LinkedIn, online platform), and contacted me	11.69%
Other	1.30%

2. Agreement with clients and contents

Written or verbal agreement with your clients	N= 76 Respondents
All clients use written agreement	34.21%
Most clients use written agreement; few clients use verbal agreement	31.58%
Few clients use written agreement; most use verbal agreement	18.42%
All clients use verbal agreement	15.79%
Usual contents of written agreements	Frequency of Mention (64 Respondents)
Your tasks and duties	84.38%
Your status of employment (i.e. if agreement specifies that you are an "independent contractor" or an "employee")	57.81%
Duration of the contract of engagement or employment	39.06%
Pay rate	81.25%
Frequency and manner of payment	53.13%
Number of working hours per day, per week and/or per month	54.69%
Fixed work schedule, if any	20.31%
Conditions of termination (e.g. if client/employer or you can terminate the agreement, under what conditions, notice period)	40.63%
Non-wage benefits (e.g. 13th month pay, paid holidays)	14.06%
Non-disclosure agreement	35.94%

3. Supervision and control

Frequency client communicates with the worker	N=76 Respondents
Everyday	36.84%
Several times a week	22.37%
Once a week	13.16%
As often as required by client and by you	27.63%
Mode of communication by client with the worker	Frequency of mention (76 Respondents)
Skype	52.63%
Other online communication apps, e.g. WhatsApp, Viber, Messenger	47.37%
Email	72.37%
Others	10.53%
If client gives the worker detailed instructions on how to complete work	N= 76 Respondents
Yes	52.63%
More often Yes than No	27.63%
Cannot say Yes or No	5.26%
More often No than Yes	9.21%
No	5.26%
If worker has ability to decide on how the work should be carried out	N= 76 Respondents
Yes	39.47%
More often Yes than No	34.21%
Cannot say Yes or No	13.16%
More often No than Yes	3.95%
No	9.21%
If client supervises worker's work	N= 76 Respondents
Yes	27.63%
More often Yes than No	23.68%
Cannot say Yes or No	17.11%
More often No than Yes	17.11%
No	14.47%

4. Monitoring of working time

If dients monitor worker's hours/schedule	N= 76 Respondents
Yes, this happens with all clients	21.05%
Yes, this happens with some dients	46.05%
No	32.89%
If dients require worker to submit a daily time record	N= 76 Respondents
Yes, this happens with all clients	13.16%
Yes, this happens with some dients	34.21%
No	52.63%
If dients require worker's screenshots of work done or install special software that takes screenshots	N= 76 Respondents
Yes, this happens with all clients	18.42%
Yes, this happens with some dients	36.84%
No	44.74%
If most dients track worker's working hours	N= 75 Respondents
My working hours are not tracked	50.67%
I am required to install time tracker software (e.g. Time Doctor, Time Proof)	36.00%
I am required to stay active on Skype while working	9.33%
Other	4.00%

5. Working hours

If worker's clients require him/her to be available during specific hours	N= 76 Respondents
Yes, this happens with all clients	32.89%
Yes, this happens with some clients	27.63%
No, schedule is flexible	39.47%
If there are times when worker works more hours than required in order to finish the tasks	N= 76 Respondents
Yes, this happens frequently	25.00%
Yes, this happens from time to time	56.58%
No, never	18.42%
Number of hours worker is required to work by his/her clients	N= 75 Respondents
Most clients require Full-time (8 hours a day, 40 hours a week, 160 hours per month)	26.67%
Most clients require Part-time (20 hours a week)	25.33%
Most clients require variable, on call hours	14.67%
Combination of Full-time and Part-time	20.00%
Combination of all the above	12.00%
Other	1.33%
If worker's clients request his/her availability outside regular hours	N= 76 Respondents
Yes, this happens frequently	14.47%
Yes, this happens from time to time	52.63%
No, never	32.89%

6. Payment arrangements

Currency typically used by most clients for pay rate	N= 74 Respondents
US\$	85.14%
Philippine Pesos	12.16%
Other currency	2.70%
Weekly	32.39%
Twice a month (every two weeks)	40.85%
Monthly	14.08%
Upon submission of output/project	12.68%
Typical payment rate in the past 3 months	N= 74 Respondents
Hourly rate basis	51.35%
Monthly rate basis	17.57%
Rate per output	22.97%
Rate per project	8.11%
Supporting documents typically required by most of clients for payment	Frequency of mention (71 Respondents)
Record provided by time tracker	28.17%
I submit a daily time record (time in/time out)	9.86%
I submit a daily accomplishment report	35.21%
I submit an invoice	40.85%
Other	14.08%
If clients pay overtime	N= 71 Respondents
Most clients pay overtime	26.76%
Some pay overtime, some do not pay overtime	30.99%
Most clients do not pay overtime	19.72%
Difficult to say	22.54%

7. Incidence of non-payment for work done

Occurrence of non payment for work completed	N= 79 Respondents
Yes	50.65%
No	0.00%
Incidence of non-payment experienced by worker	N= 69 Respondents
One time	0.00%
Two times	35.90%
Three times	17.95%
If worker took action to recover your pay	N= 71 Respondents
Yes	47.89%
No	52.11%
Reason for not taking action to recover your pay	N= 32 Respondents
I did not know what action to take.	24.00%
I believed there was nothing I could do. It is a risk of online jobs.	0.00%
I did not know which authority to address my complaint.	0.00%

8. Job security

Can your client terminate your job any time?	N= 76 Respondents
Yes	52.63%
Probably	38.16%
No	9.21%
Has this ever happened to you?	N= 68 Respondents
Yes	55.88%
No	44.12%
Do you think terminating your job was justified?	N= 38 Respondents
Yes	23.68%
No	52.63%
Cannot say	23.68%
Can you terminate your job with a client any time for any cause?	N= 75 Respondents
Yes	24.00%
Probably	49.33%
No	26.67%
Have you ever done this?	N= 55 Respondents
Yes	40.00%
No	60.00%

Annex 6: Incidence of non-wage benefits in online work

Benefits	Online Platform (N=134)	Online Direct (N=71)
Paid sick leave		
Happens always	10.45%	5.63%
Happens frequently	11.94%	16.90%
Happens rarely	17.16%	16.90%
Never happens	60.45%	60.56%
Paid vacation leave		
Happens always	11.94%	7.14%
Happens frequently	7.46%	17.14%
Happens rarely	23.13%	14.29%
Never happens	57.46%	61.43%
Paid maternity leave		
Happens always	10.45%	5.63%
Happens frequently	8.21%	9.86%
Happens rarely	14.18%	8.45%
Never happens	67.16%	76.06%
End of year bonus		
Happens always	15.67%	11.27%
Happens frequently	18.66%	11.27%
Happens rarely	23.88%	16.90%
Never happens	41.79%	60.56%
13th month pay		
Happens always	15.67%	12.86%
Happens frequently	12.69%	17.14%
Happens rarely	24.63%	14.29%
Never happens	47.01%	55.71%
Paid public holidays		
Happens always	16.42%	8.45%
Happens frequently	6.72%	12.68%
Happens rarely	20.90%	12.68%
Never happens	55.97%	66.20%
Health insurance		
Happens always	11.94%	1.41%
Happens frequently	11.19%	9.86%
Happens rarely	20.15%	14.08%
Never happens	56.72%	74.65%

Annex 7: Profile of online direct workers interviewed

PROFILE OF SAMPLE ONLINE JOBS								
Online Worker	Job - Direct/Via agency	Employment Agreement	Work Schedule	Supervision Control	Means of giving Tasks Instructitons	Salary (US\$)	Overtime /deductions	Period on job
LL Job1	Direct	Verbal	Flexible 40 hours/week	End of Day report, deadlines for reports	Daily skype, emails	500/month	No OT	1 year +
LL Job2	Direct	Verbal	Flexible 40 hours/week	End of Day report, deadlines for reports	Daily skype, emails	500/month	No OT	5 years
LL Job3	Direct	Verbal	Flexible 40 hours/week	End of Day report, deadlines for reports	Daily skype, emails	400/month	No OT	10 months
LL Job4	Direct	Verbal & Benefits and policy	Fixed 8am-5pm 40 hours/week	Time Doctor	Daily skype, emails	650/month	No OT; deductions for less 8 hours	9 months
IC	Direct	Verbal	Flexible, core time 7-7, 8 hours/day 5 days/week	Be online while at work; daily working hours report at end of month; outputs	Daily skype, emails	160/hour	OT (no premium) if invoiced	5.4 years
VG	Direct	Verbal ; terms on email	9am-6pm, then flexible: 40 hours/week	Daily accomplishment report, minimum 5 product listings a day	Gmail, skype, google drive	400/month fixed	No OT	4 months
JQ	Direct	Written contract	Weekdays Fixed 10am-6pm; Sat-Sun flexible 2.5 hours, 40 hours/week, 160 hours/month	Time Proof	morning tasks	fixed 300/month	OT not allowed; deductions	4 months
SH	via Agency	Written contract	Flexible 6am-12, evening 50 hours/week	Time Doctor, attendance sheet, End of day report	Email, chat	3/hour	OT (no premium) & deductions	
RS Job1	via Agency	Account with agency	Output-based. Outputs submitted within day	Target number of articles	Via agency platform	3/100-word article	NA	1 year
RS Job2	via Agency	Non-Disclosure Agreement	output-based	Target number of articles	Via agency. No contact with client.	Regular 3-4/article 300W,Elite: 4-5/ article 300-400W	NA	2 years

Source: Online workers met in FGDs in Davao City and Quezon City

Annex 8: Key informants interviewed

Labour Organizations

Ms Primar Jardeleza

Vice-President, Pambansang Kalipunan ng mga Manggagawang Impormal sa Pilipinas, Inc. (PATAMABA)
(National Network of Informal Workers in the Philippines)

Member, Executive Committee, Homenet Asia

Date of interview:

Ms Susanita Tesiorna

President, Alliance of Workers in the Informal Sector (ALLWIES)

Date of interview: May 10, 2019

Ms Julie Hukal

Member, PATAMABA (Bulacan chapter)

Homeworker (embroiders « barong »)

Date of interview: 6 April 2019

Industry - Entrepreneurs/traders/subcontractors

Ms Eppie Labajo

Member, PATAMABA (Cebu City chapter)

Subcontractor/Supplier of fashion accessories and home decors

Barangay Laray-San Roque, Talisay City, Cebu

Dates of interview : 2 March 2019 ; 5 and 6 May 2019

Mr. Justino Arboleda

President, Coco Technologies Corporation

Date of interview: 28 March 2019

Ms Lilia Y. Velarde

Executive Director, Philippine Exporters, Retailers

Proprietor of Nature's Bounty Handicrafts

Date of interview: 8 June 2019

Ms Rhodora Añonuevo, MD

Former entrepreneur, production of embroidered piña garments

Lumban, Laguna

Date of interview: 9 June 2019

Mr. Tino Tolentino
Owner-Proprietor, Employer, Garment manufacturing
Taytay, Rizal
Adviser to the Mayor of Taytay on Economic Affairs
Date of interview: 25 April 2019

Ms Atila Lunes
Entrepreneur (« manager ») engaged in obtaining orders of embroidered pina cloths from a high-end shop and farming these out to embroiderers in her own workshop and in homes
Lumban, Laguna
Date of interview: 9 June 2019

Employers/Industry associations

Mr. Jose Roland A. Moya
Director General, Employers Confederation of the Philippines (ECOP)
Date of interview: 10 April 2019

Ms Rhodora Buenaventura-Snyder
Manager, Corporate Social Responsibility (CSR)/ Project Management, ECOP
Date of interview: 10 April 2019

Ms Maria Teresita Jocson-Agoncillo
Executive Director, Confederation of Wearable Exporters of the Philippines (CONWEP)
Date of interview: 16 April 2019

Mr. Robert M. Young
Trustee, Textiles Yarns and Fabrics Sector, PHILEXPORT
Chairman / President, Foreign Buyers Association of the Philippines
Date of interview: 7 May 2019

Mr. Nicki Agcaoili
Executive Director, Industry and External Affairs
IT and Business Processing Association of the Philippines (IBPAP)
Date of interview: 27 May 2019

Mr. George Barcelon
President and CEO, Integrated Computer Systems
Date of interview: 7 May 2019

Government Agencies

Ms Ana C. Dione
Undersecretary for Labor Relations and Special Concerns, Department of Labor and Employment (DOLE)
Date of interview: 17 May 2019

Ms Ma. Teresita S. Cucueco, MD
Director, Bureau of Working Conditions, DOLE
Date of interview: 22 April 2019

Mr. Jerry T. Clavesillas
Director, Bureau of Small and Medium Enterprise Development
Department of Trade and Industry (DTI)
Date of interview: 16 May 2019

Ms. Emmy Lou Versoza-Delfin
Director, ICT Industry Bureau (IIDB)
Department of Information and Communications Technology
Date of interview: 24 June 2019

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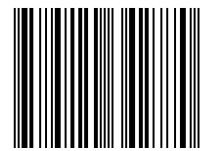
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