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The State of Non-traditional
Work in the Philippines

FILIPINO
Online
FREELANCERS

Policies for Implementation

D A R Y L L V I L L E N A

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The State of Non-traditional Work in the Philippines Thru 2019 Filipino Online Freelancers: Policies for Implementation

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Introduction

The up rise of home-base work

According to the Philippine Statistics Authority (2018), the Filipino labor force stands at 42.982 million as of July 2018. The present unemployment rate is at 5.4%. For the non-traditional workers like the freelancers, the lack of inclusion in the industry sectors overshadows their very existence. In the Philippines, freelancing is a progressing industry made of a pool of soft-skilled workers. The biggest problem of the country is the lack of promising opportunities that offer fair compensation. Jobseekers who possess talents are normally hired in an environment with competitive positions but frequently result as being overworked and underpaid. Fresh graduates and young professionals are the newest batch to join the freelancing gig. In the Philippines, the middle age and above bracket are said to be the pioneers in freelancing services to International clientele. On the contrary, during the pioneering stage of freelancing --- the quick-witted students or youths are able to splice the freelancing labor by means of accepting online work as part-time virtual assistant, data entry, and online research work.

Despite the government's effort to alleviate local unemployment, availability of work opportunities is the main rationality why Filipinos build interest with freelance work. Freelancing equally offers a great deal of advantage such as:

- Freedom to work from anywhere
- Flexible schedules
- Leverage English fluency
- Higher payout
- Technology driven

The number of Filipino online workers increases at the same rate with the availability of opportunities locally and offshore. New job listings at registered online portals are posted every single day. Upwork.com and Freelancer.com are the leading global online job portals. Upwork (2019) for instance has generated 1.5 million registered Filipino users in 2017 while Freelancer (2019) has generated 800,000 registered Filipino users. The rest of the freelancers are estimated within 76,000 for virtual assistants and 186,000 as surveyed from a group of online Filipino freelancers. (Annual Freelancer Report, 2019.) (See Figure 1)

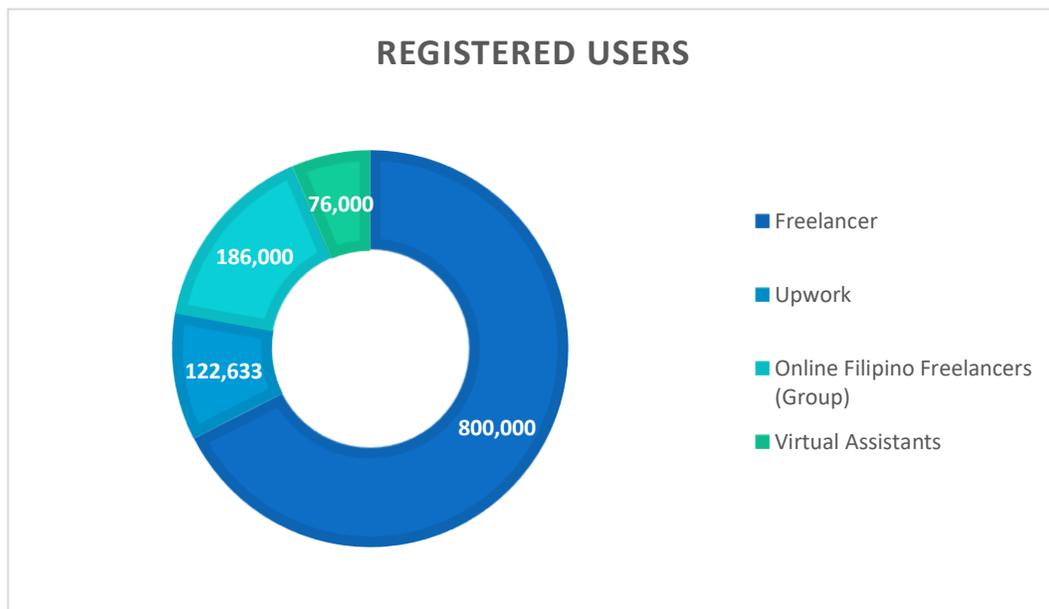


Figure 1: Registered Filipino Users in 2017 / Source: Annual Freelancer Report, 2019

“A study released by Zug, Switzerland-based serviced office provider IWG found that 70 percent of professionals work remotely — a phenomenon known as telecommuting — at least one day a week, while 53 percent work remotely for at least half of the week. The ability to work from home and the emergence of digital office rental services has led to changing attitudes around where people should work and whether they should stick to the traditional nine-to-five working hours.” (Browne, 2018).

Likewise, these working class are predominantly known as the informal-sector workers. Dr. Rene Ofreneo (2018), a former dean of the School of Labor and Industrial Relations (SOLAIR) at the University of the Philippines, stated *“... majority or the most numerous in the labor market...*

whose rights to associate and form organizations of their own are limited because there no enabling laws for the recognition and exercise of such rights. A proposed remedy for this has been languishing in the legislature since the 13th Congress. This is the proposed “Magna Carta for Workers in the Informal Economy” or MCWIE.”

He also said, “As a backgrounder, freelancing is not a new economic activity. It has always been part of the workings of the capitalist system. A freelancer is a person who sells work or service without any regular salary, because he or she is as an “independent” contractor. Some do freelancing full-time, others part-time, that is, to augment income one gets from a regular paid job. A few registers as consultants of a professional association that offers the services of these consultants to a bigger market.”

2019 Filipino Freelancer Survey



The purpose of the research survey is to measure the percentage of Filipino online workers and to be able to use the data to visualize, analyze the demographics, job trends, and salary trends. In a study, last year of nearly 200 Filipino full-time and part-time computer-based

freelancers conducted by independent research via three-part online survey, SurveyMonkey.com
The data gathered was conducted from August 2019 to March 2020.:

2019 Filipino Online Freelancers Part I [<https://www.surveymonkey.com/r/JPNDY2K>] – 10 questions; 2 minutes estimate time to complete

2019 Filipino Online Freelancers Part II [<https://www.surveymonkey.com/r/J6NKSKJ>] – 10 questions; 2 minutes estimate time to complete

2019 Filipino Online Freelancers Part III [<https://www.surveymonkey.com/r/J6ZSRV9>] – 7 questions; 2 minutes estimate time to complete

Demographics

In 2017, women dominated the freelancing industry as stated from the online survey with 66%. Women online workers are largely home-based women freelancers, and an increase in numbers of those who quit their full-time jobs from advertising, marketing, research, and BPO industry. (See Figure 2). *“Interestingly, some foreign employers may encounter more stay-at-home Filipino moms in freelancing marketplaces. By freelancing, these women can balance home life while providing financial support for their families. women.”* (Benitez, 2016).
based from freelancers: (n=200)

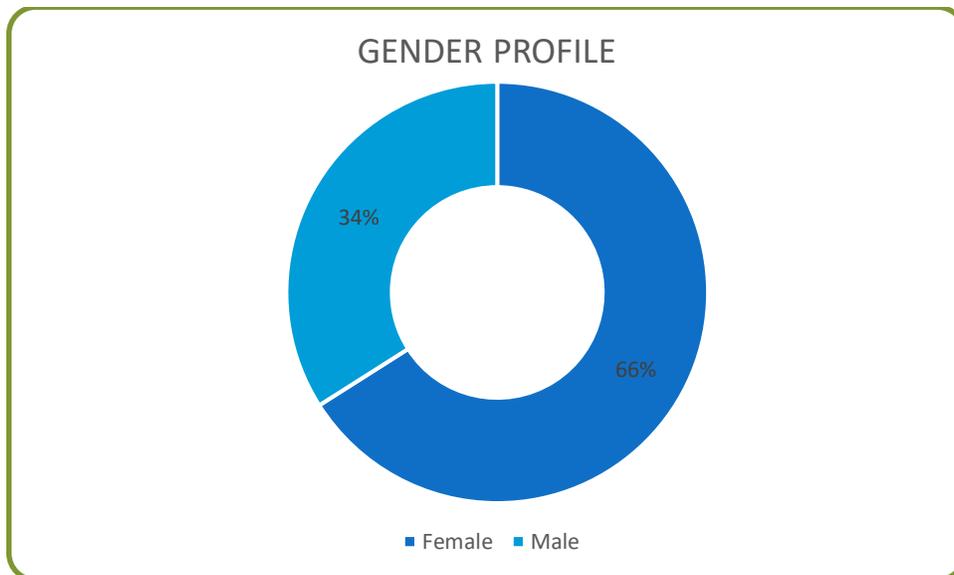


Figure 2: Gender Profile / Source: 2019 Survey for Filipino Online Freelancers

- Age Profile and Time Freelancing

The freelancers age profile is equally extended to all age groups. Almost 50% percent of the users range from 30 to 39 years old (29%) and 40 to 49 years old (19%). The average time freelancing is within 6 to 7 years. (See Figure 3 and 4)

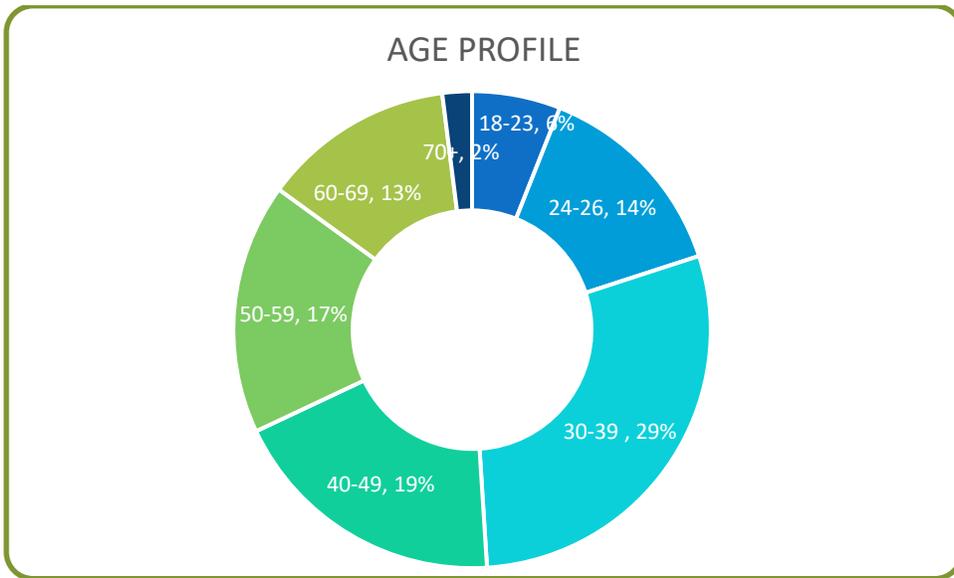


Figure 3: Age Profile / Source: 2019 Survey for Filipino Online Freelancers

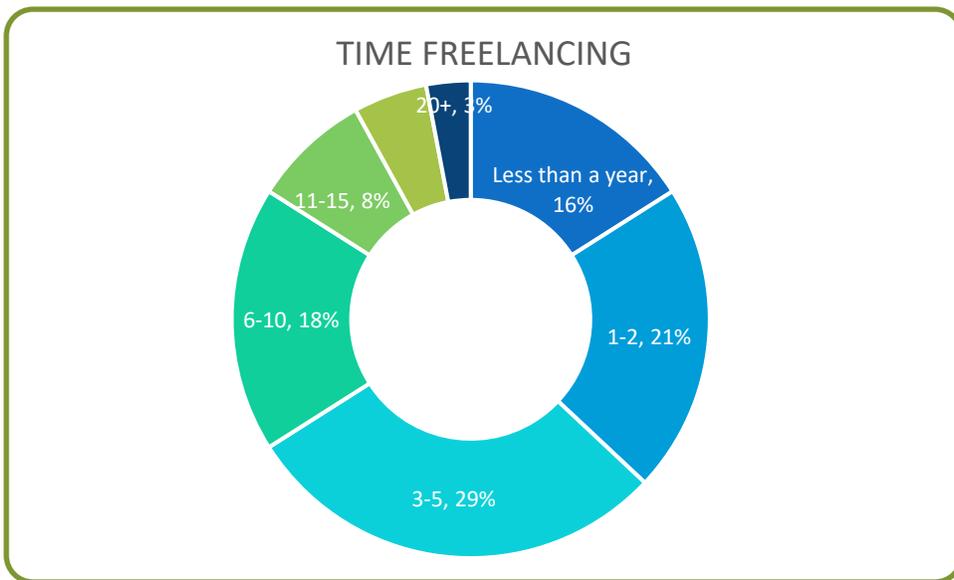


Figure 4: Time Freelancing / Source: 2019 Survey for Filipino Online Freelancers

- Number of Clients and Earned Amount

Number of clients received by a freelancer differs on the type of tasks and depends on the client’s preference and approved project. Typically, a registered freelancer joins different freelancing platforms to search and apply for a specific job. Another method a freelancer obtains a task or project is through direct advertisement. To summarize, the number of approved clients depends on the skill ability of a freelancer. (See Figure 5 and 6)

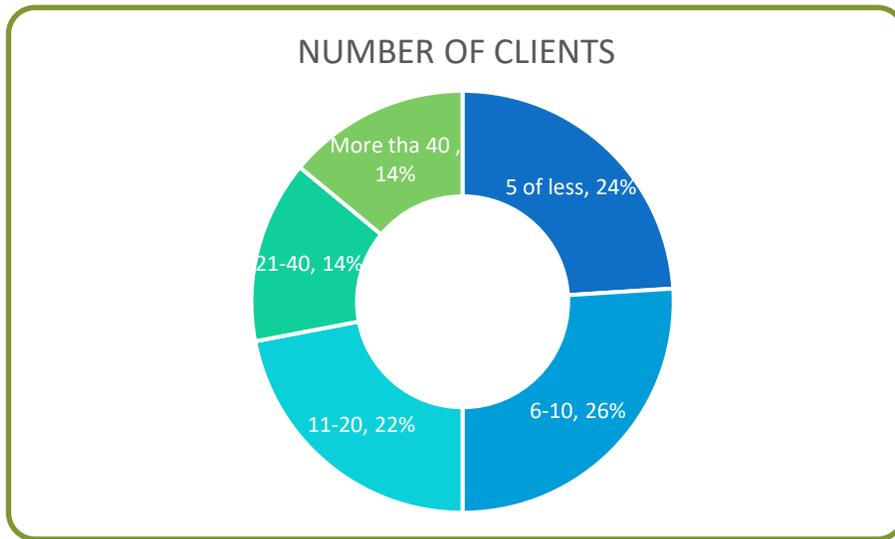


Figure 5: Number of Clients / Source: 2019 Survey for Filipino Online Freelancers

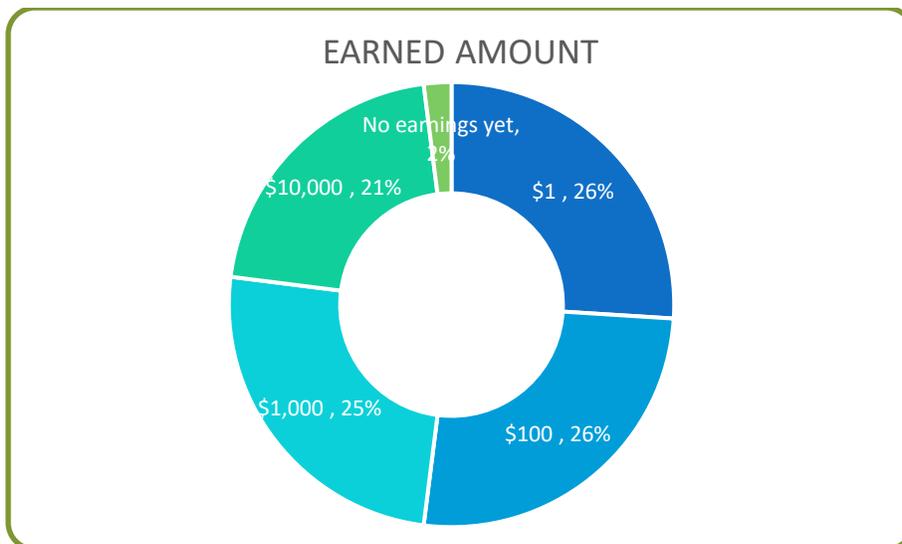
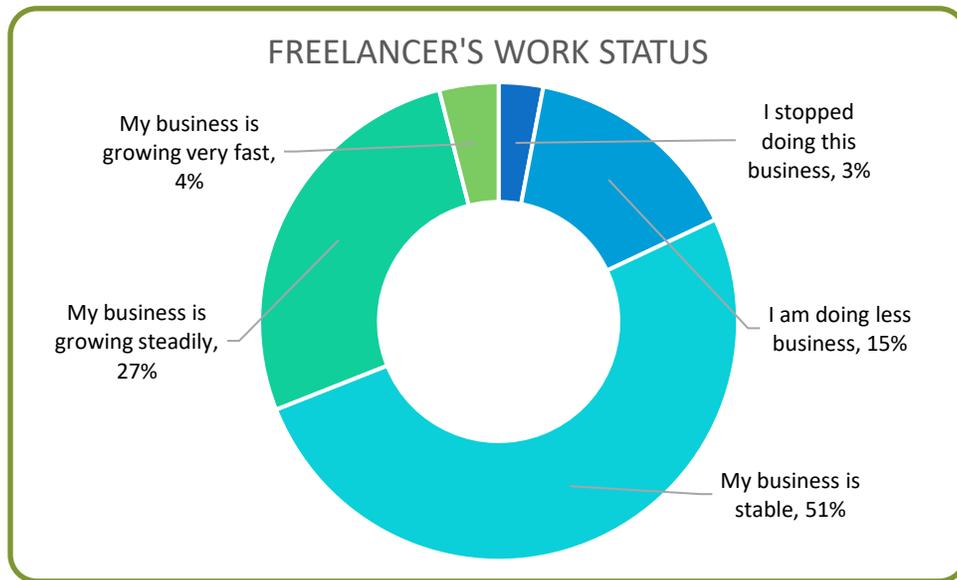


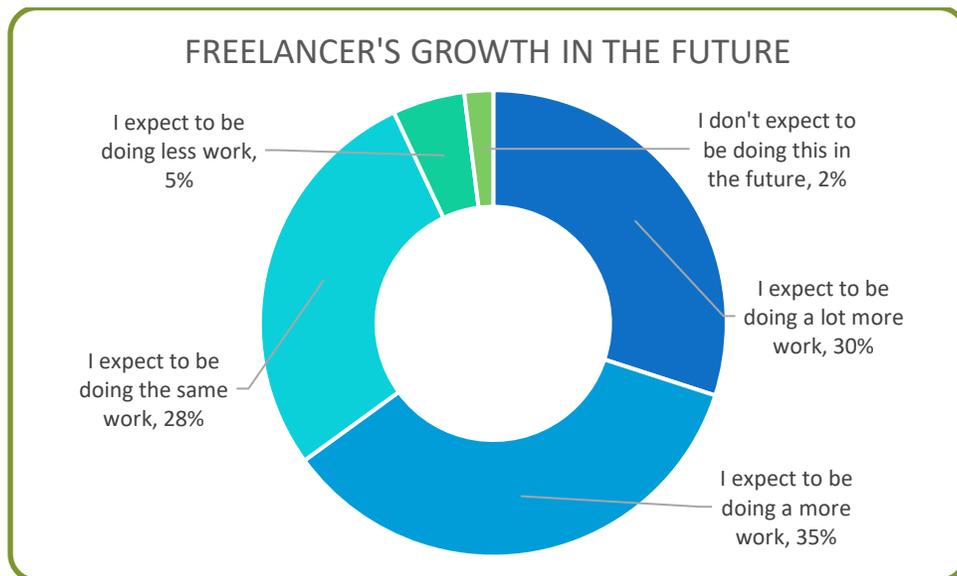
Figure 6: earned Amount / Source: 2019 Survey for Filipino Online Freelancers

- Freelancer's Work Status and Growth in the Future

Statistically, the freelance business has been stable for the last few years and forecasts a large percent of future growth. (See Figure 7 and 8)



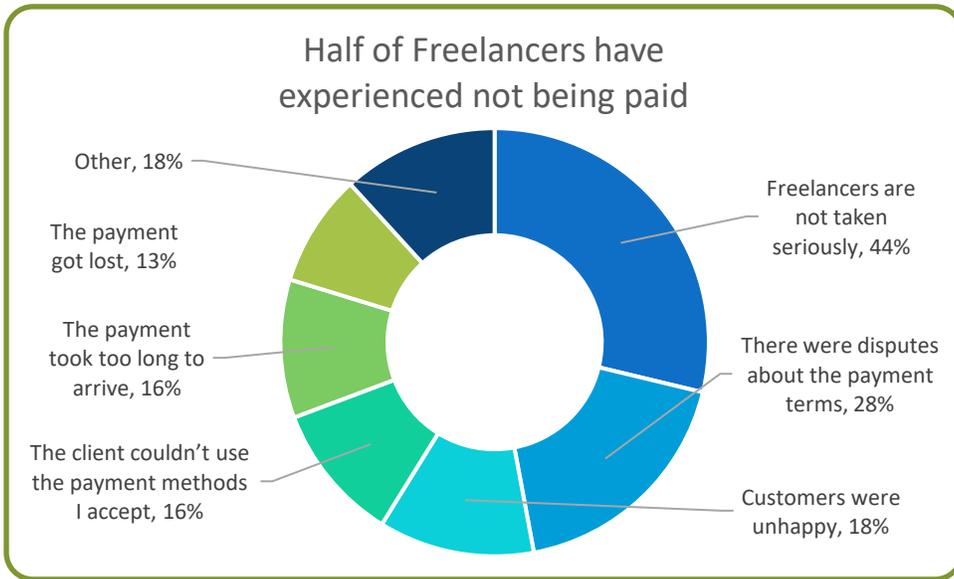
Source: 2019 Survey for Filipino Online Freelancers



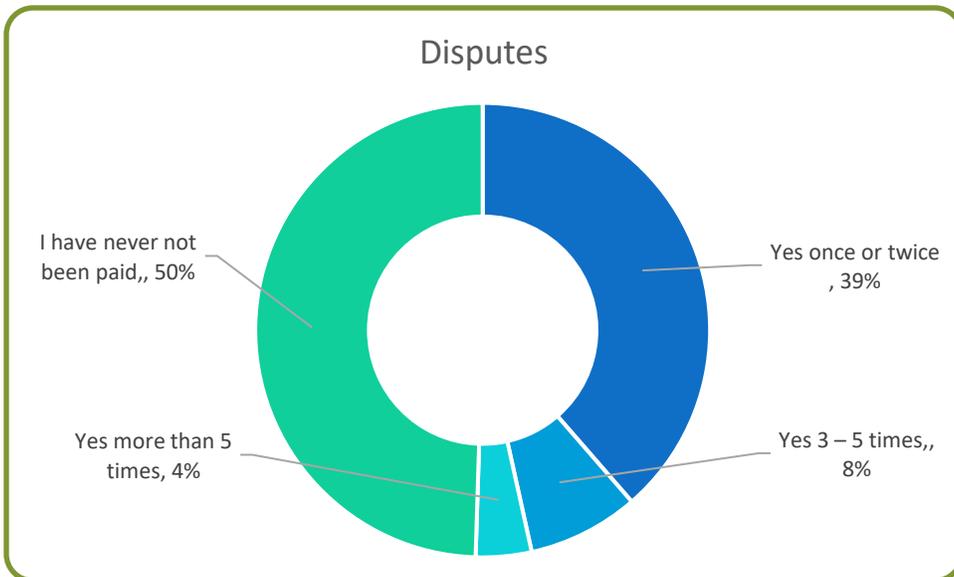
Source: 2019 Survey for Filipino Online Freelancers

- Delayed Payment, Unpaid Work and Disputes

Freelancers frequently encounter not getting paid on time. Clients should remit the online worker’s wages once the task or assignment is done. The major causes of payment delay are the payment option, clients do not agree with the method of remittance, some take too long to remit, while others need a third party to settle the final payment.



Source: 2019 Survey for Filipino Online Freelancers

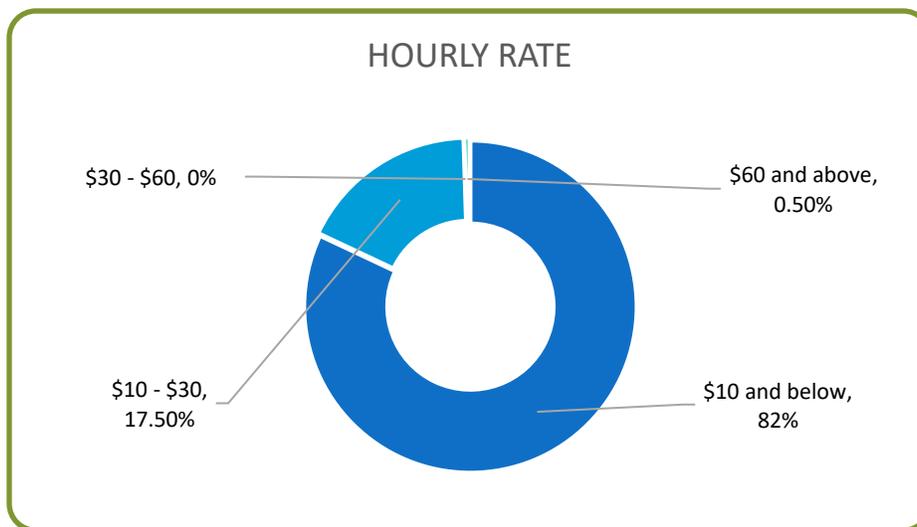


Source: 2019 Survey for Filipino Online Freelancers

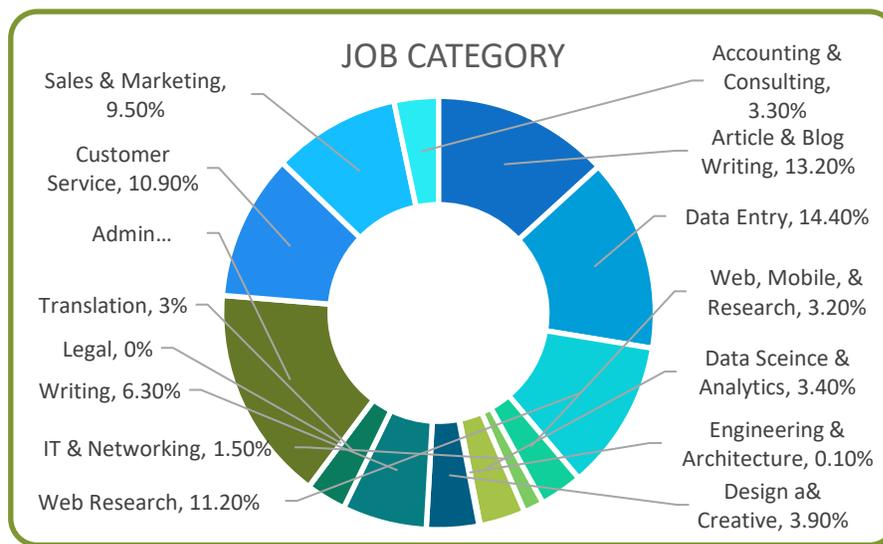
Job Trends and Salary Trends

- Hourly Rate and Job Category

Almost 60% of freelancers received a \$10 per hour rate. The work period most of the time is based on USA-time. Some tasks or projects by the freelancers are self-phase. This includes submission of output tasks on or before the due date. Jobs are categorized per industry, big demand falls under IT-related, web, mobile, and research work, data science and analytics, writing tasks, sales and marketing, administrative support, customer service, and accounting and consulting.

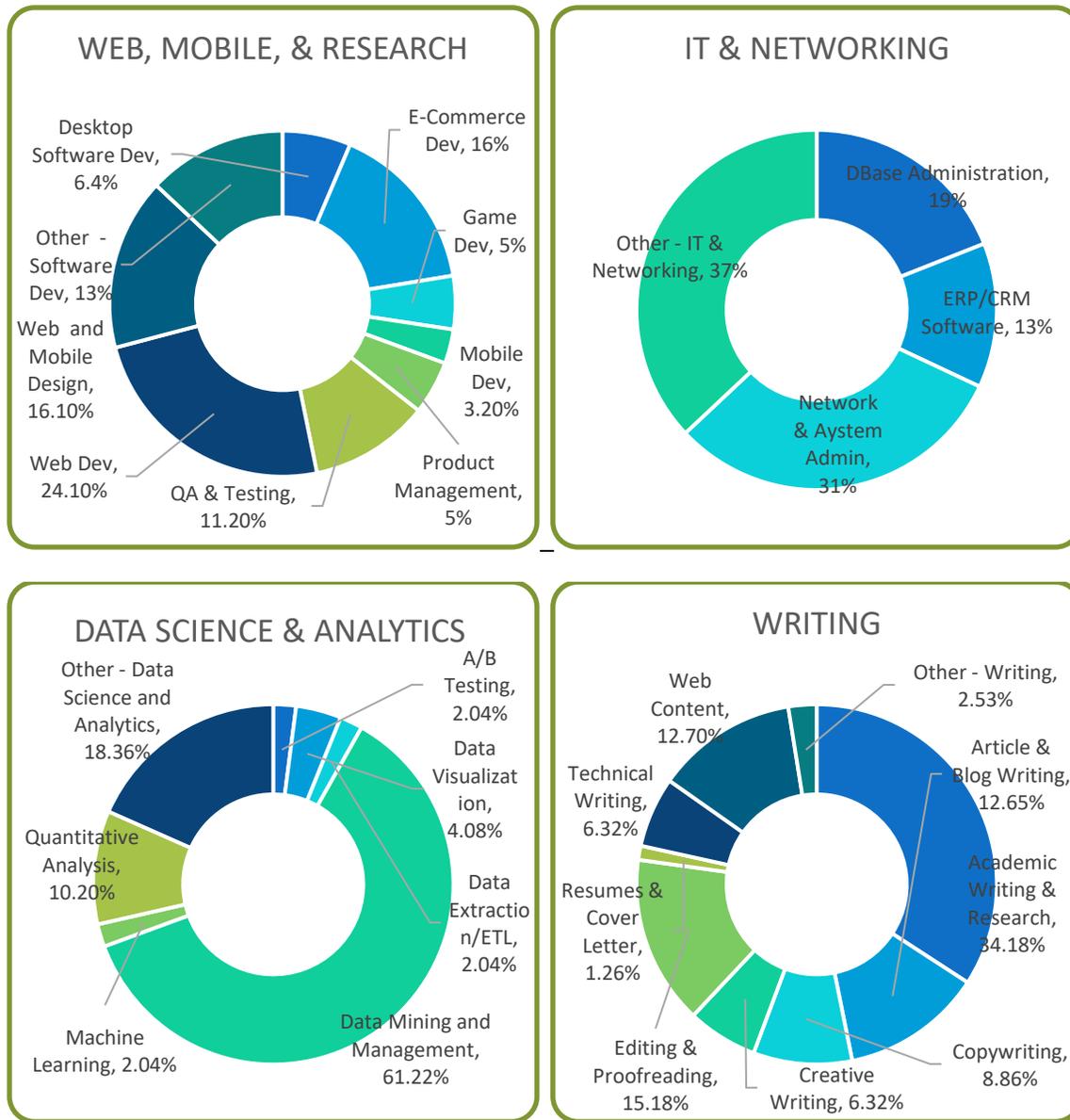


Source: 2019 Survey for Filipino Online Freelancers

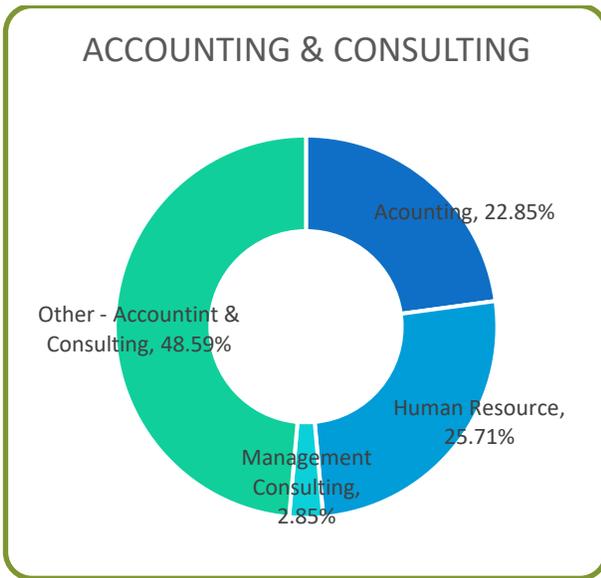
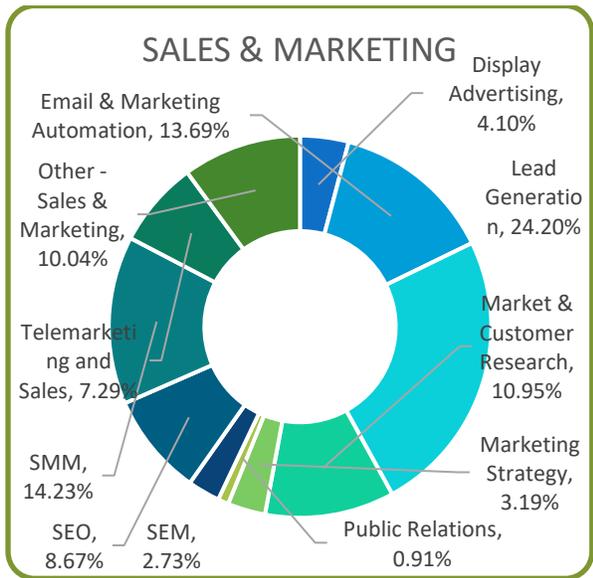
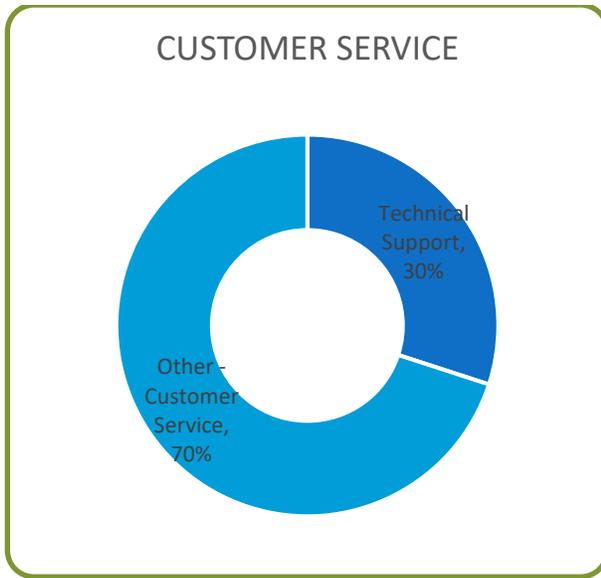
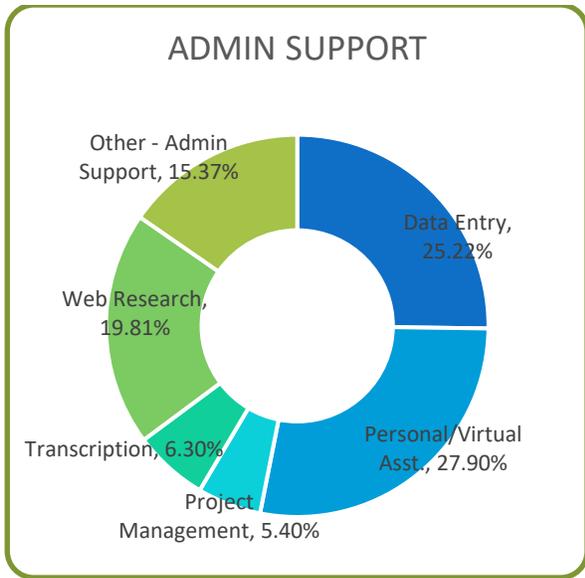


Source: 2019 Survey for Filipino Online Freelancers

Sub Categories of Job Trends



Source: 2019 Survey for Filipino Online Freelancers



Source: 2019 Survey for Filipino Online Freelancers

Assessment

The plight of online workers

Freelancers prefer home-based work mainly because of flexibility of work schedule, the working rate for an average online worker is between \$10-\$50 per hour. (JobStreet.com). Second main reason, work at home Filipinos have the freedom to move around and complete the online assignments on preferred phase without dealing with office hierarchies. Third most seemingly important to an online worker was the avoidance of urban traffic congestion and increases the productivity of an individual. Internet speed may be the biggest issue; the wide affected work groups are those living in the rural areas where connections are at its slowest. Urban online workers tend to have better connectivity as well as the booming of co-working spaces catered for them. Statistically, there are more women online workers [66%] than men. The women sector involves parents who are freelancing and at the same time having more quality time with family life. Also, a large percentage came from hardworking students who are into online work as a source of extra income for them. They accept mostly jobs that involve research, creative writing, skill-oriented tasks, and virtual assistance. These workers come from different backgrounds and are professionals who quit their jobs to focus on their online projects.

“Majority of freelancers (59 percent) they decided to dive into this kind of career because they saw someone else succeeding in it. Many also prefer to work solo, the study found, accepting jobs that focus mainly on data entry or online research (34 percent), virtual assistance (13 percent), and customer service (8 percent). The study found that over two-thirds have international clients from the United States (60 percent), Australia (29 percent), the United Kingdom (26 percent), and Canada (20 percent) One of the interesting data points in our survey—we did this in 31 countries—is that Filipino freelancers are the most optimistic. It was really around the fact that technology is enabling them, making it easier to find work,” (Kumar, A. Head of Strategic Partnerships for PayPal in Southeast Asia. / Tayao-Juego, 2018)

Overall, with the rise of 4th Industrial Revolution, Filipinos possessed an abundance of talent to correlate with their interest and work habits. Furthermore, online Filipino workers are actively growing --- they learn fast, are quick-witted, adaptable to change, and able to deliver work on time.

These work abilities are seen from the perspectives of satisfied clients/customers. It's high time the online workers be counted as part of the major workforce, after all, these workers earn dollars comparable to our Overseas Filipino Workers (OFW) and online co-workers typecast themselves as Online Filipino Workers (OFW). Realistically, the downfall for them is in terms of financial and health concerns. It involves the fees of unjust payment, underpay, work overload, and sometimes not getting paid at all; and contract standardization. The lack of job security/work tenure, retirement benefits, health insurance, and unpaid holidays are the major concerns of these workforce.

When it happens, they charge it to experience. Better judgement is important when accepting online jobs. Online platform does its job as the middlemen. Still, there's the missing part. Online workers may earn a lot but they are also prone to losing their hard-earned money with just one click.

Policies for Implementation

Filipino online workers shall have a governing window to strengthen the virtual version of security of tenure and to adhere to best practices in dealing with underpay, payment delay, abusive client, assessment of skills specialization, and work standardization. The Department of Labor and Employment (DOLE) shall create guidelines to formulate policies addressing the concern of this emerging workforce.

Policy 1: Labor regulations shall define the role of an online freelancers

It shall be the policy of the DOLE that:

The Policy and Program Development Division of DOLE shall include the freelancers as an emerging sector whose economic contributions increasingly

grows in line with high demands on jobs that require soft and technical skills. Thus, the term “freelancer” defines a new workforce (online worker) in the country.

Policy 2: Creation and implementation of contract standardization

It shall be the policy of the DOLE that:

The Labor Standards Review and Appeals Division of DOLE shall analyze the job trends, fluency, and demographics to properly identify the top skills and increasing demand for online workers. Likewise, the contract standardization will serve as the classifier for online workers’ information dissemination on the pros and cons of this type of work.

Policy 3: Monitoring and assessment of employment guidelines.

It shall be the policy of the DOLE that:

DOLE shall address the rising workforce with the proper implementation of employment guidelines that will provide a benchmark for online worker’s skills and specialization.

Policy 4: Set competitive standard rates

It shall be the policy of the DOLE that:

Salary trends of online workers vary from time to time. As the competition increases, the chance of aiming for a quality job and the rate flow are most often devalued. Most importantly, the major financial concerns of all online workers are not getting paid on time and not getting paid at all. With this policy, an online worker shall have financial security and shall have access to submit a complaint to authorize the government office.

Conclusion

Growth of online workers

Philippines is in number 6 position in terms of number of active freelancers based on a global study curated by payment platform Payoneer (2nd Quarter Global Gig Economy Index, 2018). The Philippines growth of freelance earnings (35%) is said to be the next fastest-growing market. Filipino freelancers are increasing heavily as the new breed - when the youth sector learns the system as it plays an integral part of their career interest. Other factors to consider are the internet and emerging information technology. Job portals opened a favorable circumstance, such as the demands of work related to digitizing and graphic arts, copy writing, web development, digital marketing, new media specialist, e-marketing, virtual assistants, clerical work on an hourly basis, online tutorial, engineering, architecture, financial processing, data analytics, coders and programmers and the list goes on.

“In the Philippines, the government-funded Rural Impact Sourcing Technical Training Project provides training for local talent with Information and Communications Technology-based knowledge to enable them to succeed as digital workers and entrepreneurs.” (Pofeldt, 2019), 2019)

Online work brings excellent pay and job satisfaction; these are the ones who gathered positive evaluation and were able to close a deal with a satisfied client. [64%] asserts that online workers received an average of [Php39,000] monthly, in dollar currency. Nonetheless, [36%] claims they do not accumulate [Php39,000] in a month. (Upwork)

As a whole, freelance work is still treated as a part-time job to some extent as casual work. With the growing numbers of people engaging themselves into freelancing, the competition becomes high in between scoring a job and getting quality clients.

The rise of concern

As a closing thought, the progressive acceleration of Filipino online workers raises arguments in line with employment guidelines and its economic effect. *“Online freelancing has developed with virtually no monitoring, assessment and intervention by the government. Is this the way this emerging sector should be treated?”* said Prof. Ofreneo.

Thus, the required labor policies and regulations are very timely to address the Filipino online freelancers’ concerns.

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