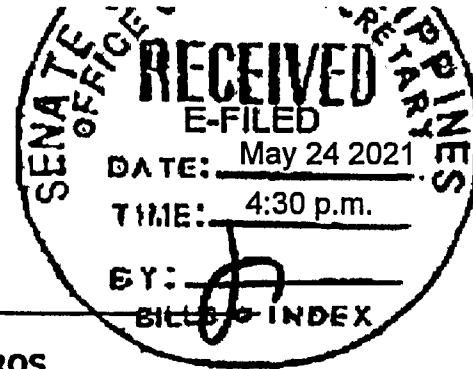


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )

SENATE  
P.S.R. No. 732



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INTRODUCED BY SENATOR RISA HONTIVEROS

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**RESOLUTION  
CALLING FOR AN INVESTIGATION IN AID OF LEGISLATION INTO  
PROVIDING EMPLOYMENT BENEFITS AND OTHER FORMS OF SOCIAL  
PROTECTION FOR WORKERS IN THE "GIG ECONOMY"**

**WHEREAS**, the "gig economy" refers to new technology-enabled forms of work - often temporary and flexible - utilized by companies that rely primarily on independent contractors and freelancers;

**WHEREAS**, this form of work is made up of three main components: workers who are paid by a task or a project, consumers who need a specific service, and, lastly, an app-based technology platform that connects the worker to the consumer in a direct manner - like Grab, Angkas, or Eatigo;

**WHEREAS**, gig economy companies and platforms act as the medium through which the worker is connected to - and ultimately paid by - the consumer;

**WHEREAS**, these platforms have had a profound impact on the way we live and work - it took Uber only five years to disrupt a taxi industry that dates back to the 17th century;

**WHEREAS**, numerous studies and articles highlight the growth of freelance, or "gig" work worldwide, from McKinsey, who estimates that up to 162 million people in the U.S. and EU-15 currently engage in independent work, to Forbes, who suggest that 50% of the U.S. workforce will be freelancers by 2020;

**WHEREAS**, the Philippines is a hotspot for gig economy industries;

**WHEREAS**, a recent report shows that Filipinos spend an average of 10 hours a day on the internet, putting the Philippines on top of the global list of world internet usage index;

**WHEREAS**, this high level of internet penetration has led many Filipinos to venture into the earning opportunities offered through the gig economy;

**WHEREAS**, according to PayPal's 2018 Global Freelancer Insights Report, at least two percent of the Philippines' population is said to be freelancers, and that 84 percent of freelancers use a freelancer online platform such as Upwork and Freelancer;

**WHEREAS**, some of the many types of works Filipino freelancers are engaged with are data entry/internet research (34 percent), virtual assistance (13 percent) and customer service (8 percent);

**WHEREAS**, a report submitted by Payoneer in 2019 reveals that the Philippines ranked 6th in the world as the fastest-growing market for the gig economy with a 35% growth in freelance earnings;

**WHEREAS**, small businesses that have tapped Grab, southeast Asia's leading gig economy app platform, during the lockdown period March to June this year have also realized at least 57 percent growth in online revenue;

**WHEREAS**, the benefits of the gig economy include flexibility, additional income, freedom, access to opportunity for workers, ease of use for customers;

**WHEREAS**, today's thriving gig economy is partially the result of the on-going COVID-19 pandemic originating in Wuhan, China, and these gig work platforms - which offered a job to anyone who wanted one - emerged as a lifeline for many facing financial instability;

**WHEREAS**, this trend is likely to be even more pronounced considering the catastrophic effect of COVID-19 on employment as well as the desire of many people for employment that can be done from home;

**WHEREAS**, in 2020, the International Labor Organization ("ILO") estimates that the pandemic would wipe out 7.2% of working hours, equivalent to 125 million full-time workers in Asia and the Pacific - many of them in low-paid, low-skilled jobs, where a sudden loss of income is devastating;

**WHEREAS**, while many traditional workers are not receiving income and are about to lose their jobs, the job opportunities in the gig economy, on the other hand, are increasing;

**WHEREAS**, delivery drivers for online platforms such as Grab Food, Food Panda, and Honestbee, among others, have seen demand skyrocket as consumers quarantine themselves from the comfort of their homes, opting instead to purchase their food and supplies through delivery services;

**WHEREAS**, the gig economy has also presented challenges for workers and regulators, including lack of stability, downward wage pressure, limited opportunity, and a hollowing-out of the employment prospects for workers;

**WHEREAS**, PayPal's recent online survey found that 92 percent of Filipino freelancers said "job stability" is a key concern for their careers - It is difficult for freelancers to plan for the future since they move from contract to contract;

**WHEREAS**, issues have also arisen as to whether gig economy workers should be classified as independent contractors, and not employees;

**WHEREAS**, Presidential Decree (P.D.) No. 442, or the Labor Code of the Philippines, does not apply to engagements where no employer-employee relationship

exists, as in the case of gig economy workers - neither is there any law in the Philippines that specifically regulates the gig economy;

**WHEREAS**, if gig economy workers are classified as independent contractors, this means they will not be entitled to healthcare benefits, 13th month pay, retirement pay, leave credits, day-offs and other forms of basic labor rights found in the Labor Code;

**WHEREAS**, a World Bank article on "Regulating the gig economy," states that without changes to governments' regulations, freelancers will continue to be left out of the traditional social protection systems such as unemployment benefits, sick pay and pensions;

**WHEREAS**, the ILO has also suggested that countries to extend their labor protection to people who are working part-time or in temporary jobs;


**WHEREAS**, it is clear that the continuing absence of a statute defining their rights will most certainly expose gig workers to abuse and exploitation;

**WHEREAS**, this crisis can also be seen as an opportunity for policymakers to break out of the contractor-employee binary by creating a permanent social safety net that would cover all types of workers; and

**WHEREAS**, Congress needs to acknowledge and plan for the reality of a rapidly expanding gig economy, and think more broadly about delinking healthcare, unemployment insurance, and other vital benefits from specific forms of employment, while providing a protective labor standard for all workers that includes collective bargaining and other workplace rights, even for self-employed workers.

**NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED TO CALL FOR AN INVESTIGATION IN AID OF LEGISLATION INTO PROVIDING EMPLOYMENT BENEFITS AND OTHER FORMS OF SOCIAL PROTECTION FOR WORKERS IN THE "GIG ECONOMY."**

Adopted,

  
**RISA HONTIVEROS**  
*Senator*