

Research Report

Digitization and Domestic Work: The Policy Environment in the Philippines

Liza Garcia

Teresita Barrameda

Jessamine Pacis

Arlen Sandino Barrameda

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Authors

Liza Garcia is Executive Director at Foundation for Media Alternatives, Philippines.

Teresita Barrameda is Department Chair of the Women and Development Studies Program of the College of Social Work and Community Development at the University of the Philippines.

Jessamine Pacis is Program Officer for Privacy and Surveillance at Foundation for Media Alternatives, Philippines.

Arlen Sandino Barrameda is currently a graduate student in Psychology at the College of Social Sciences and Philosophy, UP Diliman.

Research coordination team

Principal Investigator: Anita Gurumurthy

Co-investigators: Deepti Bharthur, Nandini Chami

Editorial Support: Shruti Sunderraman, Vinay Narayan

Design: Purnima Singh

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Cleaning ladies on demand: Are local digital platforms transforming domestic work in the Philippines?

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1. Executive Summary

In recent years, the Philippines has seen a trend of platformization in domestic and care work through small-scale digital platforms that offer on-demand cleaning services. These businesses cater mostly to condominium buildings in business districts all over Metro Manila, and their cleaning staff mostly comprise women working as third-party or independent contractors. The nascent and informal nature of this system has given rise to new modes of employment and labor relationships that do not conform with the traditional models of domestic work recognized by Philippine law.

As a result, workers in this new sector are often left outside the scope of existing social protection mechanisms. This report maps out this new ecosystem, analyzes the impact of digital platforms from the lens of social protection and questions whether the emerging models that result from such platformization transform or preserve long-standing narratives of domestic work as feminized, invisible and undervalued work. It offers policy recommendations towards equitable rights and working conditions for domestic workers engaged in platform-mediated work.

The report explores the business, nature, structure, and operations of four different on-demand cleaning services in the Philippines in an attempt to flesh out the domestic work platform ecosystem. Interviews with women workers who use, or whose work is facilitated by said platforms surface the narrative. Interviews with other key actors such as a startup incubator, a domestic workers' union, and pertinent government agencies offer additional insights on the surrounding environment.

The report uses the research framework proposed by Gurumurthy & Bharthur (2018), which utilizes three analytical layers to emphasize the power dynamics that exist within a platform ecosystem, namely: (1) a network of actors who make up the platform ecosystem; (2) the structures that constitute the norms, rules, and practices of the platform ecosystem; and (3) the value extracted by/contained within the platform ecosystem. Analysis of data from desk research and interviews are complemented by an analysis of the businesses' operational models vis-à-vis applicable legal and policy structures.

Findings from the study reveal that most of women engage in on-demand domestic/cleaning platform to supplement incomes from other paid work. At the same time, while on-demand work has provided women flexibility, shorter work periods and better pay, it has not actually freed them from their household responsibilities. It has to be noted too that domestic/cleaning workers in the platform economy have no categorization yet under Philippine law. As such, they cannot be protected and do not receive benefits afforded to workers in the formal economy as well as to domestic workers covered by the *Kasambahay Law* (Domestic Workers' Law).

The platform economy in the Philippines has immense potential, if the system is well-oiled. This would mean, among others, the review of existing labor laws in the country in order to provide a categorization for domestic cleaners in the on-demand platform economy, so that they may receive their corresponding rights and protections as workers.

2. Rationale & Context

Subcontracting and outsourcing of labor has been a major trend in G20 economies in recent years (ILO, 2017). Such trends are not exclusive to G20 countries though. Companies have outsourced to subcontractors based in developing countries (Hanks, n.d.), with lower labor costs being the most appealing reason for doing so (Hanks, n.d.; Gallimore, 2019).

The Philippines is one of the most popular countries for business process outsourcing. It is also one of the fastest growing markets in Southeast Asia with the highest number of freelancers in the region (Kumar as cited in Tayao-Juego, 2018).

However, there remains a dearth of research on platformized work in the Philippines, much less platformized domestic work. This has prompted the present research to take on local cleaning service platforms as a subject of study, with a particular focus on the experiences of women workers. This report is expected to shed light on the power relations that underlie new modes of work and service delivery, particularly domestic work.

Ticona, Mateescu, and Rosenblat (2018) note that the framework of “Uberization” is insufficient in describing the variety of ways in which labor platforms impact certain sectors, such as domestic work, which is marked by a long-standing history of economic exclusion based on gender, race and ethnicity.

The report thus highlights the need for a gendered look at the so-called gig economy, especially given that women already make up 55 percent of workers in labor platforms, excluding care work platforms (Smith, 2016).

Daniels (1987) describes women’s unpaid labor — including in domestic work and volunteer work, which had been culturally and economically devalued — as ‘invisible work’. These days, with the rise of the platform economy, certain types of workers are still classified as invisible. Berg & De Stefano (2015) remind us that in the platform economy, we are not just talking about ‘gigs’, ‘tasks’, ‘favors’, or ‘rides’ but actual work being done by real workers. This invisibility can be attributed to the classification of workers in the platforms and the technologies involved in setting up the work.

The International Labour Organization (ILO) also notes that workers in the gig economy “are often classified as independent contractors, which under certain laws precludes them from forming associations to protect their rights and engaging in collective bargaining” (n.d.). Aside from the effects of worker classification, De Stefano (2016) argues that these workers become “more invisible because they operate in a new fashion and through new technologies” (p. 4), and labor arrangements under such emergent technologies are not yet fully covered in certain labor laws “given that many labour laws and social security policies were to a large extent predicated on the standard employment relationship” (ILO, 2017).

As domestic work is still typically tied to women and given that the selected case studies are explicitly gendered, a significant element of the study is an investigation of the structural exclusions and inequalities in the digital care economy in relation to gender and class.

2.1 Traditional domestic work in the Philippines

Republic Act 10361 or the *Kasambahay Act* (Domestic Workers Act) defines a domestic worker or *kasambahay* as “any person engaged in domestic work within an employment relationship, such as but not limited to the following: general house help, nursemaid or ‘yaya’, cook, gardener, or laundry person, but shall exclude any person who performs domestic work only occasionally or sporadically and not on an occupational basis;” whereas an employer is defined as “any person who engages and controls the services of a domestic worker and is party to the employment contract.”

Domestic work in most localities in the Philippines is made up mostly by women (ILO, 2011). There is a dearth of study about the numbers and situation of domestic workers in the Philippines. Information

from the Labor Force Survey from January 2018 revealed that 10.2 percent of employed women in the Philippines worked for private households and may therefore fall under the classification of domestic workers. Of all workers in the Philippines, 4.6 percent worked for a private household (Philippine Statistics Authority, 2018).

A report from the ILO on the Profile and Conditions of Domestic Workers in the Philippines in 2011 showed that, in comparison to wage employees in private establishments and in the private, non-agricultural sector — who work an average of 8.1 to 8.2 hours a day—33 percent of domestic workers work 9 to 10 hours per day, and 20 percent work 11 hours or more per day. Similarly, live-in workers were found to put in at least 11 hours a day. The ILO report also found that “the risks in live-in arrangements are that the line between working time and rest period tends to be blurred, and flexible working time may be interpreted as availability of service as and when required by the family” (International Labour Organisation, 2011, p.8).

The same ILO report highlighted the fact that domestic workers receive the lowest average basic hourly pay among the different types of wage employees. It is worth noting, however, that the report was issued before the enactment of the *Batas Kasambahay* in 2013, which protects the rights of domestic workers by requiring the provision of government-mandated benefits, 13th month pay, 1 daily and weekly rest periods, and a minimum wage for domestic workers.

The Philippines also has a long-standing culture around domestic work and family relations, which includes housing less well-off relatives in exchange of household help (Sayres, 2005) and the practice of domestic workers living in the household of their employers (i.e., “stay-in” culture). This has resulted in a local culture that often treats domestic workers as part of the family. However, such practice of domestic workers living with their employers also makes the workers vulnerable to exploitation and, at the same time, makes it difficult for government to intervene in cases of abuse. In the case of those that work in relatives’ households, the “employer-relatives” may not even recognize their legal obligations as employers (Sayres, 2005).

Given the history of unfavorable working conditions for domestic workers in the Philippines, especially before the *Batas Kasambahay* was put into law, we find it imperative to ask: are on-demand domestic platforms disrupting the traditional sector that provides cheap domestic services to households? Or do they just reinforce existing unfair labor practices that are dominant in most industries in the Philippines, including contractualization and the informalization of work?

2.2 On-demand domestic work platforms and the Philippine startup ecosystem

According to 2017 figures from the Philippine Statistics Authority, 99.56 percent (920,677) of the total business enterprises operating in the Philippines were micro, small, and medium enterprises (MSMEs). Around eighty-nine percent (89.59 percent) of the total number of establishments were microenterprises (those that are valued not more than 3,000,000 PHP) (Department of Trade and Industry, n.d.). Among these MSMEs are startups, the number of which has grown in recent years.

In the 2017 Philippine Startup Survey that interviewed 22 startup founders, investors, and accelerators, 54 percent of the founders said they launched their startups between 2016 and 2017 and 87 percent had worked in companies and industries outside their startups (PwC, 2017). The Philippine Startup Report of 2013 stated that in around 70 percent of local startups, the founders relied on their personal resources (DICT, 2016). Recent estimates on the number of tech startups in the country range from 100

(Lorenciana, 2017) to 547 (Galolo, 2017) to almost 900 (Angellist, n.d.). Among these are the on-demand cleaning platforms.

This is juxtaposed with the boom of the business process outsourcing and offshoring and contact center industries in the Philippines, especially in Metro Manila, which has paved the way for the rapid development of residential condominium buildings in several business districts in the metro. In 2017 alone, a record-high of 52,600 condominium units were sold in the prime central business districts of Metro Manila and the surrounding fringe areas (Valentin, 2018). The rise of condominium dwellers has created a lucrative market for on-demand cleaning services. Unlike those that reside in detached houses, condo dwellers rarely have the need for full-time staff to do housekeeping.

Thus, the mass movement of young professionals to urban business districts and the usually small area of condo units have driven up the demand for cleaners who can work only when needed. This was a market that traditional recruitment agencies, which typically engage in the deployment of full-time (i.e., “stay-in”) domestic workers, could not cater to; thus the emergence of agencies for part-time home cleaning workers.

At first, these agencies operated mostly with SMS-based transactions. However, as digital platforms gained traction in the Philippines, home cleaning businesses also started to utilize digital channels in their booking transactions.

Today, most local domestic work platforms in the Philippines can be aptly classified as “amphibian” platforms, in that they are not fully online (in the sense that major platforms like Uber and Airbnb are) but also not fully offline (as in the case of recruitment agencies and those that transact via SMS).

With the recent creation of a Department of Information and Communications Technology (DICT)—which has facilitated significant developments such as the selection of a third major Telco player that will likely improve competition in the Philippine telecommunications sector—the Philippines is looking at an immense digital transformation in the near future. This, along with the fact that digital development must keep up with a period of intense socio-political and economic change.

In November 2018, member-states of the Association of South East Asian Nations (ASEAN), including the Philippines, signed the ASEAN Agreement on Electronic Commerce, as one of the major components of the ASEAN Work Program on Electronic Commerce 2017-2025. It is ASEAN’s first agreement to facilitate cross-border e-commerce transactions that hopes to create a conducive environment for the growth of e-commerce through advancing trade rules in the field and building up greater digital connectivity within the region (Ministry of Trade and Industry, Singapore, 2018).

3. Methodology

3.1 Research questions

This report intends to answer the following primary research questions:

1. How has the local platform economy of care work transformed (or preserved) traditional models of domestic and care work in the Philippines?
 - a. How have the rules of the game changed?
 - b. Who are the new actors (especially intermediaries) and what are the business/operational structures that emerged?

2. Who are the new actors (especially intermediaries) and what are the business/operational structures that emerged?

3. How are the emerging modes of business and labor among domestic work platforms making an impact to the access of women workers to decent work and social protection?

3.2 Methods

The research involved semi-structured interviews with key informants. Interviews with workers focused on extracting their own accounts of how they got into on-demand domestic work, their working conditions and relationship with the platforms and platform owners, and their insights on how such a labor model differs from traditional modes of employment.

Interviews with the platform owners revolved around the nature and legal personality of the business, its organizational and operational structure and the platform and platform owners' relationship with the domestic workers.

Interviews with two government agencies (the Department of Information and Communications Technology and the Department of Trade and Industry), a domestic workers' union, a startup incubator, and a company working on IT services provided comprehensive information on the larger context in which the platforms are located.

A total of 12 interviews were conducted with 20 informants, as follows:

Table 1. List of organizations interviewed

Date	Organization
May 29, 2018	Lingap Galing Cleaning Consultants
June 11, 2018	Novare Technologies
June 26, 2018	Labor Education and Research Network United Domestic Workers of the Philippines
August 8, 2018	Ideaspace Foundation
August 18, 2018	Urbia founder and general manager
September 7, 2018	Urbia service provider
September 20, 2018	Urbia service provider
October 11, 2018	Department of Information and Communications Technology
October 25, 2018	Department of Trade and Industry
October 25, 2018	Lingap Galing Cleaning Consultants
December 6, 2018	Clean Zone CEO Clean Zone Cleaning Officers (8)

Because of the challenge of finding willing informants, interview data was complemented with a desk review and analysis of the platforms. Desk research also involved looking into media coverage of the on-

demand cleaning phenomenon. The research team also conducted an analysis of existing literature and related laws and policies.

3.3 Framework

The IT for Change framework (Gurumurthy & Bharthur, 2018) approaches the task of mapping the platform ecosystem through the in-depth exploration of three critical layers:

Layer 1: Network of actors who make up the platform ecosystem

Layer 2: Structures that constitute the norms, rules, and practices of the platform ecosystem

Layer 3: Value extracted by/contained within the platform ecosystem

4. Case Studies

The research examined four on-demand cleaning services in the Philippines.

1. Cleaning Lady

Cleaning Lady (<https://cleaninglady.ph/>) is one of the most popular on-demand cleaning platforms in the Philippines. Winning one of the spots in the prestigious Ideaspaces Startup Competition in 2016 propelled its popularity among the public and the media. Based on the Terms and Conditions posted on its website, Cleaning Lady is formally registered as Lila Linis, Inc.

Based on an article from the Manila Standard (Dela Cruz, 2016), the founders initially invested PHP 35,000 (USD 6652) for a three-day training of the first 10 cleaning ladies at a training and assessment center accredited by the TESDA (Technical Education and Skills Development Authority). They also invested in eco-friendly cleaning materials, mops, polishers, and vacuum cleaners. At the time of publication of the article (August 2016), the founders had invested PHP 150,000 (USD 2,850) in the company before they received PHP 500,000 (USD 9,500) of equity-free funding from winning the Ideaspaces Startup Competition.

The founders also reveal in Dela Cruz (2016) that 30 percent of the company's revenues go directly to the cleaning ladies as part of their commission and on top of their monthly PHP 3,000 (USD 57) basic allowance. As of September 2018, the minimum wage for domestic workers in the National Capital Region is at PHP 3,500 (USD 66.5).³

Despite the fact that the company invested in training and equipment, its Terms and Conditions explicitly classify Cleaning Lady (under Lila Linis, Inc. or LLI) as merely a provider of technology platforms and the cleaning ladies as independent third party cleaning services providers. In fact, the terms place emphasis on the claim that "LLI does not provide cleaning services itself or function as a manpower agency (Cleaning Lady, 2017)."

2. Urbia

Urbia (<http://urbiaph.com/>) is a platform that offers on-demand services such as cleaning, house moving, babysitting, and other errands through their network of individual partners, who deliver the services. It describes itself as a "concierge service," a concept that is fairly new to the Philippine market but is commonplace in countries such as the United States.

Born out of the entrepreneurial idea of its founder, Urbia was established with an initial capital from the owner and one partner (amount not disclosed). Urbia is registered with the Department of Trade and Industry (DTI) as a sole proprietorship, under the category “domestic services,” as the DTI does not have an applicable category for concierge services. Even though Urbia covers a wide variety of services, its registered name is Urbia Household Errand Services.

At the time of interview, Urbia had sixteen (16) service providers, 12 of whom were female and 85 percent of whom offered home/office cleaning services. It started in March 2018 with eight service providers, who were mostly returning overseas Filipino workers (OFWs). Urbia has a small physical office that houses the general manager and one partner (who both work full-time), but the service providers do not have to report to this office.

The full amount of tips from clients also goes to the service providers. According to the founder and general manager, Urbia’s highest earner earns around PHP 1,600 to 3,000 (USD 30.4 - 57) per day. However, as the cleaners are classified as independent service providers and not regular employees, they are not provided government-mandated benefits or insurance. They also do not receive basic monthly salary.

Urbia enrolls service providers primarily through word of mouth, usually through other cleaning partners. Training is done in-house, with the costs shouldered by Urbia. The company conducts an onboarding seminar, after which candidates have to go through a supervised apprenticeship period with a “buddy” picked from the existing pool of cleaners. Candidates are paid for two of the four bookings that comprise the apprenticeship period. Candidates do not have to pay for the training and application, but cleaners have to pay for their own cleaning equipment by installment.

As of the time of interview, Urbia’s cleaning rate was PHP 299 (USD 5.681) per hour per cleaner for a studio type or one-bedroom condominium unit. Of the total booking cost, 30 percent commission goes to Urbia and 70 percent goes to the service provider. Service providers are required to create a GCash account/electronic wallet with an initial PHP 1000 top-up amount. Clients pay the service providers directly in cash, which the service providers then deposit in their GCash wallet. Every time they complete a task, Urbia collects 30 percent of the booking fee via GCash. Achievers are given awards in monetary form monthly, and grocery items are also given as quarterly incentives.

There is no employer-employee relationship between Urbia and its service providers. The “partners,” as the cleaners are called, only sign the rules or handbook as an agreement. However, there is no clarity among the cleaners as to whether this counts as a contract, although both cleaners that were interviewed were aware that they are not considered as employees. In fact, Urbia’s service providers are always reminded of Urbia’s role as a mere “concierge” that facilitates their transactions with clients rather than an employer. According to the owner, Urbia exists to remove some of their hassle as independent workers: “This is your business. We are just here to get you clients.”

3. Lingap Galing Cleaning Consultants

Lingap Galing Cleaning Consultants (LGCC) was conceptualized as a social enterprise around 2011 by migrant workers from Hong Kong, thinking of a way to utilize their skills and experience to help themselves when they got back home, and also to share their knowledge to a wider community in need of extra income. The enterprise reached out and trained a group of low income community women and LGBT youth from select barangays in Quezon City to become their pilot pool of cleaning consultants. The intention is to provide a means for women to earn income that would not require them to leave

their homes and their children for a prolonged period of time—by finding work and cleaning services requirements within their community, or different residential areas near their place of residence. Apart from this, LGCC also advocated for the on-demand cleaning business model to oppose and stop the “stay-in” culture among Filipino households, in which domestic workers are provided lodging and meals within the household for 6 to 7 days a week and are expected to be on call.

Six founders contributed at least PHP 20,000 (USD380) each to start LGCC. They trained a core group of 30 cleaners (which consisted of 18 mothers and 12 members of the LGBT community) in 2013 using a module by well-experienced migrant domestic workers, which was based on cleaning standards used to maintain households in Hong Kong.

The service rates of LGCC were noticeably higher than most other cleaning services because of its advocacy to promote the value of decent work. This was cited by the key informants as one possible reason why the business does not yet have a big following in their target market. For light/basic cleaning of units between 30 to 50 sq. m., LGCC charges PHP 700 (USD 13.30), which is good for a maximum of four hours. Of this fee, PHP 450 (USD 8.55) goes to the cleaning consultant, PHP 50 (USD 0.95) is used for the cleaning materials, and PHP 200 (USD 3.80) goes to LGCC for operational costs.

Similar to Urbia, LGCC uses a mobile remittance service (Smart Padala) to transfer the cleaner’s share of the payment, as the cleaners are not allowed to receive and handle cash from the clients. They are also not allowed to receive tips or exchange numbers with the clients. As with Urbia, the cleaners do not sign any contract with LGCC and are not considered as employees.

4. Clean Zone

Clean Zone (<http://cleanzoneph.com/>), is a platform established in 2016 that provides cleaning services. It is registered as a corporation with the Securities and Exchange Commission and was started with a capital of around PHP 450,000 to 500,000. In contrast to other platforms, it boasts of cleaning officers that are “salaried employees and not commission based workers.” This kind of arrangement, Clean Zone says, is their way of “caring for [the workers]” and of “closely monitoring and developing the quality of work they produce” (Clean Zone, 2018).

Clean Zone also prides itself in being the only cleaning service that offers franchising. At the time of interview, Clean Zone was manufacturing its own line of cleaning solutions and its CEO was considering offering the cleaning materials for retail. Clean Zone has a head office, to which both engagement officers (those in charge of booking and customer service) and cleaning officers report. Although they have their own website, Clean Zone also relies on existing tech platforms such as Facebook, Viber, WeChat, Instagram, and online marketplace OLX to market their services and accept bookings.

The cleaning officers of Clean Zone receive a daily minimum wage of PHP 512 (about USD 9.75). Just like many salaried employees, they receive their salaries twice a month. Cleaning officers are recruited through online and offline (flyers) advertisements and through referrals. Clean Zone is also accredited by the Quezon City and Mandaluyong City Social Services Development Departments, which sometimes refer candidates that have finished home cleaning trainings they facilitate in partnership with TESDA. After a two-day training at the Clean Zone office to discuss rules and policies and proper cleaning service, candidates have to go through three to four days of paid on-the-job training period.

Aside from condo and house cleaning, Clean Zone can also provide cleaning services to offices and commercial establishments. They also offer other services that include post construction and renovation services, moving in/out cleaning assistance, after party cleaning, clothes ironing, grease trap cleaning,

upholstery cleaning, and carpet and rug shampooing. For condo and house cleaning, Clean Zone's rate is P500 for two hours, or one can opt for a rate of P25 per square meter for a minimum of 100 square meters of living space.

The cleaning officers sometimes receive tips for their services. These tips are pooled together and every month, these are divided equally among the cleaning officers. Clean Zone also provides incentives to the cleaning officers; a cleaning officer with the best selfie with a client will receive a bonus of P500.

In January 2018, Clean Zone started to franchise its business. Thus, aside from Clean Zone itself, there are already CZ branches in Malate, Cubao, Dipolog, Tagaytay, and Sta. Rosa.

Table 2. Comparison of On-demand Cleaning Services in the Philippines

	Urbia	LGCC	Clean Zone
Nature of business	Single proprietorship registered as a domestic service	Unregistered social enterprise	Corporation with franchise
Capital	Amount not disclosed (Capital came from the personal savings of the owner and from one partner)	Around PHP 120,000 (Six founders contributed at least PHP 20,000 each)	PHP 450,000 - PHP 500,000
Services offered	Home/office cleaning, errands (e.g., paying bills, queuing), <i>lipat bahay</i> or moving services	Home/office cleaning	Home/office cleaning, post-construction and renovation cleaning, moving services, clothes ironing, grease trap cleaning, upholstery cleaning, carpet and rug shampooing
Relationship with workers	No employer-employee relationship, cleaners are treated as independent workers	No employer-employee relationship	All workers are regular employees
Cleaning rates (all are fixed rates)	PHP 299 per hour per helper for studio-type or one-bedroom condominium units	PHP 700 for light or basic cleaning of units up to 50 sq. m. for a maximum of four hours	PHP 500 for two hours
Workers' earnings and benefits	70 percent of the booking cost	Of the PHP 700 fee, PHP 450 goes to the cleaner	Minimum wage + 13th month pay + standard benefits (SSS, Philhealth, Pag-IBIG)
Means of booking	Website, email, Facebook, SMS, phone call	SMS	Website, email, phone call, SMS

	Booking should be made at least 2 hours before required service		
Payment transaction process	Cleaner receives the payment from the client in cash, then remits Urbia's 30 percent share via GCash	Client pays LGCC directly through bank deposit; LGCC pays cleaner via Smart Padala	Handed to the cleaner in cash or via bank transfer
Policy on tips	Tips are optional for clients; full amount of tips goes to the cleaner	Cleaners are not allowed to receive tips	Tips are optional for clients and are centralized and divided equally to all cleaners every month
Technology used	Booking tool (SimplyBook.me) paid service, customer livechat tool (Tawk.to), invoicing tool (Invoice Ninja), own website, Facebook page, SMS, mobile remittance service (GCash)	Facebook page, own website (now defunct), SMS, mobile remittance service (Smart Padala)	Facebook page, Facebook messenger as internal communication tool, Instagram, OLX, WeChat, Viber, own website
Policy on cleaning implements	Cleaners have to pay for the set of cleaning materials ("care package"), which costs PHP 1360 and may be paid in installments/deducted from their earnings every booking, every week, every 15 days, or every month	Out of the PHP 700 cleaning fee, PHP 50 is used by LGCC to cover the cost of cleaning implements	All cleaning equipment and materials are provided by Cleanzone. Cleanzone has also started manufacturing its own line of cleaning agents, which the company plans to retail in the future
Management	Owner has a full-time day job and acts as general manager and part-time booking manager; a partner also serves as part-time booking manager	No full-time employees/ management; a volunteer currently serves as coordinator between clients and cleaning consultants	Full-time CEO/operations manager, engagement officers (customer service), and cleaning officers
Profile of Workers	Mostly female (at the time of interview, 12 of 16 workers were female); ages range from 25 to 36	Residents of Barangays Payatas, Sauyo, and Gulod, which are all urban poor communities in Caloocan and Quezon	All of the interviewees were female and most of them have children

Label used for workers	Partners	City; mostly mothers who do not have full-time employment	Cleaning consultants Cleaning officers
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5. Findings

5.1 Philippine governance structures fail to comprehensively account for the rising platform economy

Since domestic/cleaning workers in the platform economy have no formal categorization as of yet under Philippine law, they cannot receive benefits afforded to workers in the formal economy as well as to domestic workers covered by the *Kasambahay* Law.

The primary law governing domestic work in the Philippines is Republic Act No. 10361, or the *Batas Kasambahay*. However, through phone calls with various departments and bureaus under the Department of Labor and Employment (DOLE), it was confirmed that no particular office is currently looking into digital labor platforms. One officer from the Bureau of Workers with Special Concerns, who did not wish to be identified and declined our request for an official interview, categorically stated that on-demand cleaning workers cannot fall under the protection of the *Batas Kasambahay*, for the law requires that domestic workers be engaged in domestic work on an “occupational” (i.e., regular and long-term) basis.

Government bodies tasked to regulate digital platforms and startups, such as the Department of Trade and Industry (DTI), Department of ICT (DICT) and Department of Labor and Employment (DOLE), currently operate in their own isolated capacities, without a common framework or strategy. An interview with the DTI revealed that while pockets of the Philippine government are working on policies and projects related to the digital economy, there is no single agency that has been relegated as the focal agency for this field. As in the case of labor issues, the absence of a clear designation on the mandate of digital economy development has resulted to multiple agencies working in silos without harmonizing their work.

On the other hand, despite initiatives to promote online labor, the DICT is not looking at the social protection aspect of digital labor platforms because, as their representative said in one of the interviews, “no one is raising the concern”.

Yet, other areas of the digital economy are gaining government support. The DICT’s Digital PH program consists of four sub-programs catering to four different areas of the digital economy, namely: developing selected “digital cities” as hubs for the ICT industry, building the capacity of the IT business process management industry, developing local startups and promoting online freelancing to people in rural areas.

5.2 Platform operate in an ‘amphibian’ manner

The characteristics of on-demand cleaning service platforms in the Philippines do not fall within the existing categorizations (on-demand, marketplace or hybrid) used by Ticona, Mateescu & Rosenblat

(2018). For instance, Clean Zone maintains an employer-employee relationship in which, cleaners are salaried employees, while Cleaning Lady provides monthly allowance plus commissions to its cleaners. In addition, all these platforms played the role of a human “conciierge” instead of using an automated system or algorithm, acting as intermediary between clients and cleaners.

Moreover, most of these on-demand domestic/cleaning platforms use existing social media platforms to market their services as well as to recruit cleaners. They are also “amphibians — simultaneously using the online platform and offline referrals to recruit cleaners and get clients. Both Urbia and Cleaning Lady employ a combination of traditional/manual booking systems and booking technologies. The task of matching clients with service providers also follows a hybrid system where clients have the ability to browse through and choose among the list of available service providers, but there is also the option of allowing the “master conciierge” or the booking manager to decide on the match based on factors such as distance from the booking location. As much as possible, the platforms limit the use of paid digital technology to cut operation costs.

Offline referral—as a complementary mode of referral in the platform—is widely utilized by all enterprises for marketing and cutting costs. But indirectly, this mode also enables women who have no access to mobile apps and internet technology to find work.

Aside from lacking in digital knowledge/fluency, women who dominate domestic/cleaning work are very poor and can hardly afford to have access to digital technology such as cellphones and the internet. In the case of on-demand cleaning platforms, workers use their own mobile phones to communicate with platform owners and clients. In some cases, workers remit payments to the platform via mobile payment services such as GCash and Smart Padala, which also require a mobile device and SMS credit, but not internet connectivity. This allows women who have feature phones (i.e., phones that may not necessarily have the capacity for quality internet) to participate in the platform work even with limited technological resources and knowledge.

Other distinct features of these platforms include two-way (client and cleaner) feedback system in conflict resolution/complaints (Clean Zone and LGCC), anti-harassment policy to protect workers from abuse (Clean Zone), and participation of cleaners in pay/wage pricing (LGCC).

Among their common features are the following:

- On-demand work transaction
- Reward system
- Performance ratings based on client ratings through SMS feedback and feedback survey forms
- Use of eco-friendly cleaning materials
- Cleaners shouldering the cost of cleaning materials and
- Advocacy to elevate domestic and cleaning work as a respectable profession.

In the case of Urbia, decision-making (i.e., the task of matching clients with workers and determining rates/prices) is not automated and is still primarily controlled by the managers. The workers are given flexibility in terms of booking (they are free to reject bookings and indicate which services they want to offer), but the terms of service, initial schedule, and the rates are decided by the platform owner.

One of the key features of platforms, as cited in the framework we use here (Gurumurthy & Bharthur, 2018) is that resource ownership is aligned towards asset-light models. This is evident among on-demand cleaning businesses, whose service providers rarely report to a physical office.

5.3 Platform work is often regarded as supplementary or transitory work

For most workers in regions outside of the Philippines, the platform economy supplements incomes from other paid work and helps in balancing family responsibilities — which are still taken on predominantly by women (OECD, 2017). This was validated by most, if not all our interviews, and the same is true for the owners and managers of most platforms.

The founders of Urbia, Cleaning Lady, and LGCC all had other jobs or engagements at the time that they were handling operations for their businesses, since the platforms were not yet able to provide a stable source of income. In fact, one service provider interviewed suggested that she is doing the work temporarily while waiting for the result of her overseas job application. It seems that such work is seen as transitory for some.

Overall, most of the women interviewed also engage in on-demand domestic/cleaning platforms to supplement incomes from other paid work, to supplement their husbands' income in a way that fits with their reproductive responsibilities, and as transition work in preparation for overseas contract work.

5.4 Mixed private-individual and privatized public value is the dominant mode of value generation

In the case of Cleaning Lady, Clean Zone and Urbia, private-individual value seemed to emerge as the most common form of value distribution of. The platforms attract or reward “*suki*” or frequent clients with regular discounts and in-kind promos while providing incentives to cleaners with excellent ratings and highest number of recruits. For instance, Urbia gives 10 percent discounts and free two-hour cleaning services to frequent clients.

Cleaners are also given incentives. Urbia provides its cleaners with performance-based monthly cash incentives, quarterly in-kind gifts and PHP 100 for every cleaner recruited, while Clean Zone gives a 500-peso cash gift for each category—highest tip, highest survey rating, best selfie with a client and best feedback on Facebook. Likewise, Cleaning Lady provides commissions on top of the monthly allowance.

On the other hand, the privatized-public value is manifested in the practices of LGCC. It operates as a social enterprise, where profit is used to achieve its two-pronged goals of providing quality domestic/cleaning services to the public, as well as providing additional income opportunities to community women.

Democratic participation and organizing are development principles central to the practice of LGCC. It provides leverage for cleaners to participate in decision-making over the pricing of cleaning work and the choice of when and where to work. LGCC also provides venues for cleaners to speak out on work-related problems for the purpose of policy improvement.

Such opportunities for workers' input are also present in Urbia, in which a cleaner recounts an instance where their collective feedback resulted to a concrete change in operations (particularly, in how quickly Urbia requests for remittance after a task is completed). Clean Zone also provides space for worker feedback, and may even penalize clients for failing to follow their guidelines or for disrespecting the cleaning officers.

In the future, LGCC plans to partner with local government units (LGUs) in organizing individual women into pool of cleaners, eventually making the enterprise into a cooperative run by the cleaners.

5.5 The conditions of platform-based domestic work are characterized by irregularity and precarity

Since work is scarce for women who have low levels of education and lack access to better employment opportunities, they are more likely to engage in on-demand labor platforms. “It is better than nothing” is the rationale of majority of the women interviewed, brushing aside difficult working conditions in private home spaces, non-regular work assignments, and the job insecurity that characterizes work in most domestic/cleaning service platforms.

For these women, working two to four hours provide them the flexibility to attend to their household responsibilities as compared to live-in or even live-out domestic work that requires eight or more working hours. However, the irregular nature of work (working from one to two bookings a week) makes no difference from their offline traditional domestic/cleaning work in terms of income. Still, for these women, the flexibility, shorter work periods, and somewhat better pay are promising aspects of the domestic/cleaning platform.

Since work is non-regular in most of the platform enterprises, the common practice of LGCC, Urbia and Cleaning Lady is that the cleaners have the choice of when to work based on their preferred schedules, while a hired staff of each enterprise does the client-cleaner matching. Cleaners who consistently get high ratings are given priority, while those who get poor feedback are afforded least priority. On the other hand, penalties such as being delisted from the roster of cleaners is imposed on cleaners as sanction for breaking rules.

Aside from good performance, client-cleaner matching is based on availability and proximity to client’s location. But in instances of very far locations, clients provide a fixed amount for transportation allowance. Interviewees noted that given the heavy traffic situation in Metro Manila, long-distance locations are disadvantageous to them as payment for cleaning excludes travel time and fixed transportation allowance is often inadequate. In addition, the thought of delayed arrival to a client’s home puts added stress on cleaners. However, as the primary concern of cleaners is to have more cleaning appointments, issues of safety, risks of sexual harassment, and long-time travel in a poorly-managed transport system in Metro Manila are not at the top of their concerns.

In an extreme case, during a roundtable discussion conducted for this case study, one of the platform owners cited an incident where their cleaning officers found scrap aluminum foil—which were possibly drug paraphernalia—in the unit they were assigned to.

Working in isolated private homes has aggravated cleaners’ working conditions, depriving them of a support system that unions and organized workers traditionally provide. Urbia provides a management-monitored Facebook site for cleaners to connect with one another. However, conversation is limited to work updates and cleaners are not allowed to discuss work-related issues and problems.

Organizing on-demand platform domestic workers/cleaners is not yet on the agenda of UNITED, the trade union for domestic workers. However, it has utilized digital technology to connect with individual domestic workers to organize and educate them about their rights and benefits under the *Kasambahay* Law. Being aware of their rights under this law enables organized domestic workers to “freelance” during day-offs to look for cleaning gigs, by either using the digital platform or through word-of-mouth referrals.

5.6 Small-scale platform enterprises also need protection and an enabling environment for them to flourish and sustain their operations

Based on the Magna Carta for Micro Small Medium Enterprises (Republic Act 9501) categorization, these enterprises are asset-light in terms of resource ownership as well as small in employment size. This law currently protects and provides them with an enabling environment to survive market competition.

Given the unregulated flow of capital, services, and goods among countries brought about by globalization as aided by digital technology, it is not a remote possibility that big global domestic/cleaning platform companies will penetrate the local market. As such, small local platform enterprises will be subjected to stiff competition in the platform market. In this possible scenario, the government has a crucial role to play to ensure the survival of these small platform enterprises. Perhaps the government can learn a lesson or two from the history of platform-based transport services in the country. In 2018, Uber's Southeast Asia operations (including that in the Philippines) was acquired by Grab, resulting to a merger of the two biggest ride-hailing services in the Philippines at the time. The Philippine Competition Commission (PCC), in its Statement of Concerns dated 28 May 2018, noted that the loss of competition after Uber's app shutdown in the country resulted in an upward trend in Grab fares and more frequent surge-pricing. The PCC also found that although new, local transport network companies attempted to enter the market after the Uber-Grab merger, "It would take a significant amount of time and cost for these new players to grow a driver and rider base sufficient to contest the incumbent" (Philippine Competition Commission, 2018). A similar case also happened in the online marketplace sector when Sulit.com, which used to be the leader in e-commerce in the country, became OLX Philippines after a major investment from Naspers (Olandres, 2014).

6. Analysis

Paid domestic/care work is predominantly done by women in the Philippines. Live-in or live-out domestic/care workers are generally called *kasambahays* and are mostly women and girls from low income households in rural and urban poor communities. Having little education and limited access to employment, they tend to gravitate to the traditional paid domestic/care work. The enactment of the *Batas Kasambahay* provided them with a minimum wage and social protection. On the other hand, there are women living in urban poor communities who are engaged in the informal economy doing contingent work—cleaning houses, baby sitting, doing laundry, and other domestic tasks—as part of their multiple livelihood strategies to survive.

With the growth of digital technology in the country, a constellation of smaller startup enterprises offering on-demand domestic/care work platforms have emerged. These startup platform enterprises serve as intermediaries between the service providers and service purchasers. As intermediaries, they have the flexibility to command the remuneration of workers as well as to change the number of workers needed each day based on demand or skills needed by clients. At the same time, they maximize the use of any free digital technology such as Facebook and other low-technology means such as text/phone messaging to lower operating costs.

These on-demand platforms have transformed the nature of traditional domestic/care work by, facilitating interaction between the service providers (domestic/care workers) and the purchasers of services (clients); using metrics in measuring performance (ratings and ranking systems), introducing competition among workers through rewards and points system; and creating an online labor market where the worker is seen as an independent entity.

In addition, work relations are given new meanings that emphasize the absence of an employer-employee relations and independent employment: the domestic/care workers are called “partners” and independent third party service providers while the startup enterprises are referred to as technology providers or concierge service providers affirming their role as intermediaries.

While these have some positive features including higher compensation on a per-hour work basis, shorter work periods (from 2-4 hours only), and flexibility of time, especially for women with reproductive responsibilities, the absence of an employer-employee relation makes work precarious for women. On one hand the women workers are considered own-account workers or self-employed who should be responsible for their own employment, job security, social protection and training/development to enhance employability. At the same time, the non-regularity of work deprives workers of their statutory benefits, social security, and regular salary/wages.

Currently, there are four on-demand domestic/care work platform models observed.

Of the four platform models, Clean Zone shows the greatest potential in transforming on-demand domestic/care work platforms into an empowering profession. Treating women workers as professional workers not only gives these workers dignity but elevates domestic/care work as a profession. In addition, it maintains the standard features of regular employment and social protection—regular salary, higher compensation, employee benefits, and social insurance. As such, it formalizes work as well as provide decent work and job security.

While the other three models are geared toward non-standard employment in which there is absence of employer-employee relations, lack of workers’ benefits and insurance, and non-regularity of work, the LGCC model shows potential in transforming domestic/care work towards empowering women. By envisioning the organization as a cooperative in the near future, it would provide women not only inclusion or access to work but control over its operation as shareholders in the cooperative. On the other hand, Urbia and Cleaning Lady models tend to adopt the rules and practices of dominant on-demand platform economies of other countries.

These on-demand platform models can either formalize work and provide decent work and social protection or reinforce informality and non-regularity of work. If the Urbia model becomes the dominant practice in the on-demand platform economy in the country, expectedly, domestic/care workers will be in a precarious condition. First, the non-standard nature of employment for on-demand workers deprives them of decent work, job security and social protection. Second, the isolated nature of working in private homes and traveling to various work locations poses risks of gender-based violence (e.g. sexual harassment) and mental health concerns (e.g. stress) as well as the robs them of the opportunity to interact with other workers to form unions. Third, since on-demand workers do not fall under the category of workers protected by the *Batas Kasambahay*, they become invisible to policymakers. And finally, on-demand domestic/care work platform workers, being the new type of workers, are not yet categorized as workers under the current laws in the country — thus, they are not protected by any other labor laws.

As on-demand domestic work platform becomes the new normal in the future and the no-employer-employee relation structure of these three models will be the dominant mode, informality or the casual nature of domestic/care work is likely to be reinforced and perpetuated.

But, the seemingly “flexible” nature of on-demand domestic/care work is attractive to women in different circumstances: those working in the informal economy, those balancing productive and

reproductive work, those seeking additional income alongside their multiple sources of livelihoods, those transitioning to overseas migrant work, and those supplementing household income. For instance, domestic workers or *kasambahays* who are members of the trade union, LEARN-UDWP, used their day-offs to moonlight in other houses for additional income. As such, on-demand domestic work platform can be a potential source of extra income for them. Eventually such “flexibility” is likely to encourage women to enter the labor force via the on-demand platforms, setting aside the precariousness and unfair nature of this type of work.

Likewise, this kind of work has a dual feature of visibility-invisibility of the workers: visible because the labor transaction is done online, but since workers are considered an independent entity as own-account workers, they can only be accounted for as workers when they register for statutory requirements in the Social Security System and the Bureau of Internal Revenue. However, in practice many of the women engaged in the on-demand domestic/care platform do not apply for membership in the SSS and remain invisible as workers, thus reinforcing the precariousness of on-demand domestic/care work.

Overall, on-demand domestic /care work platform exhibits new features different from traditional domestic/care work and presents a double-edged condition for women— providing potential opportunities for women’s access to work but at the same time, perpetuating the precariousness of contingent work (on-demand, non-regular, and job insecure).

7. Conclusions and Policy Recommendations

The analysis has made it clear that on-demand domestic work, as well as platform work in general, is still in its early stages in the Philippines. Although innovative the way it facilitates the relationship between worker and client, local domestic work platforms have not totally transformed the traditional models of domestic and care work in the country. As the Philippines undergoes a period of rapid digital transformation, the platform economy is expected to grow exponentially, and it is more important than ever to ensure that such economy furthers domestic workers’ rights instead of reinforcing existing unjust conditions. Most important is that the surrounding tech and policy environments should enable these platforms to provide access to decent work opportunities. The “better pay for a shorter work period” model is advantageous to most women as it conforms with their domestic responsibilities. However, to fully open and include women, particularly poorer women to participate and work through the platform, the following recommendations are put forward by this study:

- The *Kasambahay* Law must be amended to also cover domestic/cleaners in on-demand platform economy and define their corresponding rights, privilege and protection as a new category of workers. These rights include, among others, the provision of social and other benefits, payment of monthly minimum wage, entitlement to a 13th month pay, and daily rest period of at least 8 hours.
- The Magna Carta for Micro Small and Medium Enterprises must be made more comprehensive to define the rights, protection and government support for startup domestic/cleaning platform enterprises to flourish and survive market competition. The government must also protect small-scale domestic/cleaning platform enterprises against big global platforms companies when these companies expand operations in the country. New agreements for trade liberalization of digital trade in goods and services, such as the Regional Comprehensive Economic Partnership, which is currently being negotiated by ASEAN-member states and six other countries, propose a complete opening up of domestic markets to transnational platform companies that would pit

local MSMEs against tech giants.

- The government must define labor standards for platform work as decent work. Similar to the recommendations of the ILO on digital platforms and the future of work (2017), this study recommends that government adapt regulations and policies on decent work, including the provision of social benefits, to those engaged in digital work. Government agencies mandated to promote work on platforms should also expand focus from job creation to job security and social protections.
- Internet access, and digital literacy, especially of women must be improved. Participation in the platform economy is predicated on access to technology, and increasing the access of women to even the most basic mobile services can open up a world of opportunities for them.

Understanding the nuances and diversity among gig workers would make it easier for policymakers to figure them into labor laws. In California, for example, a bill that would make it difficult for companies like Uber and Lyft to classify workers as independent contractors was received by gig workers with polarized opinions. While some workers believe that the proposed law would increase their protection, some are afraid that it might take away the flexibility that current gig arrangements allow.

This research has shown that at this point, on-demand cleaning platforms in the Philippines are still in their nascent stages, and Philippine laws and governance institutions are struggling to keep up. However, with an inclusive, responsive, and harmonized policy framework, the sector clearly has the potential to advance the agenda of domestic work as decent work.

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