1. The Presence of the "Gig" or "Platform" Economy in the Philippines

The gig or platform economy in the Philippines has seen significant growth over the past decade. While official data on the gig economy is sparse, it is evident from various studies and market reports that the number of Filipinos engaged in gig work is substantial and growing. The Philippines are among the biggest sources of freelancers to the international platform labour (Soriano 2021). The Philippines provides more than 5% of the global online labour force (Stephany et al. 2021), ranking 5th among the world's largest supplier of online labour. Paypal estimated in 2018 that around 2% of Filipinos, or about 1.5 million to 2 million Filipinos, are involved in online freelancing (Hasnan 2016). Filipinos offer international clients with services in fields such as content writing, virtual assistance, graphic design, and software development.

Locational types of the gig-economy, such as food delivery, parcel delivery, and ride-hailing, are also widespread in the Philippines. This means that locational types of online platform labour employ a large number of Filipinos. Moreover, the COVID-19 pandemic accelerated the shift towards gig and remote work as businesses and individuals adapted to new modes of working (Yamano et al. 2023).

2. The Impact of the Gig Economy on Traditional Employee/Employer Relationships in the Philippines

The rise of the gig economy in the Philippines has significantly altered traditional employee/employer relationships. In traditional employment, workers are hired on a long-term basis with benefits like health insurance, retirement plans, and paid leave. However, gig workers often operate outside this framework, leading to a redefinition of these relationships.

Some key issues:

Employee classification and Lack of Safety Nets. In the Philippines, gig workers are generally classified as independent contractors rather than employees. This classification exempts employers from providing standard employment benefits and protections such as health insurance, social security, and severance pay. This classification has sparked debates and legal scrutiny. For example, in the case of ride-hailing drivers, there have been calls for more rights and protections, such as health insurance and social security benefits. However, these proposals can face challenges due to the inherent flexibility of gig work, which complicates the application of traditional labor laws (Soriano and Cabañes 2019; Soriano 2021; Wood et al. 2019; Wood and Lehdonvirta 2021).

Income Precarity. According to PayPal, 92% of Filipino freelancers identified 'job stability' as a major concern for their careers (Manila Standard 2019). Freelancers face challenges in planning for the future due to the frequent transitions between contracts. To maintain a steady workflow, freelancers need to work with multiple clients, helping them mitigate the uncertainty of work and diversify their income sources (Soriano and Cabañes 2019; Soriano 2021; Wood et al. 2019; Wood and Lehdonvirta 2021). Juggling these pressures creates stress and anxiety.

Worker Exploitation. Since the gig economy is not well regulated, and the labour is mediated via algorithmic platforms, freelancers are easy targets for exploitation the employers who hire them via the platform. They can be overworked, underpaid, subjected to unfair contract terms

or vague job quality assessment, and denied recourse for redress (Soriano and Cabañes 2019; Soriano 2021; Wood et al. 2019; Wood and Lehdonvirta 2021). PayPal revealed that 58% of freelancers in four Southeast Asian markets (Singapore, Philippines, Indonesia, and Vietnam) have experienced not being paid (Calimag 2018).

3. The Impact of Artificial Intelligence on the Labor Market of the Philippines

I don't think we're seeing immediate effects. Maybe some aspects of the Philippines labour market are changing due to AI, but perhaps not yet pervasive enough to be detected by observers. However, it is prudent to take note of the following potential negative Impacts:

Job Displacement: Automation and AI can lead to job losses, especially in sectors where tasks are highly repetitive and do not require human creativity or problem-solving skills. For instance, call center jobs in the Philippines are at risk as AI-powered chatbots become more sophisticated.

Skills Gap: The rapid advancement of AI technology has created a skills gap in the labor market. Many workers lack the necessary skills to transition to AI-related roles, necessitating significant investment in education and training.

Inequality: There is a risk of increased inequality as AI technologies can disproportionately benefit those with higher education and technical skills. Workers in low-skilled jobs may find it harder to adapt and benefit from these advancements.

Lack of International Competitiveness. The Philippines is not known to be strong in AI research, hardware (data centers, cloud compute resources, supercomputers), and AI industrial chain (i.e. manufacturing of semiconductors, robots, and other hardware needed for AI). Given this reality, the Philippines' work force and industries may be further left behind by regional and world players who are strong in those areas.

4. Legal Regulations and Judicial Decisions on AI in the Philippine Labor Market

The regulation of artificial intelligence (AI) in the labor market is a developing area in the Philippines, reflecting global trends and concerns. While there are no specific laws exclusively regulating AI in the labor market, existing legal frameworks and ongoing discussions highlight key issues and challenges. Some of these legal frameworks include:

Data Privacy Act of 2012: This law governs the collection, processing, and storage of personal data in the Philippines. It has significant implications for AI, particularly in ensuring that AI systems that handle personal data comply with privacy standards. Employers using AI for HR functions, such as recruitment or performance monitoring, must ensure that data handling complies with this Act.

Cybercrime Prevention Act of 2012: This law addresses crimes involving computers and information systems, providing a legal framework that could apply to malicious uses of AI. Employers must ensure that AI systems are secure and protected against cyber threats.

Some key issues that future regulation will do well to consider include the following:

- **Privacy**: Ensuring that AI systems do not infringe on employees' personal data rights.
- **Transparency and Accountability**: AI systems can be opaque, making it difficult to understand how decisions are made. Employers must ensure that AI-driven decisions in hiring, promotions, and performance evaluations are transparent and fair.
- **Secrecy and Plagiarism**: AI systems, especially those involved in creative work, raise issues of intellectual property and plagiarism. Employers need to establish clear guidelines on the use of AI-generated content.
- **Job Replacement Concerns**: The fear of AI replacing human jobs is significant. Employers need to manage this concern by investing in employee retraining and upskilling programs to help workers transition to new roles.
- **Job Security**: Employees are concerned about job displacement due to AI and automation. There is a need for policies that protect workers' rights and provide support during transitions.
- **Skill Requirements**: The shift towards an AI-driven economy requires new skills. Employees are concerned about the availability and accessibility of training programs to acquire these skills.
- **Fair Treatment**: There is a concern that AI systems might perpetuate biases, leading to unfair treatment in hiring, promotions, and evaluations. Ensuring AI fairness and accountability is crucial.

In conclusion, while the Philippines is in the early stages of addressing the regulatory and judicial implications of AI in the labor market, the above points highlight key issues that need to be considered.

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