



Global Centre on Digital Wages for Decent Work Country intervention in the Philippines

April/2023

Maternity protection in a garment factory in the Philippines. © E. Tuyay / ILO

► At a glance



Partners

Bangko Sentral ng Pilipinas (BSP - Financial Inclusion Office, Economic and Financial Learning Office); Department of Labor and Employment (DOLE - Bureau of Working Conditions, Bureau of Labor Relations); Department of Trade and Industry (DTI - Bureau of Small and Medium Enterprise Development); Employers Confederation of the Philippines (ECOP); other Employer and Business Member Organizations (EBMOs) and their member enterprises; Trade Union Congress of the Philippines (TUCP); Federation of Free Workers (FFW); Sentro ng Mga Nagkakaisang Manggagawa (Sentro)



Donor

Bill & Melinda Gates Foundation



Duration

January 2021 – May 2024



Target beneficiaries

The target beneficiaries of this project are: i) small and medium sized enterprises (SMEs) that continue to pay cash-based wages and have an interest in digitizing their payroll; and ii) workers employed in these.



Geographical focus

National level and selected provinces

► Project objectives¹

Rationale: Despite conducive government policies and the fast digitization of payments, enterprises, particularly small ones, and their workers have been slow to adopt digital wage payments in the Philippines. World Bank data suggests that in 2021, 56 per cent of wage earners received wages in cash. The digital payment of wages, into bank accounts, mobile money wallets or prepaid cards, presents opportunities to strengthen sustainable business practices, encourage respect of labour rights, empower workers, and broaden their financial inclusion. However, the transition to responsible digital wage payments often comes with challenges for enterprises, workers, the financial sector and regulators.

Objectives: The project aims to accelerate the responsible transition from cash to digital wage payments for the benefits of enterprises, workers and governments. The project promotes the transition to responsible digital wage payments at the macro, meso, and micro levels. This includes building conducive regulatory environments and inclusive digital payment ecosystems, developing capacities of employers and workers' organizations, working with employers to convert to digital wage payments and improving workers' financial and digital literacy.

¹ The ILO's Global Centre on Digital Wages for Decent Work promotes the transition to responsible digital wage payments through research, knowledge management and advocacy, and pilot interventions in six countries (Cambodia, Indonesia, Philippines, Kenya, Mexico and Peru).

► Main activities

Raise the profile of responsible digital wage payments among governments, employers' and workers' organizations, payroll and financial service providers, and development agencies to build a conducive environment and accelerate the transition. This includes co-organization or participation in a series of stakeholders' engagement events (meetings, webinars, workshops, fora) at national and provincial levels.

Develop capacities and provide technical support to government institutions, employers and workers' organizations, and financial service providers to scale up the transition. This includes working with government on policy reforms, working with payroll and financial service providers to offer adequate digital wage payment solutions, supporting employers to convert to digital wage payments, and improving workers' financial and digital literacy.

Research and knowledge management Develop technical and policy guidance tools and document good practices on wage digitization and on the impact of digital wage payments on workers' empowerment and financial inclusion, enterprises' productivity and competitiveness, the formalization of employment, and respect for workers' rights.



Decent Work for Domestic Workers in the Philippines. © J. Aliling / ILO



ILO Emergency Employment after Haiyan. © Karen Lapitan / ILO 2014

► Project outcomes

A series of national and provincial awareness raising, knowledge sharing and policy dialogue events on digital wage payments leading to a more conducive environment

Improved capacities of employers' and workers organizations to support their members to adopt responsible digital wage payments

Targeted enterprises access digital wage payment solutions that are adapted to their needs and transition from cash to digital wages in a responsible manner.

Their women and men workers receive their wages digitally, have access to other (digital) financial services and make informed decisions about using (digital) financial services for building their assets and managing risks.

A set of technical and policy guidance tools to support small and medium sized enterprises to transition to responsible digital wage payments and facilitate their workers' adoption.






Publications and other knowledge products on good practices on wage digitization and the impact of digital wage payments on enterprises and workers.

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