

THE WALL STREET JOURNAL.

PAGE ONE

At 2 a.m. in Manila, It's Time to Break For a Midday Snack

OCTOBER 20, 2003 | By JAMES HOOKWAY

MANILA, the Philippines – Marvin Luna calls it the Breakfast Club. Every Friday morning, he takes off his telephone headset and heads to a bar for pizza and a round of beers with his work chums.

Mr. Luna, 23 years old, spends nights answering calls from people having trouble with their computers 12 time zones away in the United States. Dawn is when his day ends. And as he and his friends swap jokes about Arnold Schwarzenegger, the morning traffic builds up in the streets below.

“It's like living in a bubble,” Mr. Luna says. “Often, I don't see my family for days.”

It's a very American bubble. The Philippines' growing share of the multibillion-dollar call-center market is creating a subculture of Filipinos with American accents, tastes and time-zones.

That's not a great leap to make for the former American colony, a country that worshipped Gen. Douglas MacArthur and thrilled to images of Imelda Marcos dancing with Ronald Reagan.

President George W. Bush came here for a brief state visit and was welcomed by crowds of people, most waving American flags, but some burning them, too. One group, made up of a few dozen mostly elderly Filipinos in combat fatigues calling themselves the United Soldiers for America, or U.S.A., demanded that the Philippines formally become a U.S. state.

The Philippines is full of people who appear more American than Asian. On remote palm-fringed islands, schoolgirls typically don majorette outfits and twirl batons to the beat of marching bands. In cities, business leaders and politicians cut deals at Rotary Clubs. So handling payrolls for U.S. companies or doing paralegal work for the Justice Department doesn't seem all that odd.

“For a century, the Philippines has been sending professionals to work in the U.S.: architects, doctors, nurses. In a way, this is just the next wave,” says Jim Franke, president of one of the biggest call-center operators in the Philippines, eTelecare International, which provides customer support for computer maker Dell Inc. and American Express Co., among other companies.

There are 30,000 people answering phones and e-mail queries in Manila, doing work – for \$600 to \$800 a month – that generally pays better than bookkeeping in a bank or similar white-collar employment. That figure could double over the next couple of years, call-center operators predict, creating a middle class that actually stays in the Philippines rather than one that must emigrate to work overseas, as millions of Filipinos have done.

At 2 a.m. on a recent Saturday, Sherylyn de la Santos bit down on a microwaved cheesedog on the steps of a 7-Eleven store. Her friend Gabriella Manalo held her Coke. It would be a midafternoon break in Baltimore, but in Manila it was time to hit the booming all-night cornershops for some refreshment. “We get to hang out for half an hour or so,” Ms. de la Santos says, applying mustard to her sausage and gringo lingo to her speech.

Trisha Canapi, a human-resources manager at a Manila call center, says her staff isn't just talking American these days. “Some of them dye their hair a lighter color and wear baggy hip-hop-type clothes,” she says. Some employees have been virtually conditioned into thinking that theirs is prestigious work. “They're like: 'Hey, look at me, I talk to Americans,'” Ms. Canapi says.

Drive around Manila's financial district at certain hours of the night, and hundreds more call-center employees – or eReps as they are sometimes called – can be spotted drinking Slurpees or puffing on Marlboros during their breaks. A few wear L.A. Lakers or Philadelphia 76ers basketball jerseys over their sweatshirts.

The U.S. acquired these islands in the South China Sea almost as an afterthought to the 1898 Spanish-American war and set about remaking this Spanish colony in its own image. Despite a brief but bloody war of resistance, the U.S. largely succeeded in its goal. Boatloads of teachers introduced democracy, a rule of law and a modern education system. Frustrated that many Filipinos weren't exactly up in arms over being ruled from afar, the Philippines' first president, Manuel Quezon, once complained: “Damn the Americans! Why don't they tyrannize us more?”

The call centers now mushrooming across the Philippines are reinforcing these historical ties as well as filling an important niche in the global economy. Recognizing that the fast-growing outsourcing business is a valuable cash cow, the government in Manila has recently reinstated English as the language of instruction in schools and universities, putting local languages such as Tagalog out to pasture.

Bong Borja, president of People Support, which employs 1,500 people at several sites in Manila, is relieved about that. He doesn't have to coach his young university graduates how to speak like an American. “There's no need. Filipinos adapt very quickly,” he says. “There's no lengthy assimilation process – we already get it.”

Mr. Borja's only worry is whether the nation's universities can continue churning out English-speaking, hip-hop-savvy graduates to feed the call centers' voracious appetite.

So far, there is no shortage of people who want to work on U.S. time – companies such as eTelecare and People Support get as many as 200 applications a day, thanks in part to an unemployment rate of nearly 13%. But those who get jobs often find it difficult adapting to “the bubble.”

Che Che Montero has been working in a call center for nearly a year. “Most of the time I feel isolated,” she says. “You can't tell your old friends what kind of day you've had because they are either sleeping or at work.”

Staying awake is less of a problem, the 25-year-old physical-therapy graduate says. “I don't get sleepy at the office. There's a lot of irate callers to keep me awake at night.”

For others, there are things to do while everybody else is going to work.

Outside the 7-Eleven store, Ms. de la Santos and Ms. Manalo made plans for when they clocked off later that morning. “First a big breakfast, then stay up late to watch a movie,” Ms. de la Santos said.

The first showing at the nearest cinema was at 10.30 a.m. The two women examined a newspaper to see what was playing.

“What do you think?” Ms. de la Santos asked. “'Freddy vs. Jason' or 'American Pie?' “