

Options for Youth Employment

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PHILIPPINES

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Foreword

In the Philippines, unemployment is primarily a problem of young persons between 15 and 24 years of age. Youth unemployment of 2.6 million accounts for more than half of unemployment. Among the 20-24 old age bracket, unemployment reaches 28.1 percent.

This paper is prepared under the auspices of the ILO Subregional Office in Manila as a contribution to the national debate on the most important socioeconomic development: Youth Employment. It highlights trends on youth employment and unemployment in the Philippine setting; moreover it identifies options available to young people and to civil society (government, employers, unions, NGOs) of finding decent jobs and thus achieving a productive role in society. It also draws attention to gaps in the understanding of the perceptions and aspirations of young people in a rapidly changing world of work.

The author concludes that Youth is entitled, not only to a job to make a living, but to work that is meaningful and productive and that mobilizes the talents and aspirations of the new generation. **In short: to “Decent Work”.**

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Profile: Youth Employment in the Philippines

As of January 2003, Filipino youth numbered about 15.43 million which accounts for 20% of the total Philippine population of 76.5 million. They make up 30% of the working age population (15 to 64 years old) of 51 million (DOLE-BLES 2003). Also, they account for 23% of the total labor force of 33.7 million workers (2003), more than half of it being located in rural areas.

5.4 million young people are employed but 1.8 million remain unemployed. While unemployment remains high for both male and female, young men seem to fare better in finding employment, especially in the 20 – 24 age group.

Reasons for Youth Unemployment

Youth unemployment reflects the inability of the labor market to provide employment that meets the aspirations of the young job seekers for decent and rewarding work and that contributes, in the eyes of the employers and administrators, to the productivity of the enterprise, organization and economy at large.

A complex problem, youth unemployment has multiple causes, in particular:

- high population and labor force, growth rates and moderate economic growth; and
- a mismatch between the skills and competencies of the young and requirements of potential employers.

The population growth rate declined from a high of 3.1% to 2.3% over the past two decades; still, the Philippine population virtually doubled between 1970 and 2000 from 36.7 million to 76.5 million. The labour force increased in absolute terms from about 11M to 32M between 1965 and 2000, reaching 33M by 2003. Each year, more than one million youth are entering a very tight labor market.

The rapid increase of the labor force exceeded the capacity of the economy of absorbing ever-increasing number of entrants into the labor market. A main reason was the “roller coaster” economic performance over the past three decades, with 8 percent in 1984/5; GDP growth rates of 4-5 percent over the past five years was insufficient to mop up existing un- and underemployment and to create sufficient jobs for new entrants into the labor force.

It appears that a great potential for youth employment is being lost, because the 30 percent of youth fails to graduate from high school. Their chances for access to decent work are very much reduced.

Figure 1. Youth Employment Promotion

Public	Private
<ul style="list-style-type: none"> • Decentralization and transfer of responsibilities and resources to Local Government Units (LGUs), 1988 • Public Employment Service Office (PESO), 1992 • Working Youth Center (WYC), 1985 • Youth Program “Kabataan 2000”, 1993 • Technical Education Skills Development Authority (TESDA), 1994 • Dual Tech Training Act, RA 7686 (1994) • Special Economic Zone Act, 1995 • Medium-Term Youth Development Plan (1999-2004) • Youth Entrepreneurship Program (YEP) • Youth Entrepreneurship Financing Facility Program (YEFFP) • Youth Entrepreneurship Philippines Training Project of the NYC • Young Filipino Entrepreneurs Program (YFEP) of the National Industrial Manpower Training Council • Landbank’s People’s Credit and Finance Corporation 	<ul style="list-style-type: none"> • Educational Research and Development Assistance (ERDA) Foundation, Inc. • ERDA Tech Vocational Secondary School • Ayala Foundation, Inc.-Center for Social Development • Don Bosco Training Centers • Philippine Enterprise Development Foundation • Balikatan sa Kaunlaran- Grameen Bank Replication Program • Philippine Business for Social Progress (PBSP) • Philippine Youth Business Foundation (PBYF) • Job Corps, 2002 • Corporate Social Responsibility: Apprenticeship and Entrepreneurship Programs • Philippine Youth Employment Network (PYEN)

Moreover, the competencies, skills and work attitudes of many young job seekers do not match the requirements of potential employers. Youth unemployment may be to some extent a reflection of mismatch between what young workers have to offer and what potential employers expect from them.

Responses to Youth Unemployment

Over the past three decades the social partners in the Philippines have not remained passive in facing the worsening employment problems. Figure 1 gives an (incomplete) overview of interventions and initiatives by the public and private sectors to prepare young people more effectively for a changing world of work.

Lessons Learned

Ideally, all young persons pass through three consecutive stages: from childhood to adulthood, and from basic education to workplace integration or self-employment. This progression is shown in Figure 2.

Figure 2. Youth: Stages of Transition

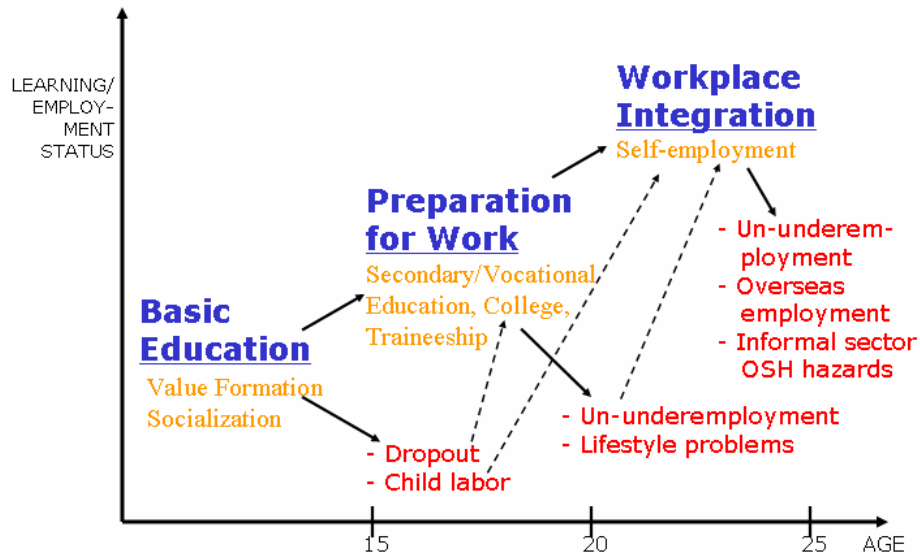


Figure 2 also shows the downside in terms of dropping out, child labor, youth under-unemployment, overseas work and hazardous work. Without quantifying them, one can well imagine the economic loss and shattering of life plans of many young people who are excluded from successful progression.

There are some lessons to be learned:

First, more than ever, labor market-focused education and training is the key to prepare the youth to become more productive and to develop their talents and realize their aspirations in the world of work. **Second**, equal access to education and training and equal opportunity in recruitment and employment would help mobilizing the potential of large sections of youth, currently disadvantaged due to economic and social status, ethnic origin, disabilities, educational attainment or sex. **Third**, on-the-job training, vocational-technical skills development, apprenticeship, and learnership programs hold great promise for enhancing the employability of youth in the public and private sectors as well as overseas. **Fourth**, education and skills acquisition that is closely attuned to labor market requirements enhances opportunities for productive employment and careers. **Fifth**, wider use of appropriate learning mechanisms (i.e. distance learning) would broaden access to education and training of youth in remote areas and

facilitate continuous learning and skills upgrading. **Sixth**, effective coordination of youth policies and programs is likely to enhance labor market transparency, increase the cost-effectiveness of scarce resources and create greater synergy of efforts in promoting youth employment.

An important recent initiative is the “Manila Declaration on Strengthening Participation in Sustainable Youth Employment.” Adopted in September 2003 by the Ministers responsible for Youth of the ten ASEAN member countries, the Declaration calls for specific youth employment strategies and programs in the context of the Youth Employment Network initiated by the UN Secretary General, in collaboration with the ILO and the World Bank.

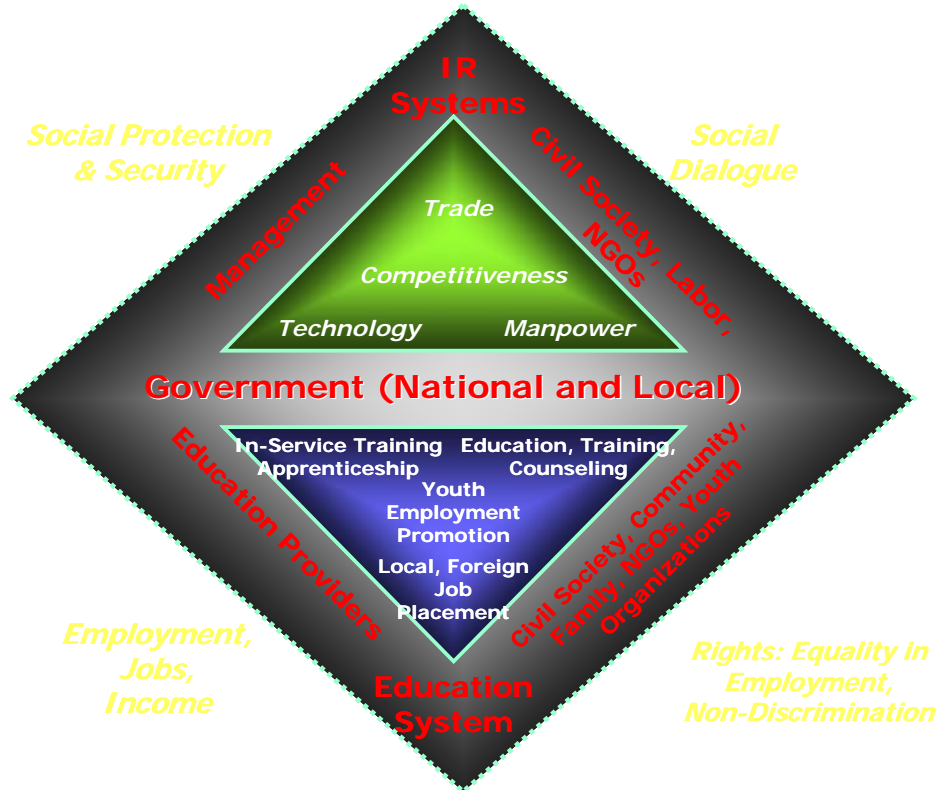
Outlook: A High Road of Youth Employment

Youth unemployment has been a perennial problem and remains a major challenge for Philippine society. It is everybody’s problem and responsibility. Greater concertion of policies and programs would go a long way in mobilizing the talent and capacity of the youth for innovative new forms of work and organization and for involving youth into the economic and social mainstream.

Job creation must be stepped up to accommodate a majority of young people aiming for paid employment. At the same time, youth entrepreneurship and self-employment have emerged as feasible solutions to the youth employment problem; this is in line with the perception that “small business will save the economy” and “young people must address their problems themselves by starting their own business.” There is however no quick fix to the youth employment problem.

The high road of youth employment proposed in Figure 3 is based on the premise that national socio-economic objectives of “Economic Growth with Social Justice” and Youth Employment Promotion are closely interrelated. Both are a primary concern of all social partners and players: government, management, labor, education providers, civil society and NGOs. Their concerted efforts of tackling growth and social justice generally and the youth employment problem in particular would be guided by “Decent Work” criteria, namely: (1) promotion of labor rights; (2) youth employment promotion and income policies; (3) social protection and security; and (4) social dialogue.

Figure 3. High Road of Youth Employment



The Philippines provide a good example, where government, employers' and workers' organizations have closely worked together in the formulation of the "Philippine Action Programme for Decent Work".

The first initiative of its kind in Asia, the Philippine Action Programme for Decent Work will receive all the attention and support it deserves by all sections of Philippine society, as well as the international community.

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