

Youth Employment in the Philippines

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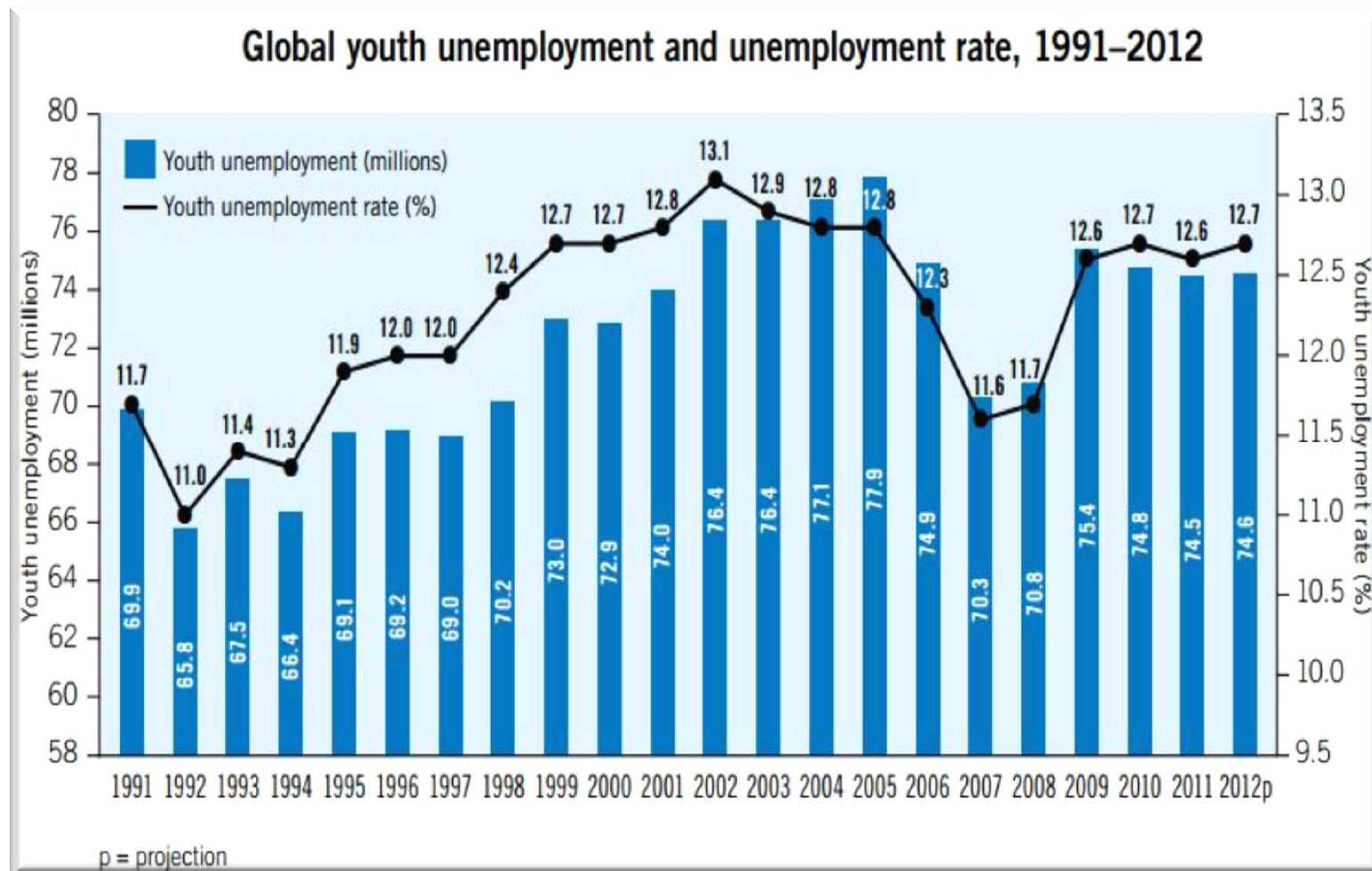


The Global Context

- There are 1.2 billion (17.6%) young people aged 15 to 24 years old (World Youth Report, 2007).
- Global youth unemployment rate has been sticky; it remained at its crisis peak since 2009.
- Underutilized young people incur significant economic costs as they are not being used to their full potential.



The Global Context



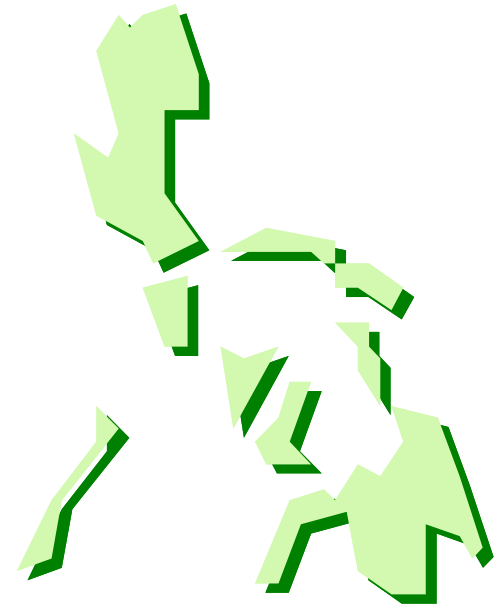
The Philippines' Young Population

- Majority of the Philippine population (33% of 92.3 M) consists of the youth – those who are 30 years old and below.
- Youth labor force participation rates (LFPR) from 1997 to 2011 have been stable, averaging 56.7%.
- 2012 youth unemployment rate (16.0%) was more than twice the national rate of 6.9 %.
- A large proportion of the unemployed have high school education (44.5% or 1.247 M) or reached college (34.8% or 0.975 M).
- By 2015, the total number of young Filipinos is expected to rise to 61 M; 28 M will be of working age, further boosting the supply of young people in the labor market.

The Philippines' Young Population

Youth Unemployment

- About 2.04 million youths aging 15 to 30 years old are unemployed
- Unemployment rate has decreased from 2007. For 2011, youth unemployment rate was 13.5% which is smaller than 2007, 2008, 2009, and 2010 records of 13.7%, 14.1%, 14.4%, and 14.2%, respectively.



Youth School-to-Work Transition

The school-to-work transition for many young Filipinos is associated with change, waiting, and uncertainty.

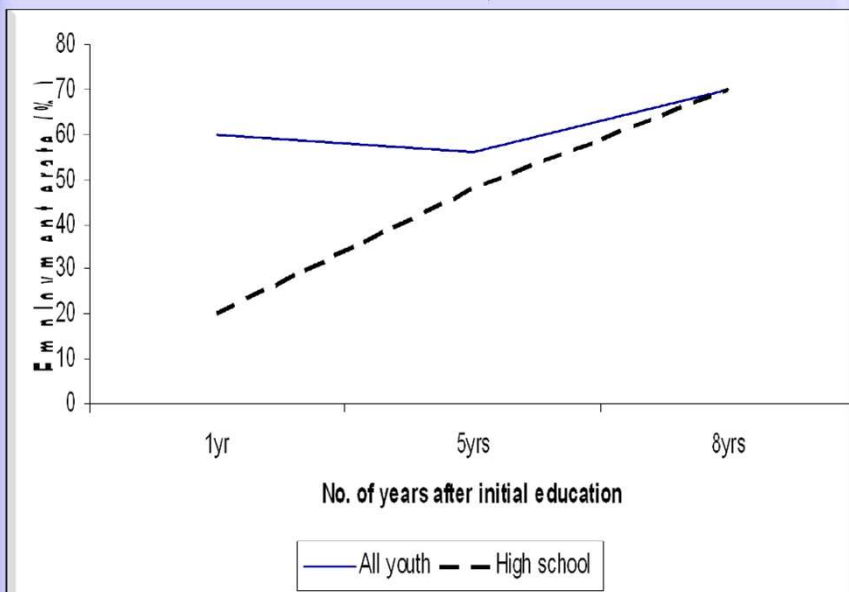
ADB TA household survey in Manila and Cebu in 2008 found a relatively long transition for high school leavers....

It takes a **college graduate 1 year to find a first job and up to 2 years to find a permanent job.**

It takes a **high school leaver up to 3 years to find a first job and 4 years to find a permanent wage job.**

Source: Asian Development Bank.

Figure on Speed of the School to Work Transition
(Employment rates of youth one, five and eight years after initial education)



Source: ADB Household Survey, 2008.

Youth School-to-Work Transition

And your first job matters in influencing your lifetime employability.

ADB household survey found...

If your first job in a regular wage job then you have a 50% chance of staying in formal, decent employment.

If your first job is self-employment, then you have a 70% chance of being stuck in self employment.

Contractual work is an important bridge between self employment and formal employment – one third of first time contract workers find regular wage employment.

Source: Asian Development Bank.



Youth School-to-Work Transition

- Specific barriers to entry, often stemming from lack of experience and relevant skills
- School leavers, particularly from high school, are having the most difficulty in integrating themselves in the labor market.
- The young person's behavior towards job searching and his family social network, and also jobs' minimum wage, severance regulations and restrictions on employment arrangements are also considered to slow down school-to-work transition (ADB,2013).
- Path dependence: early unemployment increases the likelihood of subsequent unemployment

Youth School-to-Work Transition

For the youth who still get the chance to get employment:

- A *mismatch* between the demand for young workers and the supply or availability of appropriately skilled workers is regarded as a significant issue concerning the youth and the national labor force.
- The youth's *employment is likely to be informal or temporary* and affording little to no social protection, or opportunities for training and career progression.
- *Last in, first out*. The youth are seen to have higher chance of losing their jobs during economic downturn.

Youth Programs

- TESDA Apprenticeship Program
- Special Program for Employment of Students
- Enhanced Basic Education Curriculum
- Career Guidance Advocacy Program
- Youth Entrepreneurial Support Program
- MyFirstJob Program

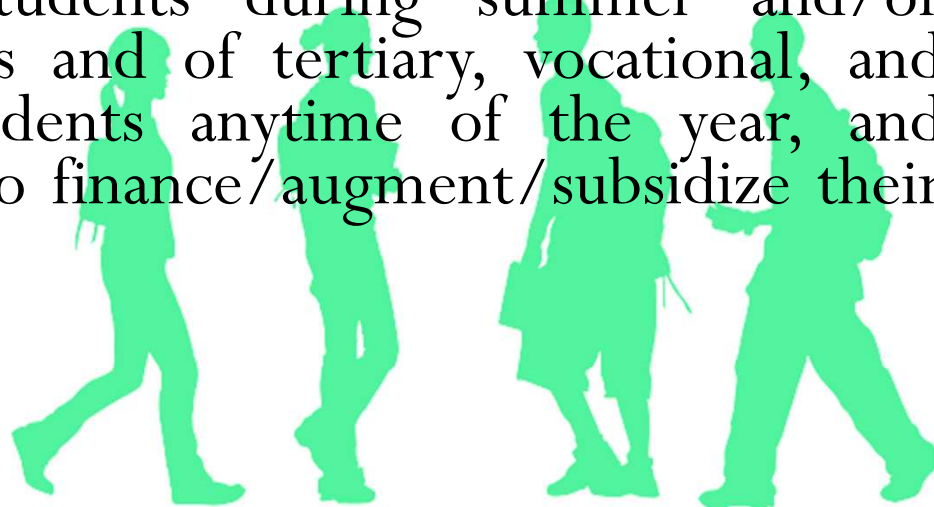
Special Program for the Employment of Students (SPES)

General Objectives

- To develop the intellectual capacities of children of poor families
- Harness their potentials for the country's development

Specific Objective

- To help poor but deserving students pursue their education by encouraging the employment of secondary level students during summer and/or Christmas vacations and of tertiary, vocational, and technical level students anytime of the year, and providing income to finance/augment/subsidize their studies



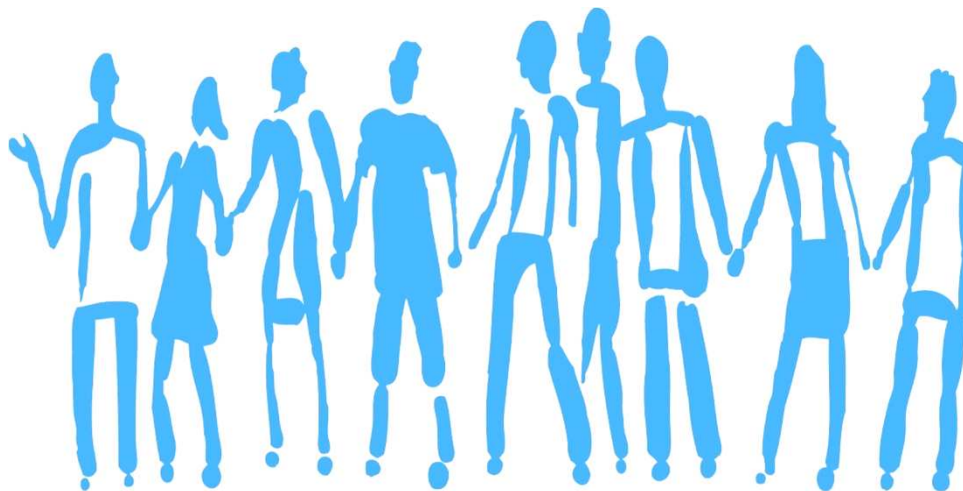
Special Program for the Employment of Students (SPES)

- Any poor but deserving student aged 15 to 25 years old to be employed during summer and/or Christmas vacations
- Students enrolled in the tertiary, vocational or technical education may be employed at any time of the year, provided that their period of employment shall be from 20 to 52 working days
- Student-workers are paid with a salary not lower than the minimum wage for private employers, and the applicable hiring rate for the national and local government agencies
- Incentives are granted to the student-workers' employers, allowing them to pay only 60% of their salaries or wages; and the 40% through education vouchers to be paid by the government.

Special Program for the Employment of Students (SPES)

SPES PLACEMENT (1993-2012)

- **More than 1.8 M students benefitted from the program**



REGION	TOTAL
NCR	158,433
CAR	64,830
I	55,575
II	150,841
III	112,091
IV-A	147,544
IV-B	29,966
V	66,029
VI	201,371
VII	129,581
VIII	88,158
IX	141,385
X	113,448
XI	121,703
XII	151,009
Caraga	94,602
PHILIPPINES	1,826,566

Special Program for the Employment of Students (SPES)

SPES TARGET FOR 2013

- 175,611 beneficiaries, who will be able to complete the 20 working days minimum of the program
- 67,543 young individuals are expected to complete the 52-day maximum working days

REGION	TARGET for 52 days	TARGET for 20 days
NCR	8246	21,439
CAR	1604	4,171
I	3253	8,457
II	4323	11,240
III	6404	16,650
IV-A	4092	10,640
IV-B	4179	10,866
V	2340	6,084
VI	3558	9,251
VII	7001	18,202
VIII	2523	6,560
IX	5262	13,681
X	2563	6,663
XI	3675	9,554
XII	5569	14,480
Caraga	2951	7,672
TOTAL	67,543	175,611

Safety Nets

Philippine Program against Child Labor (PPACL)

- P9 Billion 4-year Convergent Program towards the prevention and progressive elimination of child labor through protection, withdrawal, healing and reintegration of child workers into a caring society.
- Free at least 75% of the 2.9 million child laborers from hazardous work
- The project covers 15,568 barangays nationwide
- The project was conceived in response to the findings of the ILO-supported survey on children
- It operates to transform the lives of child laborers, and their families, towards their sense of self-worth, empowerment and development.

Recommendations

- Provide responsive LMI to manage job-skill mismatch
- Allow youth's participation in policy-making and program development, with particular emphasis on addressing their school-to-work transition
- Intensify career guidance advocacy and develop education curriculum that are responsive to industry needs
- Encourage self-employment as a viable option for young people as they are known to be creative, dynamic and energetic
- Create youth dividend by increasing young people's participation in economic activities—longer term economic growth