



Youth Employment Policy Summary

The PHILIPPINES



International
Labour
Organization

Background Figures:

Total population:
102.3 million (2016)¹

**Youth population (%
total):**
19.6 million (2014);
19.6%²

GDP (USD\$): 292
billion (2015)³

GDP growth: 5.8 per
cent (2015)³

**Urban-rural
breakdown:**
44.4/55.6 per cent
(2015)³

**Net migration rate
(per 1000):**
-1.4 (2010-2015)⁴

**Employment by
sector:**
32.2 agriculture; 15.4
industry; 52.5
services (2012)⁵

**% earning less than
\$2/day:**
41.5⁵

Source:

1. Worldometers
2. ILOSTAT;
3. World Bank
4. UNESCAP
5. KILM



Source: Infoplease.com

Labour Market Situation of Young People

The Philippines has a young and growing population, with those aged 15-24 comprising approximately 20 per cent of the total population. The young cohort, however, has consistently faced employment challenges, as is demonstrated by its high unemployment rate. Since 2005, the youth unemployment rate has hovered between 15 and 17 per cent, measuring 15.0 per cent in 2015 (PSA 2015).

Young people are almost four times as likely to be unemployed than the adult population, and young women consistently face a worse unemployment rate than young men. Vulnerable employment is also a concern for young people. In 2014 the rate was 30.5 per cent, of which three quarters were contributing family workers (ILO 2015).

The enrolment in education has increased over the years, with 61.4 per cent enrolled in 2009 (latest data) compared to 50.8 per cent in 2001. The tertiary enrolment in 2009 was 28.2, slightly lower than in 2001 at 30.4 per cent. As the educational qualification of the young person increases, the employment sector also changes – the higher the educational qualification the more likely the young person is to move away from agriculture and towards services (ILO, 2009). The school-to-work transition is particularly difficult for young Filipinos – college graduates take on average one year to find a job, while high school drop-outs require 3 years. Many turn to migration as Overseas Filipino Workers (OFWs): 24.1 per cent of OFWs in 2012 were between the ages of 24-29 and 8.1 per cent under 24 (the minimum working age is 18). Economic reasons were cited as the main reason for migration (ILO, 2013).

Table 1: Youth Employment Indicators

Indicator	%
Labour Force Participation Rate, ages 25+ (2014) ¹	71.8
Youth Labour Force Participation Rate, ages 15-24 (2014) ¹	46.1
Youth Unemployment Rate (2015) ¹	15.0
Youth Unemployment Rate in South-Eastern Asia and Pacific Subregion (2016) ²	13.0
Enrolment in secondary education (2013) ³	67.0
Enrolment in tertiary education (2009) ⁴	28.2

Source: 1. PSA Yearbook of Labor Statistics 2015; 2. ILO 2016, WESO; 3. World Bank; 4. UNESCAP

Youth Employment Policy Approach

Through wide-ranging policy provisions, the Philippines Government is addressing youth employment challenges relating to the quality of general education and TVET, the match between labour supply and demand and conditions of work, as well as youth involved in migration. In general, youth often are targeted under the heading of the “vulnerable” population, along with OFWs (Overseas Filipino Workers), women, rural workers and workers in the informal economy. The National Action Plan on Youth Employment and Migration seeks to support youth engaged in migration through coordinating existing mechanism for training, improving labour market information systems, analysing gender disparities, strengthening awareness of rights and harnessing migration gains and reducing risks. The country’s *Development Plan, Labour and Employment Plan*, and *National Technical Education and Skills Development Plan* were formulated to complement each other and aim to improve employment levels, access to employment opportunities and strengthen human capital. TVET has become a priority in the country because of the significant changes in the labour market. Therefore, measures include increasing training participation and improving the relevance of training. The Government aims to have 1.4 million TVET graduates by 2016 and a certification rate of 87.5 per cent. The Philippines has also created measures which improve working conditions, detailed below, particularly of relevance for young workers and for domestic workers.

Policy and Legal Measures

Macroeconomic and Sectoral Policy: The [National Technical Education and Skills Development Plan \(NTESDP\)](#) supports TVET programmes which promote agri-fishing. The Technical Education and Skills Development Authority (TESDA) is responsible for redesigning the agri-fishery programmes and making the training responsive to fishermen’s needs.

Enterprise Development: The [Labour and Employment Plan](#) targets vulnerable workers – including youth – in the provision of financial literacy and promoting community-based cooperatives. The [Philippines Development Plan](#) also calls for the strengthening of the Community-Based Employment Programme which creates decent jobs and provides vulnerable workers with the opportunity to achieve economic security.

Education and Training: For **TVET measures**, improving the connection with industry is mentioned in several documents as well as the importance of matching supply and demand. TVET training places will be expanded and sources for financial support diversified ([NTESDP](#)). The [Philippines Development Plan](#) targets industry and Local Government Units in the participation and delivery of TVET skills development programmes. The *Plan* aims to have 1.8 million students enrolled in TVET by the end of 2016 and 845,000 certified graduates by the same year. Improving **career counselling** at TVET institutions is addressed through using the Youth Profiling for Starting Career – or similar – assessment test, coordinating with the Department of

Documents containing youth employment policy provisions:

- National Action Plan on Youth Employment and Migration in the Philippines, 2013-2016
- JobStart, 2016
- The Philippines Labour and Employment Plan 2011-2016
- Philippine Development Plan 2011-2016
- Domestic Workers Act 2012
- Labour Code 1974
- National Technical Education and Skills Development Plan 2011-2016 (NTESDP)
- Special Programme for Employment of Students Act 1992

For more information on the policy documents and their provisions, please visit the [YouthPOL webpage](#).

Labour and Employment for industry career guides, and by improving the capacity of career guidance and counselling at TVET institutions. The latter has a budget of 1800 million pesos per year from 2011-2016 ([NTESDP](#)).

Regarding **different work experience measures**, the [Labour and Employment Plan](#) highlights establishing an Enterprise-Based Training Act to support **enterprise-based training** by joining all different forms of it – such as apprenticeships, learnerships, dual training, etc – into one rationalised system. The *Plan* calls for a **Government Internships Programme** specifically for out-of-school youth and youth with special needs. Poor students aged 15-25 are targeted in the [Special Employment for Students Programme Act](#) which allows them

to work up to 52 days per year, and if the work is related to his/her course, academic credits can be earned. Forty per cent of their salary is in the form of a government voucher, which can be used for tuition fees or textbooks.

The [Labour and Employment Plan](#) mentions expanding **scholarships** for TVET via a training voucher system in growth occupations and targets vulnerable groups through the provision of training funds and the increase of subsidies for quality training access. [NTESDP](#) mentions different scholarships including the Training for Work Scholarship Programme (TWSP), Private Education Student Financial Assistance (PESFA) and other incentives to be made available. The budget for TWSP is 9400 million pesos for 2011-2016 and for the PESFA it is 1000 million pesos for the same period. **For out-of-school youth**, the same *Plan* encourages them to make use of the Alternative Learning System to help them complete high school.

The [Philippines Development Plan](#) intends for the **Philippine National Qualification Framework** to provide cross-level mobility of students between higher education and middle level skills development. Regarding skills assessment and certification, the [NTESDP](#) aims to promote skills assessment and certification and to encourage industry to undertake sectoral/enterprise-based skills assessment and to recognise other certifications for hiring purposes. It also supports the harmonisation of skills and qualifications by partnering with assessment institutions in other countries to facilitate bilateral recognition arrangements.

Labour Demand: The [Labour Code](#) provides employers with a deduction of half of the expenses for training apprentices, as long as the apprenticeship programme is recognised by the Department of

Labour and Employment. The deduction shall not exceed 10 per cent of the labour wage, and the apprentices should be receiving at least the minimum wage. Another measure found in the [Special Programme for Employment of Students Act](#), provides employers 40 per cent of the students' salaries through education vouchers, while the other 60 per cent of the salary is paid by the employers.

Labour Law and Legislation: The [Labour Code](#) regulates **apprenticeship** and **learnership contracts**. The latter can be employed when no other experienced workers are available for not

Did you know?

The Philippines has ratified [37 ILO Conventions](#), including **8 Fundamental and 2 Priority Conventions:**

Fundamental Conventions:

- Forced Labour Convention (No. 29)
- Freedom of Association and Right to Protection of the Right to Organise Convention (No. 87)
- Right to Organise and Collective Bargaining Convention (No. 98)
- Equal Remuneration Convention (No. 100)
- Abolition of Forced Labour Convention (No. 105)
- Discrimination (Employment and Occupation) (No. 111)
- Minimum Age Convention (No. 138)
- Worst Forms of Child Labour Convention (No. 182)

Priority Conventions:

- Employment Policy Convention (No. 122)
- Tripartite Consultation Convention (No. 144).

more than 3 months, and their wage cannot be less than 75% of the minimum wage. Once completed, the employer should be committed to employing the learner as a regular employee. Apprentices must be at least 14 years old and can only be employed for at most 6 months. Apprentices cannot earn less than 75 per cent of the minimum wage. They may only go without compensation if approved by the Department of Labour and Employment, particularly if the training is required by the school or training programme. For those who sign as minors, the contract must also be signed by a guardian. Similarly, the [Domestic Workers Act](#) requires the signing of an employment contract for those below 18 to be done by a parent or guardian. The [Labour Code](#) also prohibits discrimination in terms and conditions of employment based on age, and prohibits **hazardous labour** to be carried out by youth under the age of 18.

Labour Market Policies: The [NTESDP](#) aims to make employment facilitation services more accessible to **TVET clients**, so that they number 70% of total public employment service clients by 2016. Linkages between government agencies and the private sector will also be strengthened. Moreover, the *Plan* targets improving the collection, analysis and dissemination of **labour market information**, including by linking with the private sector. In addition, **engaging with industry** to determine the skills that will be in demand is mentioned as a priority. Vulnerable workers, including youth, women and the long-term unemployed, are targeted in the [Development Plan](#) in the creation **of emergency employment or guaranteed employment programmes**. In 2016, a [JobStart](#) programme has been rolled out which provides career guidance and counselling by public employment services, life skills and technical training opportunities, as well as company internships for up to six months.

In terms of social protection, the [Labour and Employment Plan](#) mentions the creation of mutual or provident funds or a **social amelioration fund** that will be for vulnerable workers, including youth. Regarding **wages**, learners and apprentices cannot earn less than 75 per cent of the applicable minimum wage. There are also different minimum wage rates set for agricultural and non-agricultural workers, determined by the Regional Tripartite Wages and Productivity Boards. Domestic workers cannot be paid a rate lower than the rates for agricultural and non-agricultural workers ([Labour Code](#)). Students partaking in the Special Employment for Students Programme also cannot be paid less than minimum wage for private employers.

Structure of Governance and Main Actors

Several key governance actors include the Department for Labour and Employment (DOLE), the Technical Education and Skills Development Authority (TESDA), Local Government Units (LGUs), the National Youth Commission and the Department of Education. The **DOLE** is responsible for labour inspection and enforces occupational safety and health standards. It is involved in the collection and dissemination of labour market information along with the creation of emergency employment programmes. **TESDA** is the main actor in charge of implementation for measures such as training, subsidies, scholarships and accreditation. It played a key role in the formulation of the NTESDP, which is directional in nature and will be operationalised via regional and provincial skills development plans. The **National Youth Commission** was created 1994 and coordinates the policy-making of youth-related issues. It is responsible for the implementation strategy for the Government Internship Programme.

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Source: www.philstar.com