

# **ILO Asia-Pacific Working Paper Series**

Local economic development and  
youth employment in the Philippines:  
the case of Dumaguete City

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Subregional Office for South-East Asia and the Pacific  
Manila

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## Foreword

Youth unemployment and the difficulty of transiting from school to work has been a persistent and significant problem not just in the Philippines, but throughout the Southeast Asia and Pacific region. A number of policy and programme initiatives have been introduced to address youth unemployment problems including provision of labour market information, skills training and upgrading, online job-matching, nurturing of entrepreneurship skills, etc. All these initiatives benefit from the political will of different stakeholders and often require both large sum of money (usually taken from national budget appropriations where they have to compete against other urgent priorities) as well as human resources and the energy to sustain each initiative. Despite all these programmes, the problem of youth unemployment persists. This might lead one to pose questions such as: “are we doing the right thing?”, “what types of youth-oriented and labour market initiatives would lead to employment creation?” and so forth.

In order to ensure these initiatives and reforms impact on young people and their lives in a positive and tangible manner, there is a need for a greater understanding of the nature of the environment that such initiatives are designed to address. As well as understanding the dynamics of the labour market, an important first step is to know the current profile of young people entering the workforce for the first time. This study is a response to that need and was commissioned by the International Labour Organization (ILO) through the *Promoting Youth Employment in the Philippines (PYEP): Policy and Action Project* to assist policy makers (especially those operating within local government units who interact most often with young people needing work) in analyzing the real situation of the youth today in their locality: their needs, aspirations, and constraints, etc. so that officials and social workers can target and prioritize particular youth groups in greatest need, better address the problems they face and craft value-for-money solutions, measures, and/or youth investment options.

As always, we at the ILO Office hope that this initiative can be used by other local government units (LGUs) towards better understanding of the youth and employment challenges in their locality for them to craft effective and efficient measures to address youth unemployment.

Linda Wirth-Dominice  
Director, ILO-SRO Manila



## Preface

The Philippines was one of four countries selected for an initial three-year phase of the ILOs Action Programme for Decent Work under an agreement signed in 2002 between the local tripartite partners.<sup>1</sup> Promoting youth employment is one target outcome under this Decent Work Country Programme (DWCP) specifically under Pillar 2: “creating employment opportunities for men and women.”<sup>2</sup>

The Canadian International Development Agency (CIDA) Philippines through its Private Sector Development Fund provided a grant to pilot-test the youth employment project in the Philippines. The PYEP project aimed at capacitating relevant stakeholder institutions to assess the state of the labour markets at both the national and local levels, identifying employment growth areas that would provide opportunities for current and future youth, and its various segments. These segments were identified as (i) students; (ii) the employed youth (including those that were self-employed); (iii) the unemployed job-seekers; and (iv) those not in the workforce.

Finally, armed with the knowledge of current and potential future opportunities, the project sought to foster the necessary conditions to realize these opportunities. An important component of this was recognition of the need to promote entrepreneurialism among the youth and a series of training modules were introduced and piloted in specific localities designed to encourage youth to think of themselves as micro entrepreneurs.

Importantly, the project disaggregated the factors and conditions surrounding youth unemployment from the more general unemployment and underemployment problem facing the Philippines and fostered the realization among stakeholders that this was indeed a separable problem that required its own specific set of interventions in order to resolve. Unemployment during a person’s early working years can discourage a person and reduce self-esteem. This often leads to a lifetime of unemployment or underemployment and wasted potential for the country.

To make the programme implementable and measurable, the project management team dovetailed its project strategy with the ongoing effort of the ILO Manila to promote local development and decent work in other areas.

Thus there were a number of activities funded under the youth employment project that were carried out to address broader targets of the DWCP and which were co-funded through other allocations: for instance promoting local development and decent work (such as developing the studies linking youth employment to local economic development strategies) and also funds allocated for promoting gender equality in employment.

Eight pilot locations were selected partly on the basis of recommendations of the Department of Labor and Employment–Bureau of Rural Workers (DOLE-BRW) which the DOLE assessed as showing already some level of success based on implementation of other national flagship programmes including those on poverty reduction. The final decision was also made on the basis of an assessment of the ILO Manila as to the openness of the local LGU leadership to work with the ILO in this regard.

Policy research was undertaken which led to consequent technical discussion and advocacy activities conducted to harness multi-sector support for a policy and action agenda that would complement,

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<sup>1</sup> See for example [http://www.unwire.org/unwire/20020514/26368\\_story.asp](http://www.unwire.org/unwire/20020514/26368_story.asp) (accessed 21 November 2009).

<sup>2</sup> See for example ILO, 2006 *From Pilot to Decent Work Pilot Programme*, Geneva; available online at <[http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms\\_079471.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_079471.pdf)> (accessed 23 November 2009).

replicate, disseminate, and scale up the delivery of tried and tested employment support services for youth throughout the country. These policy research papers are integrated into this set of working papers.

National and local partners participated in a series of ILO-organized advocacy and learning forums and were oriented in the ILO entrepreneurship tools (KAB, GYB/SYB, and GET AHEAD) which were pilot tested in 48 secondary schools throughout the country as well as in the Technical Education and Skills Development Authority (TESDA)-administered schools.

Knowledge materials were produced to assist both institutional partners and target youth beneficiaries during and after the project period while documentation of the supported demonstration projects helped in disseminating lessons and facilitated replication of good practices by other parties.

Finally and at the local level, ILO-CIDA-PYEP supported research into youth unemployment in each pilot location through a youth employability survey. This was followed by a multi-stakeholder consultation, the outcome of which provided the basis for development of a local youth employment strategy.

Location-specific projects were developed to create immediate and limited scale demonstration effect on jobs, incomes and decent work status of target youth segments. These were piloted in the eight localities using ILO tools and expertise and generated results favourable to intermediary local institutions and target youth beneficiaries. These demonstration projects were useful for improvement, replication, and scaling up. These particularly covered:

1. Angono –five demonstration projects anchored on art tourism including: (i) arts exhibits; (ii) traditional animation and artistic training; (iii) souvenir items development and culinary arts; (iv) souvenir items development using recycled materials; and (v) tour guide training and transport-aided tourism promotion that directly enhanced skills. These were translated into jobs and income opportunities initially for 110 young artistically inclined youth.
2. Concepcion – one project anchored on eco-tourism titled “LGU and Youth Employment Generation Capacity on Tourism Development” that enabled 20 youth direct beneficiaries duly screened and selected, from the different barangays of the town to acquire through structured learning opportunities necessary attitude, exposure and skills to start, grow and sustain in a business-like manner the operations of an LGU tourism services shop, This will indirectly benefit 400 local potential and existing artisans and entrepreneurs by providing new outlets for their products.
3. Cotabato City – one demonstration project focused on enabling a Muslim youth-run organization to prepare and expand its social enterprise service lines to include blueprinting services on top of established computer and photocopying services; in effect creating additional opportunities for the organization’s target out-of-school-youth; and enabling employed out-of-school-youth to earn incomes sufficient to cover for their needs and for costs in pursuing a short vocational/technical training course of their choice.
4. Davao City – one project involving various stakeholders in enhancing the employability factor of targeted disadvantaged youth in the city such as the out-of-school-youth and the job seeking unemployed youth technically inclined to engage in jobs in the hotel and restaurant industry, building electrical wiring trade and metal arc welding trade. The programme provided for skills training, testing and certification; entrepreneurship orientation, personality

development, post-training employment services, and a mechanism for employers' feedback on programme participants.

5. Dumaguete –one demonstration project involving various stakeholders in enhancing values, industry/trade skills and entrepreneurship base of local unemployed graduates. As an adjunct to this, the city provided two tracks of post-training employment facilities services for the youth. One track is geared towards getting trainees employed in the labour-short but high-paying business process outsourcing-information and communication technologies (BPO-ICT) sector as well as in hospitality and automotives sectors. Another track was geared towards enabling these young people to start-up their own service shops.
6. Guimaras Province –two different projects with the first one supporting employability and actual employment of 50 local youth for housing sector jobs implemented prior to employment strategy planning as an emergency response to the oil spill disaster that affected local livelihoods and incomes of affected communities in the province in 2006 and the second one complementing resources mobilized by the provincial government to implement an integrated set of employment interventions based on identified gaps and action points from the youth employment planning workshop.
7. La Castellana – one demonstration project affording young people and their parents in comprehensive agrarian reform programme (CARP) whose long pending land disputes case have been finally settled and thus ready to respectively invest in the development of their respective lands, with entrepreneurship orientation, training and post-training advisory services.
8. Marikina City – In addition to the survey and youth planning forums, the ILO provided the city with technical (e.g. feasibility studies, trainings, forum facilitation and advisory services) and brokering (e.g. between BPO firms and Marikina LGU) services to complement the overall efforts of the LGU to organize a fully functioning one-stop-shop labour market center capable of delivering a comprehensive set of employment services for the city with a special focus on the more disadvantaged youth segments.

These projects served as a deciding point for LGUs and stakeholders to mainstream youth employment policy and action points in local development planning, budget and administration processes.

This second set of papers in this series provides the case studies that highlight how these ILO-sponsored interventions complemented local economic development initiatives in each of these eight areas and the result obtained.

As noted in the independent evaluation report,<sup>3</sup> PYEP is clearly just a beginning. Nevertheless, it has managed to establish momentum that can be carried on by the project partners with or without further project support.

It underscored the challenges facing all the partners involved: the local governments, the partner non-governmental organizations (NGOs), the schools and training institutions, the employer groups, trade unions, national government agencies, and the international development institutions involved (ILO and CIDA), that is to do what is necessary to ensure that such momentum is not dissipated.

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<sup>3</sup> Working Paper No. 7 of the Youth Employability series.

This current series of working papers provides a useful benchmark of the various youth employability outcomes against the backdrop of local economic development strategies. From this, it is possible to assess the longevity and achievements of the various projects undertaken as well as the concepts and lessons that can be carried over into other localities concerned with building youth employability into their development programmes. For more detailed information, readers are referred to the Terminal Report, produced by ILO Manila.



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## List of acronyms

ACLC	: AMA Computer Learning Center
ACSAT	: Asian College of Science and Technology
BPO	: Business Process Outsourcing
CENRO	: City Environment Office
CIDA	: Canadian International Development Agency
CLHIDO	: City Livelihood and Home Industry Development Office
CPDO	: City Planning and Development Office
CWDO	: City Welfare and Development Office
DILG	: Department of Interior and Local Government
DSWD	: Department of Social Welfare and Development
EAC	: Employment Advisory Council
GTZ	: Deutsche Gesellschaft für Technische Zusammenarbeit
GYB	: Generate Your Business
KAB	: Know About Business
LED	: Local Economic Development
LGSP	: Local Government Support Programme
LGU	: Local Government Unit
NIRD	: Negros Institute of Rural Development
OTOP	: One-Town-One-Product Programme
OWWA	: Overseas Workers Welfare Administration
PESO	: Public Employment Service Office
PPDO	: Provincial Planning and Development Office
PYEP	: Promoting Youth Employment in the Philippines
RA	: Republic Act
SDO	: Sectoral Desk Office
SPES	: Special Programme for the Employment of Students
SYB	: Start Your Business
TESDA	: Technical Education and Skills Development Authority
TNS	: Taylor Nelson and Sofres
TWG	: Technical Working Group

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Acknowledgement also to all assisting researchers and local stakeholders from the government and the private sector who assisted and contributed in the various stages of developing and updating the case studies for each of the pilot sites, from 2005 to 2009 and to the ILO-PYEP, Employment, and Publication teams for the overall efforts in delivering this knowledge product and especially Ms Maria Asuncion Ortiz who coordinated the research, writing, and compilation of these case studies.

### **A note on spelling and other conventions**

In accordance with the practice of the International Labour Organization (ILO) this document follows the general spelling conventions as laid out in the Oxford Dictionary. Where two or more alternative spellings are allowed, we normally apply the first such spelling.

Exceptions are made for proper names. Thus we use the general term of "labour market" and "labour scenarios" but "Department of Labor and Employment" and "Labor Code of the Philippines".

The Philippine *Youth in Nation Building Act of 1997* defines youth as those within the age group of 15–30 years while the Department of Statistics uses the cohort 15–29 years. Both are used in this group of studies depending on the source of information.

Figure 1: The eight pilot areas



# Local economic development and youth employment in the Philippines: the case of Dumaguete City

## 1 Introduction

The first part of this case study provides an overview of Dumaguete City and the province of Negros Oriental—primarily, in terms of its development outlook, area, population, and unique advantages that it is able to exploit in meeting its development objectives. In particular, we look at the key challenges that the city stakeholders aim to address using local economic development (LED)-relevant strategies, as well as the results thus far achieved for the city.<sup>4</sup>

### 1.1 Negros Oriental Province

The island of Negros<sup>5</sup> is located in the central area of the Philippine archipelago, 800 kilometres (500 miles) south of the capital city of Manila. It is the fourth largest island in the Philippines located between the islands of Panay in the west and Cebu in the east. It is bounded by the Visayan sea in the north, the Tañon Strait in the east, the Sulu and Mindanao Seas in the south and Guimaras Strait to the northwest (Figure 2).

The province of Negros Oriental is located on the eastern side of Negros Island that belongs to Region VII (Central Visayas Region). The province occupies the southern lobe of the island and is grouped together with Cebuano speaking provinces of Cebu, Bohol, and Siquijor.

The province of Negros Occidental, at the western side of the island on the other hand, belongs to Region VI (Western Visayas Region) and is grouped together with the Ilonggo speaking provinces of Antique, Iloilo, Capiz, and Guimaras.

When the Spanish explorers first landed in the island of Negros in 1565, they found natives who called the place "Buglas", after the tall grass resembling the sugarcane plant that grows on the island. The province with its twenty municipalities and five cities has a total of 557 component barangays. It is also further divided into three legislative districts.

### 1.2 An overview of Dumaguete City

Dumaguete City is the gateway to, and the capital city of, the Province of Oriental Negros, located at the south-western part of the Visayas group of Islands. It is a commercial and trading center and an intermediate port of call for inter-island vessels plying the route between Manila and the western provinces of Mindanao. Its airport is located at the adjacent municipality of Sibulan. The city serves as an entrepôt for the movement of people, goods, and services in and between the islands.

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4 Field interviews mainly with Mayor Agustin Perdices and other LGU Officials and some constituents and report writing by M.A.A. Ortiz and Errol John Ramos in 2005; additional phone interviews with DTI and SDO by E.J. Ramos in 2005; data updating over phone and email in 2008, 2009, and 2010 with city planning office and private sector organizations by M.A.A.Ortiz. Secondary data generated from a series of youth employment activities and reports from 2007 to 2009 and provincial and city LGU websites.

5 In 2005, Former Governor George Arnaiz started Oriental Negros movement, to rename the Province from Negros Oriental to Oriental Negros as to avoid confusion with a closely named province. Use of both names are interchangeably used here.

The city is bounded on the east by the Mindanao Sea and the Tañon Strait which serves as a natural border to the neighbouring provinces of Cebu and Siquijor; on the north by the municipality of Sibulan, on the south by the municipality of Bacong and on the west by the municipality of Valencia.

Dumaguete City is known within the Philippines as the 'City of Gentle People'. It also has a reputation as a 'university town' due to the presence of four well-known universities namely, Silliman University (1901), St. Paul's University (1904), the Foundation University (1947), and the Negros Oriental State University (1907). These universities were regarded as the 'lifeblood of the city' driving its economic growth for many decades since they create the demand for a wide variety of products and services to meet the needs of local and non-local Filipino and foreign residents and visitors.

Non-locals coming to Dumaguete are attracted to three key features of the city that include:

- The quality of education offered by any one of its four universities and which are regarded by many employers from Manila and abroad as a source of quality graduates.
- The quality of city's environment—being predominantly “green” that allows one to slow down and relax.
- The location of the city on a sheltered coast which acts as a gateway to the many tourist spots within and outside of the city.

External investors are attracted to the city due to the quality of local human resources, lower crime rate than many parts of the Philippines and the reliability of its electricity supply.<sup>6</sup>

All three features have been responsible for the city's strength in boosting tourism arrivals and growth of new and enhancement of existing local enterprises.

### **1.2.1 Territorial profile**

Although its home province, Oriental Negros, is largely agro-industrial, Dumaguete City is recognized largely as a trading and services center, with businesses serving the universities, research centers, and other learning institutions supporting both institutional and personal needs of university staff and students, including those of non-local people who are studying or teaching in the city.

Of the five cities and 20 municipalities of the province, Dumaguete is the smallest in terms of land area. It covers a land size of 3,425.51 hectares (ha) or 55.8 square kilometers, which constitutes less than 1 per cent of the total land area of the province. It is however the largest in terms of population and economic output.

The city is subdivided into 30 barangays. These include—Bagacay, Bajumpandan, Balugo, Banilad, Bantayan, Batinguel, Bunao, Cadawinonan, Calindagan, Camanjac, Candau-ay, Cantil-e, Daro, Junob, Looc, Mangnao-Canal, Motong, Piapi, Barangay 1, Barangay 2, Barangay 3, Barangay 4, Barangay 5, Barangay 6, Barangay 7, Barangay 8, Pulantubig, Tabuctubig, Taclobo, and Talay.

The eight barangays in the city's downtown area are known primarily by number. The smallest barangay is Barangay 4 with an area of only 5.11 ha, while the largest barangay is Barangay Banilad with 362.7 ha.

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<sup>6</sup> According to Mayor Perdices.



## 1.2.2 Population and age groups

The 2000 Census showed that a total of 102,265 persons were registered as being domiciled within Dumaguete City at that time. This covered 21,582 households. The average annual population growth rate between 1995 and 2000 was 2.7 per cent—higher than the national average. The population density in the city was at 29.85 persons per hectare in 2000, the highest in the province, which registered overall a population density of only 1.9 persons per ha in 1996.

There is a slight preponderance of females (52,887 or 51.72 per cent) over males (49,378 or 49.28 per cent). The population pyramid peaks at the age group 15–19 years, with a count of 11,678 persons. The next-highest population counts are for the age group 10–14, with 10,741 persons and the age group 5–9, with 10,612 persons.

In summary, and as befitting a town known to be a center of education, the local population is predominantly young with 60 per cent constituting newborn, children, and youth aged up to 29 years (Table 1-1).<sup>7</sup>

According to the 2007 Census results, the population had grown to 116,392. This implies a population growth rate over the intercensal period of around 1.85 per cent. This is less than the national growth average of 2.04 per cent for the period. This low comparative rate of growth may reflect the activities of recruiters encouraging educated young people to take up jobs elsewhere. This is a major issue that the city administration is seeking to address.

**Figure 2: Negros Oriental Province**



Source: <http://www.investoriental.com/pp-politicalsub.html>

<sup>7</sup> Note that Table 1.1 classified 30 years old under 'adult population' category. Acknowledgement is due to DOLE-BLES Director Criselda Sy for directly acting upon ILO's request of classifying 30 in BLES reports to be under the youth category.

**Table 1-1: Population by age group and gender, 2000**

Group	Male	Female	Both sexes
<i>Children</i>			31 020
Under 1	954	909	1 863
1–4	3 981	3 823	7 804
5–9	5 384	5 228	10 612
10–14	5 319	5 422	10 741
<i>Youth</i>			29 925
15–19	5 321	6 357	11 678
20–24	4 741	5 387	10 128
25–29	3 888	4 231	8 119
<i>Adults</i>			33 686
30–34	3 637	3 850	7 487
35–39	3 443	3 593	7 036
40–44	3 236	3 312	6 548
45–49	2 778	2 815	5 593
50–54	2 095	2 110	4 205
55–59	1 342	1 475	2 817
<i>Elderly</i>			7 635
60–64	1 207	1 449	2 656
65–69	839	1 012	1 851
70–74	560	801	1 362
75–79	357	522	879
80 and above	296	591	887
Total	49 378	52 887	102 265

Source: City of Dumaguete, Socio-economic and Business Profile, 2000

The results of the ILO-CIDA-supported TNS youth employability survey (2006) and the LGU-organized multi-stakeholder forum (2007) indicate the population trend is towards an increased number of those of younger age due to city improvements in maternal and child survival rates and incidence of pre-marital pregnancies and/or early marriages among schooling age youth.

### 1.2.3 Household incomes

For 2003, about 61 per cent of the city's population earned less than PhP5,000 per month and 83.82 per cent less than PhP10,000.<sup>8</sup> Depending on the number of dependent household members and the number of income earners supporting them, these raw figures mask the true spending power of individual households which may be low or high, depending on family size and number of wage-earners per household.

Relative to the minimum wage rates set by the regional wage board and applied to both non-agricultural and agricultural types of workers in the province, local incomes appear relatively high. But considering the rates set for the other provinces in Region VII and actual salary trends in the region, in fact the opposite is true. This data is shown in Table 1-2.

<sup>8</sup> Minimum wage income for 2003 Region VII for class C (for which Oriental Negros is classified) was pegged at PhP180.00 a day for non-agriculture and PhP165.00 for agriculture.

**Table 1-2: Distribution of households by monthly income, 2003**

Income bracket (in PhP)	Number of households	Per cent	Cumulative per cent
1 001–2 000	1 117	8.13	10.85
2 001–3 000	2 423	17.64	28.49
3 001–4 000	2 132	15.52	44.02
4 001–5 000	2 361	17.19	61.21
5 001–6 000	941	6.85	68.06
6 001–7 000	499	3.63	71.70
7 001–8 000	514	3.74	75.44
8 001–9 000	183	1.33	76.77
9 001–10 000	968	7.05	83.82
10 001–11 000	64	0.47	84.29
11 001–12 000	164	1.19	85.48
12 001–13 000	87	0.63	86.11
13 001–14 000	40	0.29	86.41
14 001–15 000	44	3.20	89.61
15 001–16 000	67	0.49	90.10
16 001–17 000	28	0.20	90.30
17 001–18 000	142	1.03	91.33
18 001–19 000	25	0.18	91.52
19 001–20 000	390	2.84	94.36
>20 000	627	4.57	98.92
Not stated	148	1.08	100.00
Total	13 733	100.00	100.00

Source: City of Dumaguete Socio-economic and Business Profile, 2004

To get a broader picture of actual conditions, the local wage data can be complemented by poverty incidence data, which are available for regional and provincial levels.

Regional data from the National Statistical Coordination Board indicates that in 2003, a total of 28.4 per cent of the population of the Central Visayas Region (of which Negros Oriental is a part) had incomes that fell below the poverty threshold. In the same year, the region recorded the poverty incidence of families at 23.7 per cent.<sup>9</sup>

The foregoing figures (Table 1-3) represent an improvement (or a decrease of poverty incidence) by 7.7 and 7.8 percentage points, respectively, over the 2000 records.

**Table 1-3: Poverty levels (per cent) in Region VII (Central Visayas), 2000 and 2003**

Indicator	2000	2003	Change
Poverty incidence of families	31.5	23.7	(7.8)
Poverty incidence of population	36.2	28.4	(7.7)

Source: National Statistical Coordination Board

It should also be noted that both figures are below the national average of 30.4 per cent poverty incidence of population, and 24.7 per cent poverty incidence of families recorded in 2003.

<sup>9</sup> Later comparable data is not available.

### 1.2.4 Local economy and businesses

The city chief executive, interviewed during the field research claimed: “*Our economy here is student-driven*”. He noted a majority of the city’s businesses are in the services sector and dependent upon the city’s education, training, and learning institutions. These businesses address the schooling, living and recreational needs of the local and migrant student population and the needs of their families and friends residing in the city and those coming from another town, province, or country.

Both officials interviewed, the chief executive and the planning and development coordinator, emphasized that the local economy, in terms of number and types of enterprises, is less engaged in agriculture and manufacturing activities than other parts of the province and more concentrated on services and trading as indicated in Table 1-4 below. The rate at which service businesses have registered with city hall doubled from 1994 to 2000.

**Table 1-4: New businesses registered by economic sector, 1994-2000**

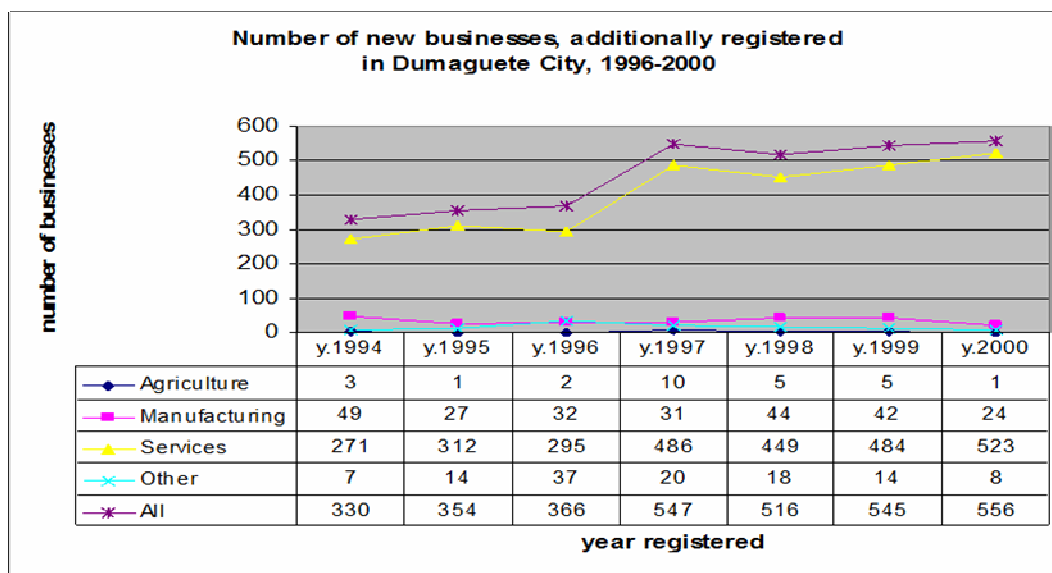
Sector	1994	1995	1996	1997	1998	1999	2000	1994-2000
Agriculture	3	1	2	10	5	5	1	27
Manufacturing	49	27	32	31	44	42	24	249
Services	271	312	295	486	449	484	523	2 820
Other	7	14	37	20	18	14	8	118
All	330	354	366	547	516	545	556	3544

Source: City of Dumaguete Socio-economic and Business Profile, 2004

Note however that the data does not indicate whether such newly registered enterprises operated informally prior to registration and does not cover sustaining enterprises. Neither does it account for enterprises that have already ceased to operate within the same period.

Finally, it must be noted that the figures shown reflect the number but not the size of the establishments. Hence, there is no clear indication of the actual and potential job gains and losses with the start-up or closure of businesses across the years. This is a limitation of the available data.

**Figure 3: New businesses established, 1994–2000**



Source: City of Dumaguete Socio-economic and Business Profile, 2004

According to the 2009 tax roll, Dumaguete City had a total of 3,223 registered business establishments with a gross receipt of over six billion pesos at that time. As of April 8, 2010, Dumaguete City has a total of 3,756 business establishment and there gross receipts are as follows:<sup>10</sup>

**Table 1-5: Businesses by gross receipts**

Business by range of gross receipts (PhP)	Number of establishments
100 000.00	812
100 001.00 to 500 000.00	1 719
500 001.00 to 1 000 000.00	448
1 000 001.00 to 5 000 000.00	531
5 000 001.00 to 10 000 000.00	102
10 000 001.00 and above	144
Total	3 756

Source: Dumaguete City Government

### 1.2.5 Local labour supply institutions and employability of graduates

Over the years, the city has become a melting pot of students, professionals, artists, scholars, and the literate coming from different parts of the country and from overseas due to its many quality learning institutions.

Besides the universities, there are a number of colleges in the city catering to those who prefer diploma or certificate level courses. These include a branch of AMA Computer College and AMA Computer Learning Center (ACLC), a branch of the Asian College of Science and Technology (ACSAT), a branch of STI College, the Maximo College, the Metro Dumaguete College, and the Colegio de Santa Catalina de Alejandria.

Private and public secondary education schools include general, science and technical-vocational schools such as Camanjac High School, Catherina Cittadini (St. Louis School), Don Bosco (St. Louis High School), Dumaguete Christian Academy, Dumaguete City High School, Dumaguete City Science High School, Dumaguete Chung Hua High School, Holy Cross High School, Junob High School, Living Word Christian School, and Negros Oriental High School.

The city government takes pride in the pool of local talent and skills that is available and which provides the city with a competitive edge in the knowledge economy. Recognizing this as a local strength, the city declared *knowledge* as the defining product that represents their city for the ‘One-Town-One-Product (OTOP) Programme’ of the national government.

The city government personnel unit head<sup>11</sup> told the researcher-writers (2005) that according to local recruitment agents, Dumaguete has a high percentage of applicants that qualify for jobs at large firms, both within and outside of the city, province, and country and claims that about 20 per cent of national hires for call centers come from Dumaguete City.

<sup>10</sup> See Section 4.4 Promoting economically, socially, and environmentally viable investments and enterprise development programmes.

<sup>11</sup> Ruperto Tenorio, formerly a DOST personnel and regularly updates himself with external development and HR trends assigned one of his staff Socorro Mira, to perform tasks needed to activate and continually perform the PESO function.

Non-local firms from the airline industry (local and foreign carriers) as well as BPO firms (mainly from Manila and Cebu) conduct regular recruitment activities in the city considering foremost the language skills of local graduates as well as natural swimming skills (in which airline in-flight crew must be trained in order to get employed) of the city people.

The mayor, while noting that these knowledge-based skills represented a positive attribute for the city, added that the city wanted firms to hire locally and did not want to cause a 'brain drain' for Dumaguete. Hence, the effort of the city government to address this concern by encouraging BPO firms to establish their work centers or facilities locally. A number of BPO firms have already done so.<sup>12</sup>

The city government recognizes that firms that relocate in the city could provide jobs to over 5,000 graduates a year but also recognizes that those students who choose to go abroad, still help the local economy as money they remit back to the Philippines is spent and invested by recipients for locally produced and/or distributed goods and services.<sup>13</sup>

But even with good educational institutions, quality graduates and existing local efforts to invest in education and training, the Dumaguete City LGU survey (2003, 2004), the ILO-CIDA-TNS youth employability survey for the city (2006) and youth employment strategy planning stakeholder forum (2007) all point toward a high percentage of high school graduates who remain unable to enter college, mainly for financial reasons. Thus despite the effort of the LGU to create a positive environment for the youth, the outcome is much less than the potential.

Consequently, many young people end up either: (i) out-of-school and not working; or (ii) out-of-school but working at less than their desired employment level. (More on this later in this case study report.)

### **1.2.6 Local employment status**

Local government and stakeholder efforts to improve employability and retention of local youth to meet the city's public, business and social sectors development needs and goals go hand in hand with efforts to create employment and income opportunities for them.<sup>14</sup>

Despite the increase in the number of registered businesses in the city, data available as of reference (2003) show only 46.1 per cent of the working population gainfully employed as *self-employed* (mostly micro and small entrepreneurs), *private salaried/wage workers* or as *government workers*.

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<sup>12</sup> Among those identified were Teletech with 2000 employees to date, SPI Technologies and a large medical transcription company with business process accounts housed in Foundation University.

<sup>13</sup> He commented though that the city has a high savings rate and is risk averse, hence most of those who use the savings for business investments are largely from outside the city and the province.

<sup>14</sup> Data used in this section comes from the 2003 reference year.

**Table 1-6: Employment status, 2003 population, ages 15 and above**

Status	Male	Female	Total	Per cent
Government	1 835	1 332	3 167	7.50
Permanent	1 420	1 100	2 520	5.96
Temporary	287	159	446	1.06
Contractual	120	70	190	0.45
Casual	8	3	11	0.03
Private	4 937	2 487	7 424	17.57
Permanent	3 561	1 977	5 538	13.11
Temporary	781	295	1 076	2.55
Contractual	594	214	808	1.91
Casual	1	1	2	0.00
Self-employed	5 801	2 101	8902	21.07
Unemployed	3 713	3925	7 648	18.10
Non-gainful occupation				34.2
Retired	161	63	224	0.53
Housewife	0	6 476	6 476	15.33
Handicapped	2	2	4	0.01
Pensioner	79	75	154	0.36
Student	3 888	3 703	7 591	17.97
Not stated	450	62	512	1.21
Refused to respond	110	35	145	0.34
Total	20 976	21 271	42 247	100.00

Source: City of Dumaguete Socio-economic Business Profile, 2004

Of the aggregate number of public and private sector employees, the larger portion of the employees have obtained regular employment status, while the remainder are temporary, contractual, or casual workers.

The self-employed sector consists largely of those involved in micro and small enterprises operating either at home, in public markets or in commercial areas. Many of these are in the 'grey' or informal sector of the economy where safety nets are minimal to non-existent.

The unemployment rate is high with 18 per cent of the population 15 years and over found to be unemployed, mostly females.

In addition to these unemployed, a large number (34.24 per cent of the local population aged 15 and over) are not actively engaged in the labour force. This covers the student population, the housewives, the small percentages of the retired, the pensioner, and the handicapped and, importantly, those who have given up looking for work in the belief that it is a futile exercise.

### **1.3 The challenges**

Overall, the challenges Dumaguete City has to tackle can be summarized in the following agenda:

- Addressing the high overall unemployment incidence in the city despite the increase in number of businesses registered with the city government and despite its output of quality graduates.
- Crafting and implementing stakeholder agreed policies and programmes in developing the local economy and creating employment opportunities.
- Attracting partnerships with compatible investors and with national and international support organizations in implementing socio-economic projects anchored on respect for environment, labour and human development.
- Addressing hurdles to youth development and employment identified by city stakeholders.
- Addressing the non-training factors to local economic, industry, and enterprise development anchored on education and ecology-tourism.

### **1.4 Key responses to development and employment challenges**

Over the past decade (2001–2009) the city has benefited from a stable administration and continuity of development policy despite the need to balance the requirements of a diverse group of stakeholders. Under the administration of Mayor Agustin Perdices, the overall response of the city government and its stakeholders to the local poverty and unemployment situation has been oriented towards crafting, implementing and sustaining of stakeholder sensitive policies and programmes via the following measures:

- Investing continually in physical and social infrastructure to foster an environment conducive to business.
- Ensuring business and infrastructure activities are environment and labour friendly.
- Supporting service sectors into university-linked markets, capitalizing on knowledge as the city's product of choice under the OTOP Programme of the Department of Trade and Industry (DTI).
- Promoting entrepreneurship among the unemployed, youth, and women and structuring facilities for micro-finance.
- Organizing (2001) job fairs, counselling and referral services through its Public Employment Service Office (PESO) facility starting from spot or per need provision of such services towards making it a regularly provided and supported service.
- Reinforcing local youth-focus initiatives by enhancing local policy and programme planning capacities of concerned LGUs, local labour supply and demand side stakeholders.
- Strengthening existing LGU stakeholder development forums for a multi-stakeholder approach to city employment planning and implementation.
- Sustaining and broadening efforts to match the labour supply with demand of economic job growth sectors.



- Taking action on stakeholder identified and agreed upon requisite policy and action points towards addressing agriculture, tourism, and ICT sector demand and supply growth and development factors These actions essentially involve the following:
  - The city’s technical skills training program for youth and the unemployed to meet the immediate and emerging demand of job growth sectors as mentioned earlier and identified in the ILO-CIDA employment strategy planning workshop (which will be tackled in greater detail in Section 3.)
  - The city’s training programme for relatively larger scale special recruitment activities for (e.g. national/localized construction and engineering requirements of the likes of Engineering Equipment, Inc. and the Robinsons Mall) and overseas based employers needing skilled trades people as well as university graduates.

## 2 Development and results of LED intervention strategies

The city of Dumaguete, through its City Development Council, has a policy of ensuring the local environment is conducive to the development and competitiveness of its key business and support institutions.

In line with Article 384 of the 1991 Local Government Code (RA 7160), the LGU allocates each year, 20 per cent of its internal revenue allotment share received from the national government, for local development projects embodied in local development plans and approved by the development council. These plans are furnished to the Department of Interior and Local Government (DILG) where they are collated and integrated into the regional and then the national development plans.<sup>15</sup>

Local investments in this regard have been generally directed towards:

- improving road access to facilitate the flow of goods, services and movement of people within the town, the province, and beyond;
- managing and sustaining the quality of its resource environment;
- providing year round infrastructure works which open up job and income opportunities not just for professionals and skilled workers but also for less-skilled workers;
- meeting the water needs of the community through having an abundant supply of ground water (backed up by a facility producing; 7.18 M cubic metres a year);
- having a steady supply of reliable and affordable electricity available to the city and the region through sustained investments in geothermal plants;<sup>16</sup>
- investing in community and sector-based organizational work covering values formation and skills training, especially for young people;
- structuring micro-financing facilities and loan arrangements for enterprise start-ups; and
- working towards better health, education, working and living conditions for local constituents across social sectors and barangays.

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<sup>15</sup> As this has been the process of linking and integrating city plan to the national plan, there appears in to be a dissonance of plans, strategies, and effects of city plan vis-à-vis the provincial, regional, and national plan challenging the future city government and its stakeholders to achieve to address this area of concern.

<sup>16</sup> Also provides supply to other localities outside of the city and the province.

In addition, the city government has been resolute in maintaining the peace and order situation throughout the locality and ensuring it maintains its record of having a lower crime rate compared to other comparable cities in the country. It considers as equally important both the safety of local people from possible external threats and non-locals from possible internal threats.

To put these goals into context, the city recognizes that crime cannot be totally eliminated; but considers it imperative for local governments to persevere in efforts to maintain peace and order within legally established jurisdiction so that living, studying, business and working conditions in the city remains as safe and as possible for locals and non-locals alike.

The budget and the corresponding expenditure items for the city's projects are found in the city's Annual Investment Plan, which outlines the various projects and priorities for each fiscal year.

As an illustration of the city's capacity and limitation to finance local development operations and projects, the total budget of the city for 2006 was only at PhP240 M, of which PhP100 M was sourced from locally-generated revenues and the remainder came from the IRA of the national government.<sup>17</sup>

The adopted policy of spending more on public infrastructure works spread year round directly generates jobs for both skilled and unskilled, men and women, youth and non-youth segments of their local supply, is an effort towards the right direction.

In addition, the policy of making the city conducive for business to flourish by maintaining peace and order in the city and promoting *knowledge* as its competitive edge have been seen (2005) to be successful in attracting more investments that have been of direct benefit to both skilled and less-skilled local human resources.

Fast forward the situation to the present (2010), it can be seen that such efforts have been paying off (except those that which they admit needing a lot of effort for development improvements) through the following benchmarks:

- new support infrastructures benefiting the entire city as well as those specific to each barangay need are being gradually completed and existing infrastructure has been maintained;
- the entry and operation of local (Filipino) BPO firms into the city triggering demand for new forms of university and non-university based businesses and jobs, and which are directly linked to trading and services (personal/recreational/ household/ community, etc.) sectors and indirectly to the primary and secondary agriculture sub-sectors;
- arrival of substantial numbers of Korean tourists interested in learning the English language in a relatively low-cost environment triggering the demand for existing university ; and
- establishment of partnership on governance and educational tourism between Dumaguete City and Yeongdang City of the Republic of Korea.

But while these developments are bringing in economic opportunities for the city in terms of investments into new businesses and jobs; they are not universally welcomed. Some social and environmental advocates believe that progress threatens the local pace and way of life. Clearly there is a need for balance between preserving the ecological state of the area while bringing opportunities for

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<sup>17</sup> Although, in theory, this amount must be remitted automatically by the national government to the city, the practice is often different and from time to time the city government has met with hurdles in getting its internal revenue allotment from the national government, and sometimes not necessarily in full amount.

development investments that will address the social and environmental sides of doing business in the city.

## **2.1 Ensuring labour-intensive and environment-friendly business and infrastructure activities**

Considering the recurrent high unemployment incidence in the city with almost one in five (18 per cent) jobless, 20 stores closing down every month, and an average survival rate of one year for start-up small businesses (2005) the city government is aware of the need to encourage investments that are labour-intensive.<sup>18</sup>

Rather than conveniently contracting out infrastructure activities to service providers that rely on highly machine-intensive technology to complete a project, it has opted to administer its own projects using labour-intensive strategies.

As the local chief executive claims, the city government ensures there are enough projects to be stretched year round to generate local employment opportunities on an ongoing basis for both its skilled and less skilled labour force.

However, in spite of the need to generate new employment initiatives, the local government has resisted certain industries such as cement manufacturers out of environmental concerns. Any investments are welcome provided they are both labour-intensive and environmentally friendly. According to the mayor, these are the parameters set out in the city government's vision and mission statements:

**VISION** : *Dumaguete City, an Ecologically-Balanced and Peaceful City*

*A Center of Sustainable Development and Quality Wholistic Education with Self-reliant, Socially Responsible Upright, and Highly Empowered People by 2015.*

**MISSION**: *We Exist to Enable Dumagueteños Attain a High Quality of Life.*

**VALUES WE HOLD:**

*Transparency and Accountability in Governance*  
*Principled Leadership*  
*Inter-Generational Responsibility*  
*Spirituality and High Moral and Ethical Standards*  
*Social Consciousness and Responsibility*  
*Discipline*  
*Fairness*  
*Political Maturity*  
*Excellence in Public Service*  
*Stewardship of the Environment*  
*Excellence in Education*

Translating such statements into implementable policies governing business and infrastructure activities only found its way into the city legislative council in October 2009 which passed the city's investment code at that time.

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<sup>18</sup> Interview with Mayor Perdices and Personnel Head Tenorio (November 2005).

Largely influenced by Silliman University, local colleges as well as schools and cause-oriented groups that are strong advocates for the environment, the city government promotes environmentally-friendly business and livelihood activities to ensure economic activities in the city operate in a sustainable manner as per the city government’s unwritten policy and projected image.<sup>19</sup>

For further information on this aspect, see the comments/views and perspectives of the non-government organizations such as the Friends of Banica River and the Environment of Oriental Negros (actively involved in environment advocacy in the city and the province) in the section discussing the role of government and non-government organizations in promoting investment and employment in the city that are business, labour, and environment friendly.

## 2.2 Capitalizing on *knowledge* as Dumaguete’s “product of choice” under OTOP

Aside from making the environment conducive for business in terms of having sufficient and affordable supplies of water and energy as well as maintaining peace and order, one other important policy the city government had adopted and already mentioned is to declare *knowledge* as the product that represents the city for the OTOP programme of the national government.

The local chief executive claims that while other towns choose to highlight their best agricultural products or handicrafts (using materials sources outside of the city) under the OTOP programme, Dumaguete has focused more on enhancing what they believe is the product—knowledge—that best represents their city.

Dumaguete takes pride in its local talents and skills that its people know are competitive both locally and externally. As a result, the city has become a melting pot of students, professionals, artists, scholars, and the literati coming from different parts of the Philippines and the world to work or study in one or other of its various quality learning institutions.

The city places importance on each of the four big universities (Table 2-1), other tertiary and pre-tertiary level schools and research institutions as well as other learning centers. As well as producing quality and employable graduates and labour these institutions also provide local jobs and income for the city. They are considered the engines of growth and human development for the city.

**Table 2-1: Indicators of student population in Dumaguete Universities, 2000–2004**

University	2000-2001	2001-2002	2002-2003	2003-2004
Negros Oriental State University	10 578	10 706	9 914	9 711
Foundation University	6 051	5 840	5 699	5 807
St. Paul University of Dumaguete	1 512	1 580	1 743	1 874
Silliman University	4 929	4 714	4 638	4 638

Source: City of Dumaguete Socio-economic and Business Profile, 2004

In addition, the philosophy of the local chief executive in attracting investment that would require highly skilled and knowledgeable people is designed in part to discourage its local talent from leaving the city; especially those engaged in health,<sup>20</sup> education, engineering, and other service sectors, as

<sup>19</sup> Evidently an Investment Code was finally agreed upon in consultation with local stakeholders, put in writing and approved by the city legislative council and city chief executive encompassing unwritten policies (but being observed and implemented) and new consideration to govern local investments into the city.

<sup>20</sup> An example of a scenario strongly illustrating the crisis in the availability of medical practitioners in the city for public services is having to recall a retired surgeon back to practice.

these workers are needed on a continuing basis to support the basic development needs of the people and the economy.

Every effort has been made to make the city attractive, less costly, and less risky than elsewhere for people to live and businesses to thrive, for the student population to study and for visiting Filipinos and foreigners to do their business and undertake their personal activities.

The city policy of spending more of its development project finances on local infrastructure that is explicitly meant to generate jobs for both skilled and unskilled working age population is an effort towards this direction. This policy provides support to a public employment services facility with complementary support from the different schools, employers and their representative agencies and business and their organizations as well as the local governments. This benefits not only the city of Dumaguete but the entire Province of Negros Oriental.

Silliman University has its own similar facility. According to an interview with the Director of the Career Assessment and Placement Office,<sup>21</sup> created in 2006 and directly attached to the Office of the Silliman University President, this office function much like a PESO, but it is university rather than local government based. Just as the PESO facility of the city government caters not only to the service needs of the job seekers and employers from the city but also the job seekers and employers from the other LGUs, the entire province and beyond, the same is true with the Career Assessment and Placement Office of Silliman University. It caters not only to the assessment, counselling and placement of any graduates from the city but also for any walk-in graduates and job seekers from other universities and colleges in the city and the province.

### **2.3 Supporting the local services sector**

The province as a whole can be categorized as agro-industrial, and while Dumaguete City has chosen to focus on 'knowledge' being neither industrial nor agricultural, pockets of both exist within the city and in surrounding towns such as Bias, some 40 kilometres to the north and where a number of sugar mills are located.

As a university town, it is the institutions, their faculty and students that have been providing the 'lifeblood' of the city for many decades now. These are perceived to be the local drivers of the city's economic growth. As a result, the city is a service-led, consumption-driven economy. Closing, or even downsizing, any of the four universities with all their core and extension services would put the local economy into an 'intensive care unit' according to the mayor. In the words of the same local chief executive: *"whereas in many places the new local government code introduced in 1991 had provided the impetus for renewed growth; this was not the case with Dumaguete: "... the local government code could not have played a significant role in the local economic growth because with or without it, the students would have been in Dumaguete anyway"*.

But, this did not imply complacency. There was still the need to retain a competitive edge in attracting students who these days have a wider variety of options available to them than before and some other cities might even be perceived as offering superior education, environment and leisure activities. This is an area where local government leaders and stakeholders given the local government code provisions can make a difference.

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<sup>21</sup> Dr Evangeline Aguilan, interviewed over phone, in behalf of the University, as assigned by Dr Ben Malayang, April 2010.

The city has developed programmes and policies towards addressing the school, accommodation, transport and recreation-based needs of students, not only Dumaguetenos, but also those coming from other towns, provinces, regions, and country.

Newly developing markets include foreigners such as a number of Iranian students (a total of 47 as of 2005) whose parents are alumni of Silliman and have appreciated the quality of education and the peaceful environment of the city. As of 2010, this number is still growing. Of late, as mentioned earlier, an increasing number of Koreans go to Dumaguete to study English language (more on this in Section 4.1.3) and the presence of these students actually triggered the increase the number of new language schools and related services in the city. In addition, as of 2010, visiting students from North and Latin America through a newly established BPO service facility for student travel services are expected to increase the number of tourist arrivals and thus the demand for local services and related supplier activities in the city.<sup>22</sup>

Although a wide variety of food-based enterprises are thriving in Dumaguete City and catering to local and non-local tastes, Dumaguete is not self-sufficient in food and the basic food supply is sourced from nearby towns, from elsewhere in Negros Oriental and even from as far as Mindanao.

There are initiatives underway, largely driven by various NGOs, people's organizations and schools through their local outreach or extension programmes to expand and add value to the limited agricultural resource base of the city and the province via the development of small farm holdings within and adjacent to the city. There are also perceived opportunities for the food processing industry, the culinary arts and agri-based entrepreneurship within Dumaguete itself. These are not only started by organized community-based groups but also by some long-time and returning residents (from Manila and abroad) deciding to settle down in the city and starting up their home-based or commercial-area based micro-enterprises.<sup>23</sup>

## **2.4 Structuring coordinated employment promotion efforts via the Employment Advisory Council**

In addition to the strategies and policies mentioned earlier, an important factor in employment promotion is the creation of the Employment Advisory Council (EAC), a tripartite organization composed of business councils, organized labour and the government and spearheaded by the city's chief executive. The EAC essentially sets and oversees directions in the planning and execution of the overall employment programmes of the city, both targeting the development of the formal and informal economy sectors.

Creating the council has been crucial to ensuring the implementation of a local development plan that is focused on job generation. The EAC also acts as a monitoring body, providing feedback as to how businesses are performing, coping in times of a market downturn and with regard to compliance with the legal provisions contained in the Philippine Labor Code.

### **2.4.1 Organizing job fairs, referral, and counselling services**

Being an education center, is something of a two-edge sword since Dumaguete still has insufficient wage-earning jobs located in the city to absorb over 5,000 local graduates every year. Those who are unable to get a job locally either go to Cebu, Manila or overseas. But even with an increase in the

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<sup>22</sup> Interview with Negros Oriental Investment Promotion Center client services staff, Candy Uy, March 2010.

<sup>23</sup> Interviews with Grace Deguit of Negros Institute of Rural Development and Esther Winther of Friends of the Banica River and the Environment, Inc.

number of opportunities in the city with the new investments bringing in more jobs, many of the graduates who seek salaried employment in established firms still relocate to Cebu, Manila or overseas as the PESO Manager<sup>24</sup> and the Silliman University Career Assessment and Placement Director commonly found; graduates would prefer jobs where they can make use of their education and training but in the case of BPO-ICT facilities—the same jobs outside of the city are preferred as these provide higher pay including relocation benefits.

Dumaguete's predicament—the same predicament being experienced nationally across localities to a greater or lesser degree— is being addressed through local job fairs, referral, and job counselling services.

These job fairs take place once a year as part of a programme that is relatively new in the city. The first such fair was organized in April 2001 and was repeated in 2003. Both events were considered a success by the PESO, the agency charged with handling it and the fair has since been an annual event despite the human resource, technology, and budgetary constraints on the functions and services of the PESO.

The PESO, in the person of a staff assigned (Maria Socorro Mira) by the head of the Personnel Department (Ruperto Tenorio), provides the focus for the event but support from key agencies is crucial to its success. These key agencies include partner schools, social development and business NGOs and the religious sector, each of which perform complementary functions to make the job fairs as well as other PESO services available to local constituents.

The local PESO has referral and counselling systems, which are both very helpful for those people who want to work, whether their preference is local or overseas. Those who want to start a business are referred to other offices for guidance.

The city has its own functioning labour market information system especially for walk-in applicants, though, as local officials admit, it is none too sophisticated. Nonetheless, it attempts to match the skills of the fresh graduates as well as long-term unemployed graduates with those of the jobs that they find on the internet, through newspaper advertising and other sources that are regularly monitored and disseminated through radio and posting in a bulletin board at the ground floor of the city hall.

According to the PESO Officer, since 2006, (for four years now) the DOLE (provincial and regional offices) in cooperation with the local PESO has held annual job fairs involving employers and employment agencies for the local recruitment of graduates and job seekers trained for deployment outside of the city and abroad. But unfortunately, after the job fairs are concluded, all data of applicants registered and hired on the spot are retained by the DOLE, the employers or employment agencies. The local PESO is not provided with a copy of these records.

In February 2010, the PESO attempted to hold their own regular (monthly) special recruitment activities. Between four and five companies per month have been directly approaching the city government for assistance in organizing recruitment activities for local and overseas deployment (so far there have been 200 registered jobseekers for local placement and 250 for overseas placement). They also have 40 welders trained and ready to be placed for local jobs. They also have so far trained 12 batches of butchers who have been placed for overseas jobs.

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<sup>24</sup> The job titles of PESO Officer and PESO Manager are interchangeably used referring to the same person.

As of 2010, the challenge for the PESO Officer according to Ms Mira herself is to have other staff available who can focus on regularly using the forms provided by DOLE for recording and reporting data on the profile and status of all the city government job seekers and job providers. Because of lack of personnel, they have not been able to keep track of the whereabouts, status and feedback of either applicants or employers.

Furthermore, according to the Planning Officer (Josie Antonio), Ms Mira although full-time now as head of city PESO (without the city government personnel functions anymore) not only serves the needs of Dumaguete but the whole province of Negros Oriental plus the island province of Siquijor. The PESO has transferred to a larger office at the local market complex to accommodate the high number of applicants.

Employment agencies based in Manila and Cebu have been requesting assistance from the Dumaguete PESO on setting up job interview dates and informing the public on skills needed for local and foreign employment. The PESO also extends assistance to Overseas Filipino Workers (OFWs) and their families. It should also be emphasized that although the PESO is now autonomous with a separate office, it is still funded by (and accountable to) the city government.

#### **2.4.2 Promoting entrepreneurship among the less economically productive sectors**

The LGU has implemented a number of livelihood and skills development support programmes, designed to promote entrepreneurship opportunities for those who have difficulty in finding work or productive activities.

As shown in Table 1-6, the percentage of self-employed workers is at least 21 per cent (figure cited as of 2003, but the current figure remains little changed), constituting a greater percentage than those of groups in the private and the public sectors.

More noticeable in fact is the number of housewives that are not employed in income-generating activities. This group constituted 15.33 per cent of the total labour force for the reference year. According to local informants, the reality is that many women who do not have work, have opted to withdraw from the labour force and stay home. This depresses the size of the 'real' labour force and disguises the true level of unemployment.

The harsh reality gleaned from this data means that 33.43 per cent of those of working age (15 and over) are either unproductive or not earning. This represents considerable potential—but unrealized—productivity.

It has become imperative therefore for the LGU to undertake programmes that target mostly the mothers and the unemployed, and which are designed to make women productive and income earning. These programmes take the form of livelihood and skills training programmes and seminars.

These are all being undertaken primarily by the city LGU first through its attached offices or through collaborating resource agencies, including:

- The Philippine Employment Service Office (PESO)
- City Welfare and Development Office (CWDO)
- City Livelihood and Home Industry Development Office (CLHIDO)



- Sectoral Desk Office (SDO)<sup>25</sup>
- NGOs, utilizing local, national, or international support
- Local business organization e.g. provincial chambers of commerce

Each of these groups, has formulated a set of livelihood and other types of development programmes or projects intended to develop the productive capacities of the local women, youth and other disadvantaged sectoral groups of the city. While some of these activities are operated in partnership with the LGU (or integral to it) others are independent.

### **2.4.3 Unleashing the local entrepreneurial spirit via micro-financing**

The attached agencies of the government such as the SDO as well as local and international NGOs have all provided support in extending employment and income generation assistance through micro-financing. The SDO is the most successful support entity in this regard.

The SDO, in extending government loans gives preference to women borrowers since, as the SDO staff have observed, there have been more risk takers and better rates of repayment among women than men. For women, the repayment rate is as high as 92–95 per cent, whereas among men the rate is only around 50 per cent (end 2005 data). This gives added weight to the decision of the city government to engage women as beneficiaries for its micro financing programmes.

Training provided through seminars is an important precondition, but the skills acquired cannot be used properly if financial resources in the form of micro-finance loans are not readily available; this is sometimes the case, even with the many financing institutions located in the city.

The city government has opted to implement a scheme through which those who have been trained are provided directly with the needed capital equipment or tools (instead of providing them with cash loan which could sometimes be used for purposes other than purchasing needed tools). It is believed that in this way, the SDO trainees will be enabled to right away start-up some form of enterprise or livelihood activity and unleash their entrepreneurial spirit.

## **2.5 Identifying and enabling existing local service institutions to coordinate and deliver on employment**

It is also important to identify the key stakeholders and describe their roles in planning and executing local development and employment promotion programmes of the city as this may provide insights and lessons relevant to other areas of the Philippines.

Based on interviews conducted by the research team, leaving to one side the social welfare and TESDA facilities, there appear to be at least three major employment promotion ‘centers’ within the city government. These centers provide a multi-faceted approach and serve as front liners in strategizing, initiating, and implementing the various employment promotion programmes of the city.

The local economic and employment functionaries of the city government are as follows:

### **2.5.1 The Philippine Employment Service Office**

A Philippine Employment Service Office (PESO) establishment, under the guidance of the DOLE, is located in all provinces, cities, and municipalities of the Philippines and is one way of bringing labour market information closer to the people. According to Socorro Mira, the PESO Manager in

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<sup>25</sup> See Section 2.5.3 for a description of its functions.

Dumaguete City, her office was established in 1997 but she also said that even prior to PESO, there was an existing entity known as the Community Employment Service under the devolved function of the Department of Social Welfare and Development (DSWD) that had been promoting employment programmes since 1995.

According to the Head of the Personnel Office of the city government (2005)<sup>26</sup> to which office the PESO staff originally reported, the PESO is linked with counterpart agencies in Manila. Job fairs happen once a year but participants come not only from Dumaguete but also from outside the city, mostly from Siquijor. On the other hand, call centers are hiring people from Dumaguete because of the English-skilled quality of local labour. Setting up of the Teletech facilities began in December 2005 although the first BPO facility came in the form of a medical transcription unit established at the Foundation University.

Almost every week there are calls for employment openings which are disseminated primarily through the radio. Demand comes mostly from abroad—Middle East, Japan, and Taiwan. In the Middle East, a range of labour skills are needed mostly in construction engineering sector and, for Taiwan, care-giving. There are also job orders for electricians, linemen, electrical engineers from Louisiana which have been coursed through the US embassy but channelled through an agency and to PESO. The PESO then arranges the hiring process interviews. But in terms of documenting what happens to those who responded to information disseminated through radio calls and information board at the ground floor of the city government is left undocumented and unaccounted for.

PESO Dumaguete started in 1995 with one person in-charge. Because of its limited functions, it was felt that DOLE should institutionalize the PESO and consolidate its resource requirements as part of the city government regular budget in order both to strengthen the office and its functions and also to give full support to all its personnel who were concurrently working on other tasks as well. The PESO Act of 1999 formalized the PESO structure and function within local government. While the PESO is funded by and under the control of the LGU, most of the PESO programmes and services are supervised by the DOLE through the Bureau of Local Employment.

### **Special Programme for Employment of Students**

One of these earlier programmes implemented by the DOLE was the Special Programme for the Employment of Students (SPES) which caters to youth in the 15–25 year age bracket by employing them during summer vacation to help augment their funds to pay tuition fees that are due in June of each year. This programme has helped a number of students (active and out-of-school) continue their education. Problems encountered were:

- The students were not given enough tasks and work during their 20 day internship programme, limiting their learning opportunities.
- Since the LGU hired more than a hundred students, students were not properly supervised and left on their own to accomplish work assignments.
- No proper work value seminars were being conducted to prepare students for their work assignments.

In 2009, to overcome these problems, the city government began a new programme for local students by training them instead of assigning them to different offices and helping them participate in the *Clean and Green* programme of the city. By training these students in massage, food processing, and

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<sup>26</sup> Field interview with Rupert Tenorio, November 2005.

candle making, the students were given added trade and entrepreneurial skills which have helped them pay their tuition fees. During their on-the-job-training, the students were already earning and since completion they are still using the skills they learned during their internship programme.

The feedback coming from the students has been very inspiring and overwhelming as most of them commented that participation in the training program really helped them a lot in meeting their day-to-day expenses even after they had left the SPES programme. The trained SPES students were even given a proper and decent venue by the local government where they could obtain clients and customers for massage, and for those students trained for food processing, they could set up and display their goods to sell. According to PESO staff re-interviewed in 2010, this is one programme which has really helped the youth on employment and being self sufficient while still in school. The training also made the students become responsible and more mature and confident which is also one of the objective of the programme to build up self-confidence among poor but deserving students.

### **Jobs fairs**

Every year, the city conducts jobs fairs to help address the unemployment problems of the thousands of graduates. This activity has generated much positive feedback on applicants and youth who are seeking employment. However, the programme has not been without its problems. Some of the problems encountered were:

- companies and agencies seldom give reports on applicants placed and hired during the jobs fair;
- the limited funding of the LGU for such fairs;
- lack of human resources and personnel which meant that many applicants and jobseekers were not well informed and not prepared for the event, with the result they ended up being rejected and not hired;
- lack of proper communication channels between employers and the host local government which created problems during early jobs fairs (although this appears to have been resolved); and
- in common with other localities, there was often a mismatch of skills being needed by the agencies and the applicants who were applying during the jobs fair.

By way of response, the LGU of Dumaguete has recently appropriated PhP50,000 for the holding of a special jobs fair. This budget has helped in conducting the jobs fair, which this time was held in the classrooms of public schools compared to the previous tent set-up. This made the venue more comfortable both for employers and job seekers. Simultaneous with this activity, medical missions directed at the indigent constituents of the city were also conducted through the efforts of the NGOs, the local Tripartite Council, City Health Office, and the local Chinese Chamber of Dumaguete.

The city also sponsored and invited the Department of Foreign Affairs (DFA) to provide passport services. Although this was done for the first time only late in November 2009, the feedback was overwhelming, and requests for this DFA activity are to be scheduled on a yearly basis.

Occasionally, the PESO conducts orientation seminars teaching people on how to behave during an interview with prospective employers, how to make simple yet complete resumes, application letters, how to dress up during interviews etc. This has helped applicants during the conduct of special recruitment activities at the PESO.

### **Career orientation**

PESO, through the DOLE, conducts yearly career orientation or 'Career Path' counselling to graduating high school students to guide them on what course to take and which course is in demand in the labour market. By doing so, PESO staff are able to guide students towards defining their own passion and career goals rather than being influenced by parents, family, schoolmates, and peers. The students are also informed on what courses can lead to good careers in the future. In this activity, the ILO-CIDA supported career guidance tool kit for the youth and for those who help the youth are being used.

### **Livelihood projects for OFW families**

The PESO through the Overseas Workers Welfare Administration (OWWA) has helped OFWs and their families avail of its livelihood projects. The PESO serves as the front desk officer in evaluating prospective applicants for the livelihood loan programmes of OWWA. Initial implementation releases for these loans were undertaken individually although later releases were achieved through local associations in order to improve payback and collection. However, the programme has helped a number of OFW families start their own business while their spouses are working abroad. These loans have also helped the families become self-sufficient and more mature and has taught them to appreciate the value of money and the efforts made by the working spouse abroad. The families and their children also became responsible because it becomes their family business. Example of livelihood projects approved include eateries, piggery business, jeepney for hire, sari-sari stores, flower business, etc.

### **PESO as a Physical and Service Providing Office**

Just recently (2010), PESO was given an office space at the second floor of the Building II of the city public market complex. An initial budget of PhP150,000 was assigned for capital outlay and office supplies. Three staff members were assigned to assist the PESO Officer (now manager) in its operations. Although it still needs additional staff to be fully operational, it has made a promising start in implementing its programmes. The PESO is slowly gaining in strength and has been instrumental in giving thousands of jobs for one of the biggest malls, Robinsons which has recently opened in the city.

Dumaguete, being the entry city to Negros Oriental, and with tourism perking up, is finding that investors are turning their heads towards this city and trade and commerce are brisk. The PESO plays an influential role in accommodating investors (initially coordinating with the Negros Oriental Investment Promotion Center) on their human resource needs and helping the city address its unemployment problem. The PESO being an office which helps people get jobs and build their careers needs to be given priority in every local government as it is the window to help constituents get jobs.

According to PESO staff interviewed, the local government units has a very limited budget for personal services and sees the PESO office as a tool to decongest the number of applicants who seek government employment everyday not just in the city but in the entire province. Because the PESO partners in job facilitation are the private sector and NGOs this office needs to be well equipped with knowledge and with personnel who are really service oriented.

### **2.5.2 The City Livelihood and Home Industry Development Office**

The City Livelihood and Home Industry Development Office (CLHIDO) is an initiative of the local government and represents a local response to people who were approaching the PESO for

employment but who were lacking employable skills. The response was to provide a training center which designs and conducts training programmes for the unskilled. Courses offered include basic electronics, electrical, automotive, dressmaking and cooking skills. In 2007 additional courses on ICT, house construction, and tourism related skills were offered for the first time and targeted at those who wanted to start their own home-based businesses.

Courses offered are run on a quarterly cycle (as each case takes three months to complete) and enrollees, upon successful completion, are referred to the SDO (next section) and other NGOs in the city to arrange for needed capital resources in starting-up and growing their own home-based business.

According to a member of the CLHIDO staff <sup>27</sup> the office started by offering three courses identified through expressed need or the inquiries of those who visited the office. Currently, CLHIDO is offering a total of 14 courses:

- computer programming
- computer hardware servicing
- tailoring
- dressmaking
- cosmetology—beauty care
- cosmetology—hair care
- consumer electronics
- plumbing
- heavy equipment operation
- shielded metal arc welding
- building wiring
- refrigeration
- air-conditioning
- a range of massage/spas

So far they have around 400 graduates from Dumaguete City and nearby areas. There are often more women than men enrolling in the quarterly programmes. Women are also enrolled now in welding and heavy equipment operation. There are also courses that are provided to a particular barangay—upon request—as part of their barangay outreach programme for the unemployed. All trainees in their programme are linked to local companies—small shops as apprentices. No certificates (issued by TESDA) are given without an apprenticeship.

All activities under the city government outreach programme are LGU financed although equipment for training has recently been provided by the national government through the DOLE regional office. The annual office budget is PhP2.8 M but only PhP350,000 of this is allocated for the direct costs of training programmes.

The courses are offered are free of charge but some materials have to be financed by enrollees.

Most of the graduates work locally, in Negros or in Luzon. Construction and engineering industry workers are often deployed beyond the province (e.g. Engineering Equipment, Inc.) Currently, the demand for plumbers is high and so many graduates are placed through the PESO and currently employed in the Middle East, particularly in Saudi Arabia and Qatar.

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<sup>27</sup> Interview with Melchie Dorada, March23, 2010.

The local demand for construction workers has increased with the construction of a new mall, the Robinson Place, and demand for service type workers is expected to increase further with the opening of more service businesses (as reflected in the registration records of the city government). The new challenge now for the SDO is to keep track of all its trainees especially those deployed beyond the city.

Information on available programmes is disseminated through barangay visits and support of the barangay council members. According to the officers interviewed, the current challenge of this office is to keep track of the status of the people who went through their programme of assistance, especially those deployed outside of Dumaguete City.

### **2.5.3 The Sectoral Desk Office**

The Sectoral Desk Office (SDO) is attached to the office of the local chief executive, is the employment promotion center instrumental in providing the necessary capital to a start-up business after people have been trained in entrepreneurship through seminars.

This office has a dual focus: (i) organizing; and (ii) micro-financing. It claims to have sufficient field personnel deployed who go from one barangay to another to search for people who are unemployed or who have withdrawn from the labour force and are remaining at home. These are mostly women and the youth. They organize these people and direct them towards becoming viable economic entities.

Those duly organized and CLHIDO-trained are provided with sufficient capital by the SDO to start whatever livelihood activity they are equipped to undertake. The repayment rate on loans released by this Office is reported to be high. For 2004 and based on the report furnished to the mayor, the repayment rate in that year was 100 per cent. There are high expectations that this office will continue to deliver services and generate livelihood and employment opportunities for the city of Dumaguete especially for women, of youth or adult age, who were found to be good at managing micro-financed enterprises and paying borrowed capital.

According to the SDO Community Development Facilitator, Marilyn Gomez, interviewed on 23 March 2010:

- Service delivery to generate livelihood and employment opportunities for the city constituents have been addressed effectively by the city government through its SDO.
- After a strategic planning session held in 2008, the focus of this office has been on entrepreneurship—start-up and growing existing enterprises and conducted by batch (15–30 per batch). So far, the SDO has run seven batches of the entrepreneurship programme.
- The GYB/SYB trainer conducted earlier trainings on entrepreneurship but for more than a year now he has been working in Africa. In his place, other enterprise development experts from DTI and NIRD—conduct the trainings.
- After the training, micro-finance packages are offered by the city government and mentoring services are provided by the DTI and NIRD resource persons.<sup>28</sup>

In addition to government, the local universities, and a number of non-governmental organizations participate in and contribute to local employment promotion efforts, either operating independently from or in collaboration with the city government.

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<sup>28</sup> See Section 2.7.4.

## 2.6 The universities in Dumaguete

Because of their long history and the defining role they play in the city, the four universities in Dumaguete are perceived, to be able to influence the thinking of city hall with regard to overall development policy and employment strategies even though this influence is indirect. Often these universities being the local stimulant of economic growth and persistence in advocating specific positions on city development issues are considered (even by the local chief executive himself) along with its ally social development and environment organizations more influential in terms of policy setting than the commercial sector.

Silliman University for example, which is one of the oldest universities in the country, established in 1901 by American Protestants, is very influential in the decision-making process and planning of the city. By way of example, representatives of Silliman University were able to defer construction of a port terminal that required reclaiming a portion of the bay. The project was supported by the city government but opposed by members of the Silliman faculty who pointed out that the project would pose environmental hazards within the coastal perimeter of the construction site and which ran counter to the vision of the city in keeping the local environment sound and sustainable. The city council, pressured by the university, temporarily shelved the project (2005) but it has since been revived and the national government through Philippine Ports Authority has recently completed a passenger terminal located on an area which the latter had previously reclaimed.<sup>29</sup>

The Negros Oriental State University is another university that provides skills training programmes in addition to its formal degree courses. These programmes include cosmetology, hair cutting, cooking, electrical and mechanical technician work, and driving. This programme was started following the passage of a city ordinance that allowed this state university to offer this kind of training to members of the unemployed and underemployed sectors of the city.

For example, faculty of the University's College of Arts and Sciences spend their Saturdays and Sundays offering this training, as required and on a case-to-case basis, whenever the government or an association for example has counterpart funds available to pay for the training to be provided.

This is a good example of where existing facilities and teaching personnel are able to be harnessed in support of livelihood training programmes.

## 2.7 The social development non-governmental organizations

Many non-governmental organizations (NGOs) in the city assist in the overall employment promotion efforts of Dumaguete in different ways. Some of these higher profile NGOs active in this field are outlined below.

### 2.7.1 The Habitat for Humanity International

This international organization has been instrumental in helping the city construct several housing communities in the city for the 325 families that had to be relocated from the port area to a healthier environment that has access to water, electricity, day care centers, a health center, and elementary school classrooms as well as opportunities for livelihood through the assistance of another support organization—the Consuelo Foundation.

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<sup>29</sup> According to one source, the main objection of the university was not so much environmental *per se* but rather locational in that the building of the seaport would impact on the local surroundings of the university and its image as being a “university by the sea”. Nevertheless, this anecdote illustrates the power the universities hold over local government.

### **2.7.2 The Consuelo Zobel Alger Foundation**

The foundation is involved in micro-financing support activities. It has also funded and facilitated organizational and leadership skills training programmes, entrepreneurship activities, reproductive health for women and youth, theatre arts for the youth, and family life enrichment. It is the NGO which initially provided assistance to the Habitat community-based cooperative. It offered loan funds to the cooperative to enable some of them to buy and operate the Easy Ride (a mode of transportation similar to the jeepney, but which is smaller in scale).

The development of this viable transport livelihood scheme was thought of even before the relocation of the families started from the port to the housing resettlement site as an answer to the accessibility of alternative economic opportunities for the affected families, especially for the men.

### **2.7.3 The Mother Rita Barcelo Outreach and Livelihood Corporation and the Scandinavian Children Missions**

These organizations became partners of the local government unit in a number of projects including values formation, micro-financing, building houses, technical assistance, and livelihood training.

### **2.7.4 The Negros Institute of Rural Development**

According to a phone interview with Grace Deguit of the Negros Institute of Rural Development (NIRD) in March 2010 in relation to training resource for SDO on strategic planning and enterprise training, the NIRD was started in 1995 and is affiliated with the Philippine Network for Rural Development (PNRD). They are servicing the entire island of Negros—with community organizing areas and trading centers mainly in Bayawan, Escalante, San Carlos, Kanlaon, and Dumaguete City for the present but the entire island of Negros across two provinces—Oriental and Occidental Negros are their long-range locus of development work.

NIRD programmes and services are biased towards rural development, sustainable agriculture and organic-based farming, and off-farm economic activities. Their beneficiaries include the marginalized sectors specifically women, youth, and children and informal sector workers such as farmers, *hardineros/hardineras* (gardeners), *tinderos/tinderas* (vendors), and domestic helpers.

Across different projects they have two main sources of funding for their organization made possible through the support of the PNRD. These two sources include the German-based *Bread for the World* and Netherland-based *Inter Church Council for Development*. It also gets support from *Action Aid International*.

For projects addressing specific concerns and needs of their target sectors, they are dependent on external support which is provided on a project basis. However, when a project ends, the organization ensures there is ongoing support to project clients and beneficiaries based on their organizational agenda. This agenda is continually being assessed against the progress and the emerging challenges met by the sectors they are servicing.

As Ms Deguit recalled, when this organization began its work the main concern of the rural people of Negros was land ownership and so they organized with a goal of facilitating the legal hold over lands claimed by the agrarian reform beneficiaries. These people were provided with learning and action opportunities for approaching government and specifically, the DAR. They were able to facilitate (with the direct actions of concerned communities) the securing of over 10,000 ha of agrarian reform covered lands.



From 1995–1998, after enabling the people to secure their lands, the concern of these agrarian reform beneficiaries shifted and became focused on being able to develop their lands productively and in a sustainable manner. Recognizing the beneficiaries would not be able to pursue such a follow-up goal without the necessary external agricultural development support, NIRD provided these people again with issue awareness raising and action opportunities in approaching the Department of Agriculture which has a package of programmes and services that is free of charge including agricultural technology, training, and production inputs. This is oriented towards the production and processing of the basic resources of Negros Island—rice, vegetables, and sugar for agricultural farm crops (and fish, hogs, and chicken for livestock resources).

From 1998 and onwards, and with the onset of the Asian financial crisis, the main concern of this group shifted again towards the need to ensure that prices set for their commodities and actual sales outweighed costs of production. A related need was to get their product to market without the need for brokers (which cuts down their potential earnings). Again training was provided; this time in productively using their lands, processing their produce and developing their own rural enterprises and industries.

- The first stage in this process was to develop and market their produce in specific trading centers in the province for food and nutrition self-sufficiency in Negros Island. The serious challenge encountered with marketing of rice was that many brokers mix their organic rice and their chemical-based rice. Direct marketing became quite a challenge.
- The second stage was to actually undertake direct marketing and this required strengthening entrepreneurial capacities of the target beneficiary sectors. But production supply for direct trading remained limited and there was a need to go back to upgrading capacities for producing volume of quality of supply rice, sugar, and vegetables.
- The third stage is something they are currently working on—moving towards establishing a micro financing facility to support local women-run micro-enterprises that create economically, socially, and environmentally farm and off-farm jobs and workplaces.

### **2.7.5 The relationship between NIRD and SDO**

Nationally, NIRD is affiliated with the PNRD. It is also actively involved at the regional and provincial levels. However, at the city council level NIRD works through the SDO.

NIRD involvement in delivering the training services of the city government has arisen because of personal networks developed at the time when the Social Welfare and Development Office first devolved from being a DSWD national function to that of an LGU office.

Together they have worked for the rights of women, youth, children, and informal sector workers. They have a network of fellow NGOs and civil society groups monitoring the movement of child and young workers from the rural areas to the cities. To the extent possible efforts are coordinated among them to forestall the trafficking of women and young workers beyond the island borders of Negros. In Manila, they are able to connect with Manila-based national organizations operating in this area of concern such as the Visayan Forum.

### **2.7.6 Friends of the Banica River and Environment of Negros Oriental**

In 1998, the City Environment Council was formed in Dumaguete together with the CENRO (City Environment Office). Local advocates of environmental protection from the private citizenry as well

as from the universities who had not yet formed an environmental watchdog organization were asked to join the Council.

The initial advocacy started informally with the issue being the use of styrofoam for snacks which was the source of much pollution because of careless discarding. According to one of the participants, the group was laughed at in the beginning because nobody understood the connection. Persistence paid off and finally there was a breakthrough and they were able to launch a campaign directed at businesses—especially the restaurants and eateries—not to use disposable plastic but which were encouraged instead to use washable plates or other local biodegradable alternatives for serving meals and dishes.

There is no shortage of advocacy on the part of civil society regarding the environment—all these advocacies are addressed to the government, residents and businesses and the general public. Their advocacy continued and was formalized in 1999 as *Friends of the Banica River and the Environment Inc.* which was born in response to the degradation of the Banica River in Dumaguete. However, its mandate has since broadened to address a wide range of environmental concerns and bring these into the realm of public debate. Recent issues being addressed have included:

- the effect of dumpsites located upstream of the Banica River which causes water degradation and aggravates flooding;
- The felling of acacia and other trees for development which has altered the character of the city;
- issues associated with garbage disposal to ensure it is done in an environmentally responsible manner; and
- visual distractions created by billboards and other forms of outside business advertising.

## **2.8 The local business and investment promotion support facilities**

Three organization need to be mentioned.

### **2.8.1 The local chambers of commerce**

The province has two local chambers operating on a province-wide basis. These are the Negros Oriental Chamber of Commerce and Industry and the Filipino-Chinese Chamber of Commerce of Negros Oriental. Both are based in Dumaguete City.

The Negros Oriental Chamber of Commerce and Industry is the principal organization representing the positions and interests of the local business community across the many municipalities and cities throughout the entire province of Negros Oriental pertaining to economic, labour, and social policy issues.<sup>30</sup> For many years its membership base has covered more than one hundred enterprises. About half of the members are actively engaged in public policy advocacy work. As the chamber has demonstrated that it is able to positively influence the institutions of local governance and the environment for growing economy in the city in a manner that is beneficial to and felt by members, many more members are now becoming active in chamber work.

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<sup>30</sup> Interview with the Negros Oriental Chamber of Commerce President Manuel Sagarbarria, who is also a legislative council member of Dumaguete City, April 2010.

Its current president (as of writing of report) is an elected member of the city government legislative council and at the same time a founding member of the Negros Oriental Investment Promotion Center—responsible for bringing in new investments into the city.

### **2.8.2 The Negros Oriental Investment Promotion Center**

This center was established as a private sector initiative to stabilize and sustain the economic and business environment for the entire province of Negros Oriental in order to attract and facilitate the entry of new business while keeping existing business investments in the province, regardless of who is positioned in the provincial government.<sup>31</sup>

## **3 Training for enhancing Youth Employability Programmes with ILO-CIDA support**

Dumaguete City was selected as one of the eight localities to pilot strategies and tools in assessing the youth unemployment situation and in choosing and institutionalizing necessary interventions within the LED framework under the ILO-CIDA-PYEP.<sup>32</sup> The pilot programme was conducted as a specific sequence of events, each designed to build upon the knowledge gained in previous steps and with the opportunity to adapt the programme in the light of new knowledge. The principal activities undertaken are described below.

### **3.1 The youth profiling survey as a basis for crafting local strategies**

In 2006, with funds from CIDA, ILO-Manila commissioned TNS to conduct a youth profiling survey in an attempt to establish the socio-economic and employability conditions of different youth segments—the students, the job-seeking unemployed, the non-job-seeking unemployed, the wage earners, and self employed—of Dumaguete City and in other selected locations where the programme was to be piloted.

TNS covered in the survey process, the responses of 200 young women and young men of the city between the ages 15 to 30 years old (i.e. the youth segment). The study confirmed previous results on the state of unemployment and underemployment of youth of the city. It complemented existing city LGU data with data specific to the circumstances of particular youth segments facing risks of unemployment and underemployment. Because of the way it was structured it was able to segment the different youth groups.

The study showed that youth unemployment could be attributed mainly to inadequate formal schooling, lack of employable and entrepreneurial skills and the absence of local economic opportunities that matched the circumstances and skills of the youth. Thus there were individual, local and national factors each contributing to the unemployment and underemployment problems of Filipino youth, and (in this instance) specific problems of youth in Dumaguete City. Highlights of the survey are shown in the next page.

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<sup>31</sup> Based on interview with Cindy Uy, Negros Oriental Investment Promotion Center, March 2010. More details are available on its website at <http://www.investorial.com>

<sup>32</sup> Based on PYEP project activities, report, and materials submitted by ILO service providers, consultants, and Dumaguete City LGU.

### 3.1.1 Summary of local youth profile

- **Economic class**—Three in five (60 per cent) belonged to income class D, one in three (28 per cent) to income class C and only one in 10 (12 per cent) belonged to income class E. Compared to other surveyed localities, Dumaguete City has the lowest rate of youth belonging to family income class E.
- **Age group**—One in three (33 per cent) belonged to age group 15–19 years old, one in four (25 per cent) to age group 20–24 and one in three (27 per cent) belonged to age group 25–30 years old.
- **Civil status**—Two in three (70 per cent) were single/never married while one in two (30 per cent) were married/living with a partner.
- **Educational attainment:**
  - Half (50 per cent) of the youth had some/completed secondary education with three in four of them (74 per cent of the 50 per cent) having completed secondary education and one in four of them (26 per cent of the 50 per cent) with some secondary education.
  - Two in five (40 per cent) of the youth had some/completed vocational/college education with five in eight of them with some college education, two in eight had completed college education and one in ten had completed high school.
  - One in 10 (10 per cent) of the youth had some/completed high school education.
- **OFW remittances**—18 per cent of them received OFW remittances.

#### Youth employment segments

- **Self-employed:**
  - One in six (15 per cent) of the surveyed youth were employed/self-employed.
  - Four in five (80 per cent) of the 15 per cent were wage-employed by others.
  - One in five (20 per cent) of the 15 per cent were self-employed.
  - Three in five (60 per cent) of the 15 per cent were underemployed—with one in three (36 per cent) of them wanting more work-hours in their present job, another one in three (31.7 per cent) were looking for other jobs with more hours to replace their present job, and another one in three (31.7 per cent) were looking for other jobs in addition to their present job.
- **Students:**
  - One in two (47 per cent) were students with one in 25 (four per cent) of them working students.
- **Unemployed job seekers:**
  - One in 10 (12 per cent) were unemployed and were actively seeking jobs.

- **Youth not in the labour force:**
  - One in four (26 per cent) were also unemployed but were not actively seeking a job.

### **Definition of decent work**

- **Across segments**, in multiple responses, the youth of the city associate the concept of decent work with the following:
  - One in two (52 per cent) associated decent work with the level of wages or compensation received. (This reinforces the view of the Career Assessment and Placement Officer of Silliman University who said (2010) that even with BPO firms and other employers relocating to the city, their graduates move out to Cebu and Manila as the payment is higher in those places and they are offered better overall compensation packages).
  - One in three (33 per cent) associated decent work with the nature of job provided them.
  - One in four (26 per cent) associated decent work with level of financial security gained.
  - One in 20 (5 per cent) associated decent work with the reputation of the company.
- **Across localities**
  - One in two of the youth across five of the seven surveyed localities (La Castellana in Negros Occidental, Marikina City, Dumaguete City, Guimaras Province, and Davao City) **regard wages and compensation received as the topmost defining element of a decent work**. A great majority of the youth, however, in Cotabato City, (68 per cent) and Concepcion, Iloilo City (41 per cent) commonly regarded the nature of the job as the topmost defining element of decent work.
  - Two in five of the youth in Guimaras (38 per cent) and Dumaguete City (33 per cent) **commonly regard the nature of job as the second topmost defining element of a decent work**, next to wages and compensation.
  - One in three of the youth in Guimaras (32 per cent) and Concepcion (29 per cent) and one in four in Dumaguete City (26 per cent) **commonly regard financial security/stability gained as the third most defining element of decent work**.

### **The self-employed youth**

- Only one in six (15 per cent) of surveyed youth in Dumaguete City constituted the employed/self-employed.
  - As noted, only a few of these were self-employed. According to the city mayor, the local people in Dumaguete lack an entrepreneurial spirit and are risk-averse even when services are available to assist them into self-employment.
- **Household income class:**
  - More than a half (55 per cent) of the surveyed youth in Dumaguete City belonged to income class D.
  - Two in five (38 per cent) belonged to income class E.
  - One in 10 (7 per cent) belonged to income class ABC.

- Compared to other localities, the youth in Dumaguete City were relatively well-off. There was a higher number of young people belonging to income class ABC and a lower number of people belonging to income class E.
- **Gender, age, and civil status:**
  - Three in five (60 per cent) of the self/employed were males, and two in three (40 per cent) females.
  - Three in five (66 per cent) belonged to the 25–30 age group and two in five (34 per cent) belonged to the 15–24 age group.
  - Three in five (59 per cent) were married/living in and two in five (41 per cent) single/never married.
- **Employment status:**
  - One in two (49 per cent) were employed with regular status.
  - Two in five (36 per cent) were working on a contractual basis.
  - Others did not indicate their employment status.
- **Sources of information in job search—friends and relatives (in multiple responses):**
  - Three in five (61 per cent) had their friends as primary sources of information in their job search process.
  - One in 20 (6 per cent) have other sources of information.
- **Standards in accepting job:**
  - One in five (22 per cent) said they would accept any job, whatever the conditions.
  - One in five (19 per cent) said they would accept a job if it was stable, well paid, and appropriate to their level of qualification.
- **Inclination to work abroad:**
  - Among these already employed or in business, only two in five (36 per cent) expressed an inclination to work abroad but only if accompanied by good conditions of work and life. Comparing to other urban localities fewer Dumaguete youth are inclined to work abroad. Example: Concepcion, Iloilo (35 per cent) and Cotabato City (22 per cent).
- **Minimum monthly salary required:**
  - The youth of Dumaguete City generally expect at least the minimum wage.
- **Actual conditions of work:**
  - Only one in four (24 per cent) of self/employed youth had written contracts.
  - More than half (54 per cent) received benefits other than their salaries.
  - Two in three (66 per cent) enjoyed security in their business/work.
- **Belief in equality between men and women:**
  - A very high percentage of the female and male employed/self-employed youths (85 per cent) believed that men and women have equal opportunities.

- Compared to other localities, Dumaguete City (85 per cent) and Marikina City (84 per cent) youth had the highest percentage of youth believing in equality of opportunities of men and women in the workplace. This result was far higher than the percentages obtained in other cities (Cotabato City, 55 per cent and Davao City, 50 per cent), municipalities (La Castellana, Occidental Negros, 62 per cent; Concepcion, Iloilo, 30 per cent), and province (Guimaras, 50 per cent). This may be a reflection of greater levels of sophistication—linked to education— in these two localities.
- **Unionism:**
  - One in 10 (7 per cent) of the youth indicated they were member of a union.
  - The reasons given by those employed youth who were not members of a trade union were as follows: (i) one in three (32 per cent) were not aware of any union in the workplace; (ii) one in six were not interested in public affairs (16 per cent); (iii) one in six had never considered joining (16 per cent); (iv) one in 10 (8 per cent) had never been approached to join; (v) one in 20 (4 per cent) did not have time for union activities; (vi) the same percentages were obtained for youth having a negative view of a union, (4 per cent); and (vii) found it messy and complicated to join a union (4 per cent).

### **The students**

- **One in two (47 per cent) of the surveyed youth were students:**
  - In comparison to other localities surveyed, Dumaguete City had the highest percentage of students of the youth surveyed. Davao City obtained two in five (41 per cent) while the rest recorded far lower percentages—La Castellana (36 per cent), Cotabato City (34 per cent), Marikina City (31 per cent), Concepcion (31 per cent), and Guimaras (28 per cent).
- **Household income class:**
  - Three in five (65 per cent) of the surveyed youth classified students in Dumaguete City belonged to income class D.
  - One in five (18 per cent) belonged to income class ABC, a little higher than the percentage (17 per cent) of those in income class E.
  - Compared to other localities, the in-school-youth in Dumaguete City were relatively well-off. Although, it ran second to Marikina with the highest percentage of students (27 per cent) in the higher income class; it demonstrated higher percentages than Davao City (7 per cent), Cotabato City (2 per cent) and La Castellana, Guimaras, and Concepcion (0 per cent).
  - Again comparing to other localities, it was second to Marikina (11 per cent), with the lowest percentage of students in income class E.
- **Gender, age, and civil status:**
  - Three in five (60 per cent) of the students were males.
  - Two in three (70 per cent) of the students belonged to the 15–24 age group.
  - A significant percentage of the students—three in five (59 per cent)—were married/living with a partner, and many of those in this category were living with migrant students—those coming from other parts of the province, region, and country.

- **Inclination/aspiration to work (multiple responses):**
  - A great majority (86 per cent) of the students indicated plans to work in the future.
  - One in six (16 per cent) of the students planned to start a business of their own.
  - Two in three (70 per cent) of the students indicated they wanted to finish school and work abroad.

### **The youth not in the workforce**

- **One in four (26 per cent) of the surveyed youth were not in the workforce:**
  - Compared to the other localities surveyed, Dumaguete City had the second lowest percentage of youth not in the workforce (after Marikina City) with only one in five (21 per cent).
  - Davao City obtained one in four (28 per cent) and the rest obtained far higher percentages— La Castellana (30 per cent), Concepcion (32 per cent), Cotabato City (34 per cent), and Guimaras (40 per cent).
- **Household income class:**
  - More than half (56 per cent) of the surveyed youth who were classified as not in the workforce belonged to income class D.
  - One in 10 (10 per cent) belonged to income class ABC.
  - One in three (35 per cent) belong to income class E.
- **Gender, age, and civil status:**
  - Three in four of the youth (73 per cent) not in the workforce were females, while one in four (27 per cent) of the same youth segment were males.
  - More than half (52 per cent) of the same youth segment were in 25–30 age bracket and the rest were below 24 years of age.
  - Three in five (62 per cent) of the same youth segment were married/living with a partner.
- **Reason why they are not actively looking for work especially women youth constituting the majority:**
  - More than half of this youth segment (56 per cent) gave their reason for not looking for work as taking on family related responsibilities such as child-rearing.
- **Aspiration/inclination to work/start a business:**
  - Almost half of this youth segment (48 per cent) indicated they still had plans to work in the future and of those with plans, 35 per cent indicated an intention to work in the next one or more years.
  - Of those planning to work, 48 per cent wanted to be employed by a firm and 44 per cent indicated they wanted to start a business of their own—typically specifying this as a sari-sari store, grocery, or getting into buying and selling.



- **Resources and skills needed to get into job/business they wanted (multiple responses possible):**
  - capital (52 per cent)
  - finishing college (52 per cent)
  - communication skills (28 per cent)
  - information technology (14 per cent)
  - knowledge in business and entrepreneurship (10 per cent)
  - vocational/technical skills (6 per cent)
  - in comparison to other localities, youth not in the workforce are least interested in saying they need knowledge of business and entrepreneurship to get into job or business they wanted.
- **Aspiration/inclination to work abroad:**
  - More than half (52 per cent) of the youth in this segment (even those constrained by child rearing or family duties) expressed an inclination to work abroad given the opportunity and sufficient compensation.
  - In comparison to other surveyed localities, Dumaguete City had the highest percentage of youth in this segment who were inclined to work abroad. Marikina came second with 47 per cent of youth who were inclined to work abroad while the remainder showed far lower percentages:
    - 41 per cent in Guimaras
    - 31 per cent in Concepcion
    - 29 per cent in La Castellana
    - 27 per cent in Cotabato City
    - 16 per cent in Davao City

### **The unemployed job-seeking youth**

- **One in 10 (12 per cent) of the surveyed youth were unemployed job-seekers:**
  - In comparison to other localities surveyed Dumaguete city neither obtained the highest nor lowest percentages for unemployed job seeking youth. Unemployed job seeking youth were extremely high in the highly urbanized area of Marikina City (19 per cent), and very high in rural agrarian communities such as La Castellana (15 per cent) while they were very low in Cotabato City (6 per cent), Concepcion (8 per cent), and Guimaras Province (9 per cent).
- **Household income class:**
  - Three in five (58 per cent) of the surveyed unemployed job seekers in Dumaguete City belonged to income class D.
  - Two in five (42 per cent) of the unemployed youth belonged to income class E.

- There were no unemployed job seeking youth who belonged to the combined income class ABC. (If there were unemployed youth in this income class, they were the ones who opted and could afford not to seek for job in the immediate or foreseeable future).
- **Gender, age, and civil status:**
  - Unemployed job-seeking youth in terms of gender were split evenly between females (50 per cent) and males (50 per cent).
  - Two in three (70 per cent) belonged to ages 15-24 and the rest are classified within 25-30 age bracket.
  - Two in three (71 per cent) were single/never married. And the rest were married/living in.

### **3.2 A youth-focused local employment planning forum**

The city government, with ILO-CIDA funding and technical support, organized a multi-stakeholder youth employment consultation and planning forum in February 2007. LGU officials, along with representatives of private and public sector agencies, including representatives of the local BPO-ICT industry met for one day and discussed the results of the 2006 youth employability survey and the 2005 preliminary results of this case study.

A total of 31 local people (five from the ILO composite team) participated in the forum. A list of participants is provided on page 54.

The forum, through workshop groups outlined below, identified and analyzed the current advantages and shortcomings within the city's youth development and employability programmes as well as the economic growth sectors and present job opportunities in the city that could be harnessed to promote youth employment. The discussion also developed recommendations to provide the appropriate skills training with regard to the needs of the business sector and the roles to be played by institutions in facilitating employment of different youth segments.

The processes included the brainstorming of opportunities, assessment of these opportunities, youth profiling, and further assessment of employability constraints as well as enabling factors.

At the end of the process, specific recommendations arising from the meetings were drawn up and are outlined below.

#### **3.2.1 Workshop 1: Brainstorming**

Participants agreed that the recent economic data available for Dumaguete City indicated high economic and job growth potential of the information technology (IT) and IT-related businesses in the city such as those of SPI Technologies<sup>33</sup>, Teletech<sup>34</sup> and a number of medical transcription and software development firms. Tourism was also identified as another industry capable of generating new jobs and which had grown consistently in recent years. Following discussion, participants identified the following economic and job growth sectors within the next five years from February 2007 for Dumaguete City.

##### **Agri-business**

Identified were businesses and jobs producing, processing, and supporting poultry, hog, chicken, seaweeds, meat and fish processing, vermi-culture, and organic farming.

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<sup>33</sup> A wholly owned subsidiary of ePLDT, the "e business" arm of the largest telecoms company in the Philippines.

<sup>34</sup> Another top contact center processing company and associated with PLDT.

### **Services**

Identified were businesses and jobs related to catering, massage and spa therapy, repair shops, ticketing, banking, laundry, security, hotel, transport, carwash, funeral parlour, hair salon, and barber shops.

### **Education, training, and ICT services**

Identified were businesses and jobs in ICT, call center, and medical transcription skills training services; internet, photocopying, and encoding services such as those provided by SPI Technologies, English instruction, care giving services, vocational training in piping, electrical, plumbing, refrigeration, computer programming, tutorial, and improving basic literacy.

### **Housing, construction, and infrastructure**

Identified were businesses and jobs in construction materials production, sand gravel, wood, wholesale retail-construction materials, supplier of professionals-architects, engineers, other skilled and semi-skilled workers such as plumbers, housekeeping utility workers, architects, contractors, electricians, drivers, mechanics, engineers, security guards, janitorial services, and health services.

### **Tourism and transportation**

Identified were businesses and jobs related to travel agencies, tour guiding, island tours, resorts operation, driving services, trade fairs, handicrafts making, ethnic and cultural shows, performers, dance troupe, eco-tourism, mountaineering guiding, advertising agencies and promotions, laundry, media, flower shops, rent a van, boats, and security agencies.

### **3.2.2 Workshop I: Top three assessed priority business opportunities per sector**

Having identified a spectrum of opportunities, the instruction given to the participants following the brainstorming process was to pick the top three business and job-generating opportunities for each sector from the listings; then identify market potential, technology, financing, labour, and other considerations needed to realize the opportunity. The results are outlined in the following tables.

**Table 3-1: Education, training, and ICT**

Type of business	Market potential	Technology	Financing	Labour	Other factors	Sunrise-sunset micro, small, medium, large	Job titles
Business process outsourcing	High	High	High	Good hiring capabilities	None	Sunrise-large	Copy editors, Managers, Team leaders
Basic vocational-electrical, refrigeration	High	High-existing	High	High-trainers available	Buildings for training facilities	Sunrise-medium	
Caregivers training	Medium	Medium	Medium	Medium	Medium	Non-micro	

**Table 3-2: Agribusiness and services**

Type of business	Market potential	Technology	Financing	Labour	Other factors	Sunrise-sunset micro, small, medium, large	Job titles
Organic farming	High	High	High	High	None	Sunrise-micro	
Food processing	High	High	Medium	High		Sunrise – micro	
Hotels and restaurants	High	Medium	Medium	High	High	Small, medium	

**Table 3-3: Housing/Construction and infrastructure**

Type of business	Market potential	Technology	Financing	Labour	Other factors	Sunrise-sunset micro, small, medium, large	Job titles
Construction - buildings	High	High	High	High	None		
Public infrastructure	High	High	Medium	Medium	Sand for asphalt roads		
Domestic housing – low and high end	High	Medium	Medium	Medium			

**Table 3-4: Tourism, infrastructure, and transportation**

Type of business	Market potential	Technology	Financing	Labour	Other factors	Sunrise-sunset micro, small, medium, large	Job titles
Hotels and restaurants	High	High	High	High	Safety, legal requirement high	Sunrise – small and medium scale	Chefs, cooks, public market people
Travel and tours	High	Medium	Medium	High	Legal, policy requirement	Sunrise	Tour guides, travel agents, drivers
Souvenir shops	High	Medium	High	High	High	Sunrise – micro, small	Makers
Rent a van; boat rental businesses	High	Medium	High	High	Legal, policy requirement	Sunrise-micro	Entrepreneurs, etc.

### 3.2.3 Workshop II: Towards developing an action plan for employment creation

Participants were asked to address three issues:

1. What are the obstacles and threats to the identified sectors/job opportunities?

2. What are the competitive advantages or other factors that will help the sector grow so it will create more employment opportunities?
3. What are the recommended action points, who will be the lead implementor and what support will be needed?

The results of this discussion are presented in the table below.

**Table 3-5: Towards developing an action plan**

Sector	Obstacles	Competitive advantage	Recommendation	Implementer(s)	Support needs
<b>Education/Training/ICT</b>					
Business process outsourcing (SPI)	Competition (to other IT businesses); skills and proficiency of workforce	Ability to hire variety of skills	Lobby local policies regulating IT companies (ratio of labour force versus market)  Schools must intensify training for English proficiency and computer literacy	LGU City and Province Schools	Community and IT businesses
Basic vocational-electrical, refrigeration	Change of political leadership	Available TESDA accredited trainers and infrastructure	City council ordinance re: budget allocation	CLHIDO	Community support-civic groups, church organizations, NGOs (equipment and additional funding)
Caregivers training	Cost of education	Quality graduates Job opportunities abroad	Government develop training programmes to bring down the cost	LGU	Government infrastructure funding Coordination with job placement agencies
<b>Agri-business and Services</b>					
Organic farming	Unavailability of organic fertilizer Limited production Few farmers practice the method	More people patronize; cost of production is cheap; the product is also very cheap	Encourage more suppliers/farmers to do organic farming to maximize production through education and information campaign	City Agriculture Office	Funding to hire technical people, educate farmers on organic farming
Food processing	No start up capital	Cheap	Tap microfinance groups	LGU; Agriculture Office	Funding; assist firms achieve standards required by DOH, food and safety agencies
<b>Housing/Infrastructure and Construction</b>					
Construction – buildings Housing and infrastructure	Bureaucratic red tape; under-payment of workers, increasing cost of construction materials Housing-funding source for socialized ones	Available supply of raw materials; availability of skilled labour-presence of schools; ability to pay clients-OFWs and foreigners	Advocacy to concerned agency; transparency, cut red tape	Private sector-GO partnership Infra/Housing construction	Manpower, financing, raw materials, policies, enabling environment
Health service cooperative	Undue competition of health services; self interest, information bias	Affordable health services	Advocacy to community especially coop members	Cooperative	Strong education and marketing

Sector	Obstacles	Competitive advantage	Recommendation	Implementer(s)	Support needs
<b>Tourism and Transportation</b>					
Hotels and restaurants	Inadequate air and sea transportation; Lack of DOT accreditation	Affordability and accessibility	Data for inbound and outbound passengers	Hotel and restaurant associations, City and Provincial LGU	Invitation of investors by LGUs Air and sea transport support
Travel and tours	Inadequate tour package sources, majority not accredited by DOT; unskilled tour guides	Potential market virgin destinations	Relaxing rules, ordinances regulating travel agencies	Association of travel operators; LGUs	Appropriate trainings; formulation of strategy to attract more tourists
Souvenir shops	Lack of packaging technology; unskilled manpower; inadequate production and marketing	Availability of raw material; potential idle manpower	Media exposure	Association of arts and heritage; LGUs	Skills training and quality control; showcasing of local products
Rent a van; boat rental businesses Gasoline station	Limited operation of vehicles; poor condition of vehicles Hazardous smoke	Courteous drivers; lower rates Increased demand for fuel	Appropriate location	Private operators; LGU; private sectors	Local ordinance to regulate operators

### 3.2.4 Workshop III: Identifying constraints to implementation

Having identified both the opportunities and the action plan to create job opportunities, the next task was to link the opportunities to the various youth segments identified so that their specific needs could be addressed. Looking at the issues from this angle involved addressing a further three questions:

1. What prevents the youth from linking to employment opportunities mentioned in Workshop I and II?
2. What factors will help the youth to link with these opportunities?
3. What are the recommended action points? Who are directly/indirectly responsible?

**Table 3-6: Workshop III: Results**

Youth segment	Attitude, knowledge, skills	Non-learning factors	Disabling factors	Facilitating factors	Recommendations	Lead implementer and support needs
Employed/ self-employed Unemployed job seekers	Employed-self employed – looking for better jobs Unemployed: choosy ones- most are college graduate, wrong attitude, have OFW parents or well -off; back to school		Wrong values	Financially able, family support	Employability: Acquire higher learning, upgrade skills; assistance in getting better quality jobs for already employed Entrepreneurship, planning for additional small business	DEPED, TESDA, CHED, DOLE, PESO, parents and friends– motivation and career guidance

Youth segment	Attitude, knowledge, skills	Non-learning factors	Disabling factors	Facilitating factors	Recommendations	Lead implementer and support needs
Employed/ self-employed Unemployed job seekers	Not actively seeking job Attitude—low self confidence; no focus Dependent on parents or have adequate support No motivation syndrome – those involved in drugs or alcohol Knowledge – low and lack of competence Skills: Low	Lack of funds for job search	Cultural barriers – after school bound to care for parents and siblings; discrimination in the workplace; red tapes; lack of funds for scouting for jobs Lack of focus due to household chores	Highly skilled	Employability: training and job fairs, mechanisms for child care Entrepreneurship: rich-have capital but may need training, technical assistance and market information	PESO, TESDA, LGUs, NGOs,  Policies, career guidance
Students	Not ready in terms of KSA (medium rated)	Parents dictating what courses to take white collar jobs preferred	Financial – how to finish their education; choice of education	Young, more qualified and prioritized for job hiring; they can be easily taught	Employability: career guidance for parents and students; schools must be aware of market demand and students helping in household farms and related work Entrepreneurship: introduce this in their education; information drives “Education” for parents and getting them involved Employability-special skills training; career guidance Entrepreneurship-Training	DOLE, TESDA, PESO, CSSDO, National government for support system
Disadvantaged Youth	Inferiority complex, lack self confidence, discrimination Lack of knowledge Lack of access to good schools Limited skills and training	Physical and financial disabilities	Limited employment opportunities	Good work attitude	Same as above	LGUs, PESO, NGOs Labour laws, special legislation
Migrant workers in particular	Unfamiliar, limited skills	Board and lodging costs	Limited employment opportunities	Good work attitude		LGUs Special laws for migrant workers

Modern industry needs an IT literate labour force to sustain its growth while specifically, the tourism industry needs skilled and semi-skilled labour in order to provide tourism related services. Both industries also need other support enterprises which were identified by the local stakeholders attending. Hence, the decision of the LGU to prioritize the development and running of courses on IT,

tourism and entrepreneurship as part of its short-term interventions on youth unemployment for the city and which the ILO-PYEP supported.

In order to help improve the employability of young women and young men in Dumaguete City, the LGU proposed a youth skills training programme that would be opened for in-school-youth, unemployed youth, disadvantaged out-of-school-youth, as well as employed young women and men who preferred to engage in more productive and gainful employment.

### **3.3 A short-cycle YE intervention programme**

The third step involved the design of a short-cycle YE intervention programme demonstrating the usefulness of survey-based, resource-based and multi-stakeholder-based planning

Given the support given by the city government to the PYEP Project of the ILO-CIDA, around 200 young women and young men were targeted for training in various IT, tourism, and related courses in partnership with the different government agencies including TESDA, DOT, and others. The locally-designed programme was aimed at enhancing values, industry/trade skills, and the entrepreneurship base of local unemployed graduates.

As an adjunct to this programme, the city provided two tracks of post-training employment facilities for the youth. One track was geared towards getting trainees employed in the labour-short and high-paying BPO firms. A second track targeted potential entrepreneurs and was geared towards enabling them to start-up their own service shops. Five IT modules were selected as course offerings, namely:

- Basic Computer Skills
- Computer Aided Design (AutoCad)
- Computer Trouble Shooting
- Webpage Design
- Graphics Design

Two practical short-term courses based upon the recommendation of the City Tourism Officer were also included, namely:

- Housekeeping
- Bartending

The Basic Automotive Repair training was also included based on LGU consultation discussions with the skills training agencies in the city.

#### **3.3.1 Identifying target recipients**

The next step was to conduct an information campaign on the YE Programme to generate participation by relevant intermediary groups and target participants. This information campaign publicizing the training programme components was launched on May 28, 2007 by the City Planning and Development Office (CPDO). Out-of-school and unemployed youth were invited to enrol in one or other of the various training modules.

Separate letters were sent to the city's 30 *Punong Barangays* (Barangay Chairs), various offices in the city government, the *Sangguniang Kabataan* (City Council) members, and NGOs.



Follow-up came in the form of telephone calls and visits made to these various offices to ensure that information on the training programme was properly disseminated. Interested youth were requested to proceed to the city hall for further information.

### **3.3.2 Screening of applicants and profiling participants**

Applicants for the programme were firstly interviewed to determine their interests and future plans. Each one was requested to fill out the application form and provide information on place of residence, age, parents/guardian, current educational attainment, nature of employment (if any), and first and second choice of training modules.

Applicants for the advanced IT modules were also screened as to their level of computer literacy prior to admission.

A list of training applicants and their profile was supplied as attached to the project terminal report of the city government of Dumaguete. There were 116 trainees finally selected for training of which 52 (45 per cent) were female and 64 (55 per cent) male.

Among the 116 trainees, 98 per cent had completed high school, 28 per cent of those who completed high school had started college but had stopped their further schooling for financial reasons while 12 per cent had completed college.

About 23 per cent of the trainees were employed as of early 2008 but had applied for the programme out of interest in gaining new skills or improving their existing skills. All applicants were informed that attendance on SYB training was mandatory as part of the training programme in order to offer another track to post-training employment.

### **3.3.3 Engaging local training service providers**

Recognised training providers such as ACSAT, Systems Technology Institute (STI), and the Metro Dumaguete College (MDC) were requested to submit bids to conduct the training modules. ACSAT submitted the lowest training bid for basic computer skills while STI offered lower training fees for autocad, webpage design, graphics design, and computer trouble shooting.

LGU officials involved with the programme inspected the facilities of the potential training service providers. Discussions on course content ensued with concerned programme lecturers and school administrators. The city government then entered into contracts with these learning centers, setting the terms of the training such as fees charged per student, minimum number of students, and the number of training hours.

A separate contract was prepared for the basic automotive skills with the Oriental Negros Provincial Integrated Skills Training Center, a training center owned/operated by the provincial government.

There was a delay in the approval of the contract of service due to the elections and the change in leadership in the province. Nonetheless, the contract between the local government and the ILO was approved by the Provincial *Sangguniang Panlalawigan* which allowed for the implementation of the project of the city government.<sup>35</sup>

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<sup>35</sup> Unlike the cases of those classified as highly urbanized cities; for example Davao City which satisfies the local income and population criteria and thus makes it independent in many of its administrative decisions and accountable directly to the Philippine President, Dumaguete City (although it is a high income earning LGU exceeding PhP50 M as of 1991 constant prices) does not meet the population requirement criteria of at least 200,000 and thus remains a component city of the province of Negros Oriental and directly reporting/accountable to the provincial government of Negros Oriental.

### 3.3.4 Executing the programme

The actual training began on May 28, 2007, initially by conducting the course in basic computer skills at ACSAT. The number of trainees, training dates, and training providers are shown in Table 3-7.

**Table 3-7: Training modules, schedule, and service providers**

Training module	Number of trainees			Training dates Number of hours	Training provider
	M	F	All		
Basic computer skills	9	11	20	May 28- June 13 (48 hrs)	ACSAT
	10	8	18	June 21-Sept 7 (48 hrs)	ACSAT
Computer aided design (AutoCad)	2	4	6	June 18-July 21 (60 hrs)	STI
Webpage design	4	0	4	June 20-July 13 (30 hrs)	STI
Computer trouble shooting	14	2	16	June 23-July 14 (30 hrs)	STI
Graphics design	3	1	4	June 19-July 12 (30 hrs)	STI
Basic automotive	15	0	15	July 23- Sept 15 (288 hrs)	Negros Oriental Integrated Skills Training Center
	15			June 26-27 (2 days)	Department of Tourism, Reg. 7, Cebu
Housekeeping		23	38		
Bar tending		N/A	N/A	June 28-29 (2 days)	Dept. of Tourism, Reg. 7, Cebu
Starting your business	9	11	20	June 16 (1 day)	Sectoral Desk
	13	26	39	July 4 (1 day)	City Government
	18	12	30	Sept (1 day)	

Prior to the start of any of the training course, an orientation programme was conducted to acquaint trainees with the goal of the training programme (skills development for employment and entrepreneurship), expected participation in lectures, and a mandatory attendance in the separate one-day entrepreneurship training module prepared by the ILO GYB-SYB trainer.

Basic Computer Skills Training sessions were conducted in ACSAT classrooms/laboratories with one computer per student. Advanced IT training sessions were conducted at the STI classrooms/laboratories. Basic automotive training was conducted at the Negros Oriental Integrated Skills Training Center, Barangay Talay, Dumaguete City.

### 3.3.5 Post-training trainee monitoring

The Dumaguete City government maintains a file of all training applicants, their addresses, and contact numbers. The office responsible for the programme has been in regular contact with these

trainees and inquires as to their employment or non-employment status, usefulness of their acquired skills and inform them of any job opportunities.

They will be encouraged to further take advantage of the city's other skills training programmes and other skills training programmes of the provincial government such as welding and machine shop operation. CPDO will also coordinate with the city PESO and private business on any available jobs for the trainees.

Thus far, the trainees have been connected to local enterprises through the PESO. Other trainees who earlier had no plans yet to work have pursued higher level of training and education. A tracer survey was conducted to establish the status of the training participants and identify new areas for intervention.

## **4 Way forward for the city**

Alongside and following the implementation of the ILO-CIDA supported key activities in Dumaguete, the city was pursuing a range of opportunities and addressing the policy and action challenges and constraints that go with them so as to achieve desired levels and conditions of growth, employment, and human development.

### **4.1 Promoting city-to-city partnerships on education and eco-tourism services**

According to the city government planner, promoting such partnerships is a further response of the city to the emerging challenges and opportunities arising from the ILO-CIDA programme that include: (i) the multi-stakeholder forum held in February 2007 which identified education and tourism as among the major "selling points" of Dumaguete (presented in the preceding section); and (ii) the subsequently implemented 2007 youth skills training programme, which was also geared to match the needs of the local tourism industry and which has also been discussed above.

Following such developments are education and tourism efforts supported by a number of Dumaguete city partners. These are outlined in the next sections.

#### **4.1.1 Conducting a multi-stakeholder participated value chain workshop with a focus on the education-tourism industry**

According to DTI Provincial Director Javier Fortunato,<sup>36</sup> tourism promotion is a common sectoral activity being promoted in all the four provinces of the Central Visayas region. Being an emerging sector, DTI recommended that each province in the region focus on the strength and potential of a specific sub-sector as it builds and promotes tourism and related activities. In this regard, Cebu focuses on health and wellness tourism, Bohol and Siquijor have become eco-tourism destination and Negros Oriental is promoted as an education tourism destination.

Spearheaded by DTI in cooperation with the German Technical Cooperation (GTZ), the city conducted a two-day value chain analysis workshop in the final quarter of 2007, focusing on the education-tourism industry.

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<sup>36</sup> Interview with DTI Provincial Director Javier Fortunato (April 2010). Also check the following-  
[http://www.positivenewsmedia.net/am2/publish/Tourism\\_24/DTI\\_spearheads\\_edu](http://www.positivenewsmedia.net/am2/publish/Tourism_24/DTI_spearheads_edu)

The value chain analysis was first introduced among the different city and industry stakeholders especially those active in the education-tourism industry— the academe, the transportation industry, small and medium enterprises, producers, processors, traders, and distributors, people who provide souvenir items for tourists, among others—recognizing its potential for this part of the country.

#### **4.1.2 Developing a local tourism marketing plan for the city and the province**

The city completed its tourism marketing plan with the assistance of the Australian government and that plan is now being implemented.

#### **4.1.3 Engaging in an education tourism partnership with a Korean city and schools**

During 2002-2007, there was a rising number of Korean tourists visiting the country. Every year according to the DTI provincial head, the number almost doubled and one in five of these visitors came to the city specifically for education tourism or to enrol in the English language courses being offered.

In more recent years, a high number of the South Korean students visiting the city have enrolled in 3–6 month short-term programmes on Basic English offered by the city’s private educational institutions. This rising demand has brought about the growth of learning centers outside of the formal school system specifically offering programmes on English as a second language for Koreans.

While the initial impetus to tap the Korean market was a result of the city’s desire to promote itself as a ‘clean-and-green environment’ offering ‘quality education’. Favourable responses from initial graduates of these programmes have resulted in building the reputation of Dumaguete through word-of-mouth.

All these have led the city and some of its universities to enter into a sister city agreement with the Korean government and schools.

In April 2008, a representative of the Philippine DTI visited Yeongdong City, Seoul, Korea and met with local Korean government officials to discuss establishing a partnership on educational tourism and local governance. The visit according to the DTI Provincial Director (Negros Oriental) was a response to an invitation by the Korean government to the Philippines to observe Korean city governance and education systems at work and to look at how the Korean system develops sister city relationships and promotes youth development as an integral part of their strategies to become more globalized in outlook in order for their cities to develop.

Part of the programme for the Philippine participating city and representatives was to work with one Korean LGU, Yeongdong, and they were encouraged to work on building a Dumaguete-Yeongdong relationship and to have it formalized through a Memorandum of Agreement (MOA) which normally takes a year before the cities, through the local councils, can finalize.

In May 2008, upon the return of the DTI representative, he worked toward obtaining the approval of the Dumaguete City Council to enter into such city-to-city partnership while Yeongdong officials worked in parallel towards obtaining the same from their own local council.

During this time, the DTI Office also worked toward obtaining school-to-school agreements: (i) between Yeongdong University and Foundation University of Dumaguete; and (ii) between the Yeongdong High School and Dumaguete Science High School. The MOAs were finally signed in June 2008 witnessed by the Yeongdong Mayor and Foundation University President who came to the Philippines for the occasion.

In June of the same year, Yeongdong City government officials visited Dumaguete. A memorandum of understanding (MOU) was signed between Dumaguete City and Yeongdong City in recognition of the large number of Koreans who visit Dumaguete to promote a partnership in educational tourism and governance.

As a result of that initiative, Yeongdong City will promote Dumaguete City both as a destination for English language courses and as a tourism destination. Since the signing of the MOU, Yeongdong City government officials, students and others have visited Dumaguete City on a number of occasions and met with local school officials and members of the chamber of commerce and industry.

Although Koreans continue to visit the city, the number has not grown as expected due to the financial crisis that hit later in 2008 and which saw a sharp devaluation in the value of the Korean Won. A further contributing factor was the spread of the H1NI virus in 2009.

Despite these setbacks, the city government intends to pursue its goal of promoting Dumaguete as one of the best education tourism destinations in the Philippines not only to Filipinos, Koreans, and Iranians but to all other nationalities complementing the established image of the city as one of the better education centers south of Manila.

Currently, high school students of Dumaguete and Yeongdong City communicate and maintain contact through the internet and this has given rise to the development of more internet cafes in the city. More Korean government officials, students and business persons are expected to visit Dumaguete in the future.<sup>37</sup>

#### **4.1.4 Investing in related services in response to education and tourism promotion efforts and development in the city**

In view of the increasing arrival of Koreans for tourism and training in the English language as well as visitors from other parts of globe, the city government of Dumaguete has taken further measures to enhance the conduciveness of the city as an investment, education, and tourism destination. These measures include:

- Ensuring members of the local police increase their presence near schools, universities, and business district to ensure the safety of foreigners.
- Adopting and implementing an ordinance requiring all travel and tour agencies to undergo a three-day training programme on improving their services and to ensure compliance with internationally accepted standard procedures. This was made obligatory as a requirement for issuing and renewing business permits.
- Enforcing strict compliance with the building code for new hotels in Dumaguete. Universities have constructed new facilities.
- Introducing new teaching programmes to accommodate the specific learning needs of Korean students.

At the time of writing, the official partnership with the city of Yeongdong, South Korea is only one year old and Dumaguete City may not be experiencing, as yet, the full benefits of the partnership. However, recent events such as the visit of South Korean high school students may be indicative of a

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<sup>37</sup> Based on write-up of City Planning and Development Office, 2009 and interview with DTI Provincial Head Javier Fortunato, 2010.

greater number of Koreans visiting Dumaguete for educational and tourism purposes. The results so far are encouraging.<sup>38</sup>

As a whole, the city's economy has progressed partly because of the numerous Koreans interested in learning the English language as well as an increasing number of tourists from other countries that has triggered demand for local products and services.

## **4.2 Development of BPO services**

The City Development Council composed of city and barangay level officials and representatives of business and NGOs involved in social development annually allocates funds to improve the city's infrastructure, social services, and environment.<sup>39</sup>

The Council has also allocated funds to promote Dumaguete as a site for business process outsourcing, being a university city with English speaking well-trained human resources. In cooperation with local business people, the city successfully invited one of world's leading call center companies (Teletech) and a publishing company (SPI) to locate in Dumaguete.

These two companies employ about 2,000 people, all of whom are from Dumaguete and nearby towns thereby preventing the migration of young people from the city and the province to other cities in the country. The business and social networks and efforts of the leaders of the city government, provincial government, and the private sector business from the city and the province have contributed to further increase in investments and employment and the city's economy.

So far in 2009 and 2010, the major BPO firms that have established themselves in Dumaguete include the SPI and Ventus of EPLDT, Zero Point (a group of alumni from one of the universities), Student University (a BPO travel agency for travelling students), and Qualfone (requiring engineering and architectural graduates).

Other than being university based, a private sector businessman has offered unused real property for the purpose of developing a business park for the city where BPO/IT hubs can operate together with other service sector businesses that address the institutional and personal service needs of those studying and working at universities, in government and businesses.<sup>40</sup>

## **4.3 Managing the skill and professional supply side of the labour market for relocating and recruitment firms**

A majority of hires in BPOs located in Manila and Cebu come from local universities. The same is true in Dumaguete. Yet often employment in a BPO company represents employment of last resort rather than a preferred career objective.

Graduates prefer jobs in the fields for which they are trained and even if some are trained and skilled for the demands of BPO, many of them, if not constrained by other factors like child-rearing and family responsibilities, would rather go elsewhere where the jobs may be the same but the pay is substantially higher. More often than not, these are the BPOs located in Cebu and in Manila.

It was only in 2006 that Silliman University (under the incumbency of President Ben Malayang PhD) established its career assessment and placement office. This was a response to companies approaching the university for special recruitment activities, targeting graduates from the university, and open to

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<sup>38</sup> A "sisterhood" agreement between Dumaguete and Yeongdong was signed in September 2009.

<sup>39</sup> Source: City of Dumaguete: Annual Investment Plan.

<sup>40</sup> Based on interviews with Evangeline Aguilan of Silliman University and Cindy Uy of Negros Oriental Investment Promotion Center, March/April 2010.

other universities in the province. The university was concerned to provide a facility that offered its students the opportunities presented to them by potential employers and in line with the professions for which these students were trained.

Some of these companies include the JG Summit, PASAR of Leyte, Engineering Equipment, Bayan Trade, Development Bank of the Philippines, airlines, and other companies and they recruit graduates to be deployed across a wide range of locations. The predominant demands of these companies are for engineers, accountants and computer-related professionals.

Regarding special recruitment activities for its nursing students and graduates, the school arranges for on the job training or volunteer work if not in the city or the province, directly in countries such as UK. These nursing graduates are issued with student visas and for 3–6 months they work as trainees/volunteers following which they undertake further study for their qualifying exams before becoming practicing nurses. This work best for students with parents supporting their expenses during the six-month period. Nonetheless, the ROI to the student and their families is very high after six months of proper training and certification.

#### **4.4 Promoting economically, socially, and environmentally viable investments and enterprise development programmes**

##### **4.4.1 Unbundling the business and social enterprises**

The chambers of commerce and the private sector managed investment promotion center of the province, both holding office in the city, have also been influential in convincing the city's legislative body to rationalize the local tax code and improve the collection of local tax revenue.

According to a local source from a national government agency, reviewing and amending any ordinance or code can be easily addressed by legislative council members but sometimes legislation is patterned somewhere else and does not address local concerns unless amended. Definitely, the local codes and ordinances affecting local businesses and government revenues and services need to be reviewed and harmonized.

Looking at the available data, clearly indicates that the city is dominated by enterprises primarily into retailing and secondarily into contracting and services (Table 4-1). Specifically:

- One in three (28.92 per cent) of the enterprises are involved in retailing of non-essential commodities. These include supplies for franchised commodities, electrical, electronic, mechanical, and auto-supplies, boutiques supplies, etc.
- One in five (18.79 per cent) of the enterprises are involved in contracting and other services. These include a long-list of sub-sectors from accounting, audit, advertising, research, architecture, and other construction related services, broadcasting, BPO services to the barbershops, boutiques, crematory, computer shop, courier, various types of rental services, playground, and sports related facilities, training centers, travel and tours, scuba diving, etc.
- Another one in five (17.89 per cent) of the enterprises are involved in retailing of essential commodities. These include retailing of fish, meat, dressed chicken, dried fish, fruits, and vegetables, cut flowers, liquefied petroleum gas, and others.
- One in 10 (11.24 per cent) are involved in catering and food services and these include largely *Carinderia* (eateries) and fast food plus coffee shops, *painitan* (soup/noodle stand), refreshments, restaurants, and *tocino* (cured meat) vendors.

**Table 4-1: City registered businesses**

All registered businesses		Number			Per cent		
Per city government classification		All	Renew	New	All	New	New/All
1	Retailing of non-essentials	960	803	157	29.72	29.62	16.35
2	Contractors/services	607	473	134	18.79	25.28	22.08
3	Retailing essential commodities	578	533	45	17.89	8.49	7.80
4	Food service/caterers	363	260	103	11.24	19.43	28.37
5	Operators of leasing estate/brokerage	180	157	23	5.57	4.34	12.78
6	Operators of public utility vehicles	166	146	20	5.14	3.77	12.05
7	Wholesaling	79	64	15	2.45	28.30	18.99
8	Banks and other Institutions	61	55	6	1.89	1.13	9.84
9	Manufacturing	90	85	5	2.79	0.94	5.55
10	Operators of amusement places	75	58	17	2.32	0.32	22.67
11	Exempted	21	19	2	0.65	0.38	9.52
12	Printing and publications	12	12	0	0.37	0	0
13	Other businesses	10	10	0	0.31	0	0
14	Operators of boarding houses	7	5	2	0.22	0.38	28.57
15	Operators- shipping lines/cargo vessels	7	7	0	0.22	0	0
16	Operators of warehouse	5	4	1	0.15	0.19	20.00
17	Franchise	4	4	0	0.12	0	0
18	Import/Export (distribution/trading)	2	2	0	-	0	0
19	Operators of private memorial parks	2	2	0	-	0	0
20	Operators of rice and corn mills	1	1	0	-	0	0
	<b>Total</b>	<b>3230</b>	<b>2700</b>	<b>530</b>	<b>100</b>	<b>100</b>	<b>16.41</b>

Source: Dumaguete City Tax Roll 2009, City Treasurer through CPDO

In terms of number of newly-established enterprises, these are again primarily those in retailing of non-essential commodities and wholesaling of essential and non-essential commodities. Specifically:

- One in three (29.62 per cent) of the new enterprises are involved in the retailing of non-essential commodities. These include supplies for franchised commodities, electrical, electronic, mechanical, and auto-supplies, boutiques supplies, etc.).
- One in three (28.30 per cent) are into wholesaling of both essential and non-essential commodities.
- One in four (25.38 per cent) are into contracting and services.
- One in five (19.43 per cent) are also into catering and food services.

No explanation, however, was provided if these are fresh start-up enterprises or businesses that were previously operating informally.

Aggregating the existing and newly registered enterprises shows the greatest growth in the operation of boarding houses and food and catering services:



- One in three (28.57 per cent) constitute newly registered enterprises in the operation of boarding houses.
- One in three (28.37 per cent) constitute the newly registered enterprises in the operation of food and catering services.
- One in four (22.67 per cent) constitute newly registered enterprises in the operation of amusement places.
- One in five (22.08 per cent) constitute newly registered enterprises in the operation of contracting and other services.
- Finally, one in five constitute newly registered enterprises in the operation of warehouses.

Clearly, the growth are of enterprises is to be found in servicing the needs of the students, youth, travellers, and migrant population of the city.

#### **4.4.2 Reviewing and rationalizing the classification of enterprises**

This was a precursor to rationalizing the city tax provisions and enabling them to become a tool for governance as well as for developing responsible business and social enterprises.

The table above is just a summary of all the enterprises registered with the city government. However, when one scrutinizes the list it is found that a number of these can be cross-classified in other categories .and this hampers its use as a basis for tax impositions. This ambiguity has to be cleared up since, according to local sources, investors are waiting for the city to amend its local investment policies in regard to tax incentives before they invest.

#### **4.4.3 Rationalizing the city tax code in order to attract and develop sound and responsible business and social enterprises**

Looking at the city tax roll, one can say that the city is a high income earning locality but it does not say how many of these are actually paying their tax dues. It does not say if these are all the businesses and enterprises operating in the city.

#### **4.4.4 Harmonizing and aligning the provisions of the City Investment Code with other codes**

Looking at the newly legislated city investment code, it welcomes almost every type of enterprises that the city needs to open up investment, employment, and human development opportunities. These are directed primarily at the city population groups and secondarily at those from the other parts of the province and the island. However:

- There seems to be certain provisions in the city code accommodating new types of industries worth reconsidering given the implications to the ecological state of the city, the province, and the region and its effect to human health.
- There seems to be certain provision in the same code that may run in conflict with the principles and provisions embodied in the existing provincial investment code.

These considerations point to the need for a dialogue mechanism among the city and provincial level leaders on the actual parameters to manage investment. This dialogue should involve island-wide stakeholders.

#### **4.4.5 Sustaining and expanding programmes directed at women and children**

The city government of Dumaguete has implemented gender and development programmes for the past several years and allocated resources for programmes on early childhood and maternal care in line with the Millennium Development Goals and Rights of the Child. Women from the private sector constitute a sizeable membership in the City Development Council and other local special bodies as mandated by law.

The further challenge for the city in this regard is to further strengthen the programmes for enabling women and children, irrespective of their development stage, to be aware of issues affecting them as the city experiences an influx of investments, and as it experiences the movement of people and good within and through the city.

As they become more aware, the ultimate challenge for the mothers and their children and their advocates is to participate, influence, and benefit from local development decisions, plans, and actions.

#### **4.5 Promoting further tools for awareness raising**

In the eyes of an environmentalist, Dumaguete has an oversupply of new graduates as well as unemployed people. There remains a need for more well-paying jobs, viable livelihood and entrepreneurial opportunities and the means to sustain these.

Many kinds of businesses are possible but in attracting businesses the environmentalists believe it is important to keep the character of the city intact—that of a university town with an unhurried pace of life in an environment that is clean and green and thus conducive for learning and living.

What the environmental advocates expect is a city government committed to sustainable development. They point to a number of ongoing concerns:

- There is a need for the city to invest in clear-cut policies on factories, industries, and economic activities that pollute the air and water and in development programmes that will shift mindsets and practices towards support for responsible environmental management advocacies.
- There is a need to decentralise the public market and relocate it to other parts of the city, perhaps with permanent satellite markets north and south of the city. Relocation out of the central area will decongest the overcrowded market place, better manage market wastes, decongest traffic flow, and reduce pollution.
- There is a need to have a city waste management and recycling facility.

These are measures, other than those many practices that can be better identified by local stakeholders in a regular planning and dialogue forum; that need to be better promoted and implemented systematically at enterprise and household levels.

The need goes beyond matters of policy and the local government actions; rather it requires more environmental champions from the private sector and a wider base of local advocates who are in a better position to continually sensitize residents, visitors, and investors towards environmentalism as a mindset, a way of life for any Dumaguetenos. In this manner the city can move forward into the future while retaining the values it has established in the past.

## 5 References

### 5.1 Interviews by Maria A.A. Ortiz and Errol John Ramos

#### 5.1.1 Field interviews by Maria A.A. Ortiz and Errol John Ramos, 2005

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Josephine Antonio, Engineer, City Planning and Development Officer, 03 November 2005 and follow-up Dumaguete-Manila calls in 2008, 2009

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Maria Socorro P. Mira, Public Employment Services Officer/Manager, 03 November 2005 and follow-up phone interviews

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Inday Beatris, Woman Worker (CASHMUCO), at Habitat Settlement Site, 04 November 2005

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Danny Gravador, Head, City Home Industry Development Office, November 2005

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Manuel Sagarbarria, Negros Oriental Chamber of Commerce and Industry, March./April 2010

Evangeline Aguilan, Career Assessment and Placement Center, as designated by Dr. Ben Malayan, representing Silliman University, March/April 2010

Esther Windler, Founding member and volunteer, Friends of Banica River and the Environment of Negros Oriental, March/April 2010

Cindy Uy, Client Officer, Negros Oriental Investment Promotion Center, March 2010

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Marilyn Gomez, Community Development Facilitator, Sectoral Desk Office, March 2010

Grace Deguit, Negros Institute for Rural Development, March 2010

Melchie Dorado, Community Livelihood and Home Industry Development Office, March 2010

## **5.2 Employment planning participants, February 2007**

Dr Noel De Jesus, Kagawad

Shelley Ruth Teves, SPI Technologies HR Officer

Naty Marie Ceriales, City Social Welfare and Development Office

Liberty Murillo, Kaaluman Development Center

Jeremy Café, Department of Education

Veronica Guarin, City Representative. Office

Maria Socorro Mira, PESO-City Government

Fr Felino Paguntalan, Kauban

Danilo Gravador, CLHIDO

Silverio Salceda Jr. CDC/PISTC

Albert Aquino, Barangay Bantayan

Venus Puracan, DTI

Reyndie Trayvilla, PPDO

Leonida Sarming, Baragay Captain

Francisco Kinikito Jr. CSWDO

Lourdes Panerio, DSWD

Virgielie Villamor, NEDA

Carina Lupisan, Habitat for Humanity

Harrison Gonzales, Councillor, Liga President

Virgil Lee Aviso, SDO-LGU

Josephine Antonio, CPDP, LGU

Edelina Arbas, SDO

Geraldine Ptula, CPDO

Rosemarie Gonzales, CPDO

Jennifer Tilos, PIA

Joalie Canete, CPDO

Lilian Mondarte, DOLE

Ernie Jorbina, DOLE

Ingo Mercado, PPDO

Franklin Elenin, Barangay Captain

Shiela Alejado, City Tourism

Camilo Casals

Nandy Aldaba

Ismael Transmonte Jr.

Ma. Teresa Cruz

Maria Asuncion A. Ortiz

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### **5.4 Acknowledgements**

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**ILO Subregional Office for South-East Asia and the Pacific**  
**LIST OF YOUTH EMPLOYMENT and LOCAL ECONOMIC**  
**DEVELOPMENT PUBLICATIONS**

**YOUTH EMPLOYMENT**

No.	Title	Author(s)	Year published ISBN
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2	Choosing and assessing local youth unemployment interventions	Jude H. Esguerra	2009 978 92 2 121444 1 (print) 978 92 2 121445 8 (web pdf)
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4	Operations guide: managing an ILO-CIDA youth employment country project: Philippines	Camilo G. Casals	2009 978 92 2-121446 5 (print) 978 92 2-121447 2 (web pdf)
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## **Local economic development and youth employment in the Philippines: the case of Dumaguete City**

Dumaguete City with a population of some 200,000 people is the capital of Negros Oriental Province. It is a town long noted for its excellence in education, a consequence of the presence of four well-known universities, the first of which was established in 1901. Because it is known as an education center it is also a young city with 60 per cent of its population aged 29 or below.

As a city that boasts a quality lifestyle and as an entrepôt for surrounding areas it is also a thriving tourism center.

The local economy is driven by the education sector and the key product that the local government is seeking to develop under the “One-Town-One-Product” programme of the Department of Trade and Industry is that of educational tourism.

Despite an aggressive programme of attracting new investments into the city, especially in the area of business process outsourcing the city continues to suffer from lack of employment opportunities for its educated youth many of whom seek well-paying jobs in Cebu and Manila rather than remain in Dumaguete. Many of those that remain behind end up out-of-school and not working or employed in jobs that are well below their actual skill level.

Dumaguete City was selected as one of the eight pilot locations for the ILO-sponsored, CIDA-funded youth employment project which was intended to address the broader target of addressing youth unemployment under the Philippines Decent Work Country Programme. Dumaguete provided an example of a component city of the province in which it is located.

Interventions included an initial policy review, a youth profiling survey designed to disaggregate the youth into component segments and provide data specific to each segment, a series of workshops designed to identify priority sectors with job growth potential and finally an action plan for employment creation accompanied by a short-cycle youth employment intervention programme that would lead to greater employability. The IT and tourism sectors were the prime targets of these interventions.

This case study surveys the local economic development strategies of the Dumaguete City government, identifies the key stakeholders involved in improving the investment and employment situation and the results achieved so far.

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