



WORLD BANK GROUP



JOBS

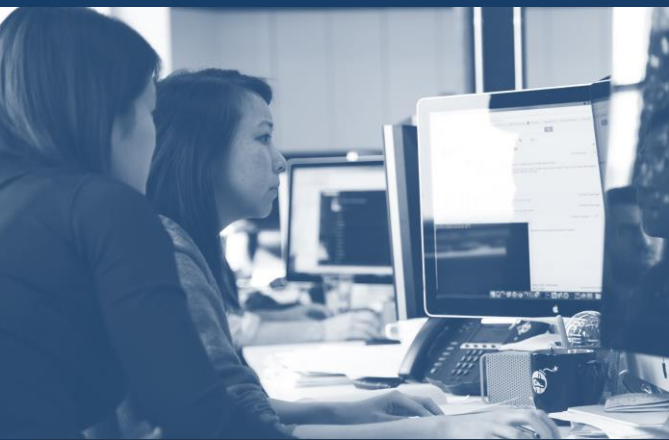
JOBS FOR FILIPINOS, JOBS FOR THE FUTURE

Robust and Healthy Workforce

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September 2021

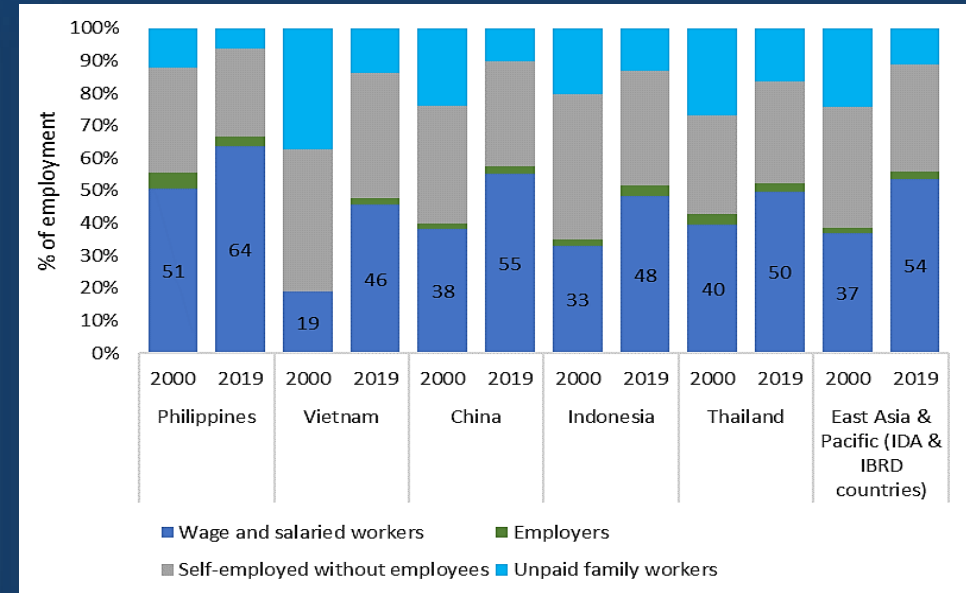
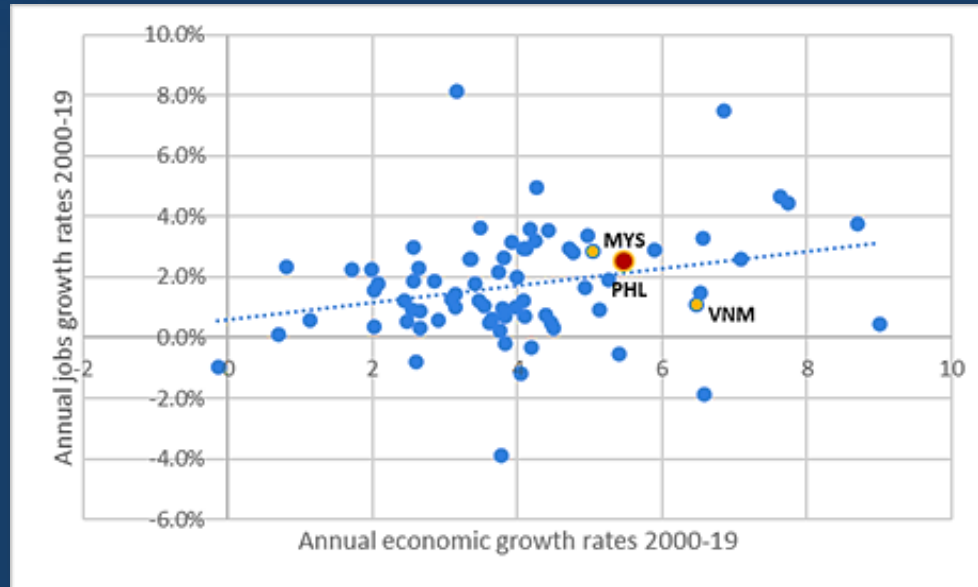


OUTLINE

- + Labor Market Context & Challenges Pre-Pandemic
- + COVID-19 Impacts on Jobs and Workers
- + Government Labor Market Responses to COVID-19
- + Policy Recommendations – Robust and healthy work force for the future of jobs

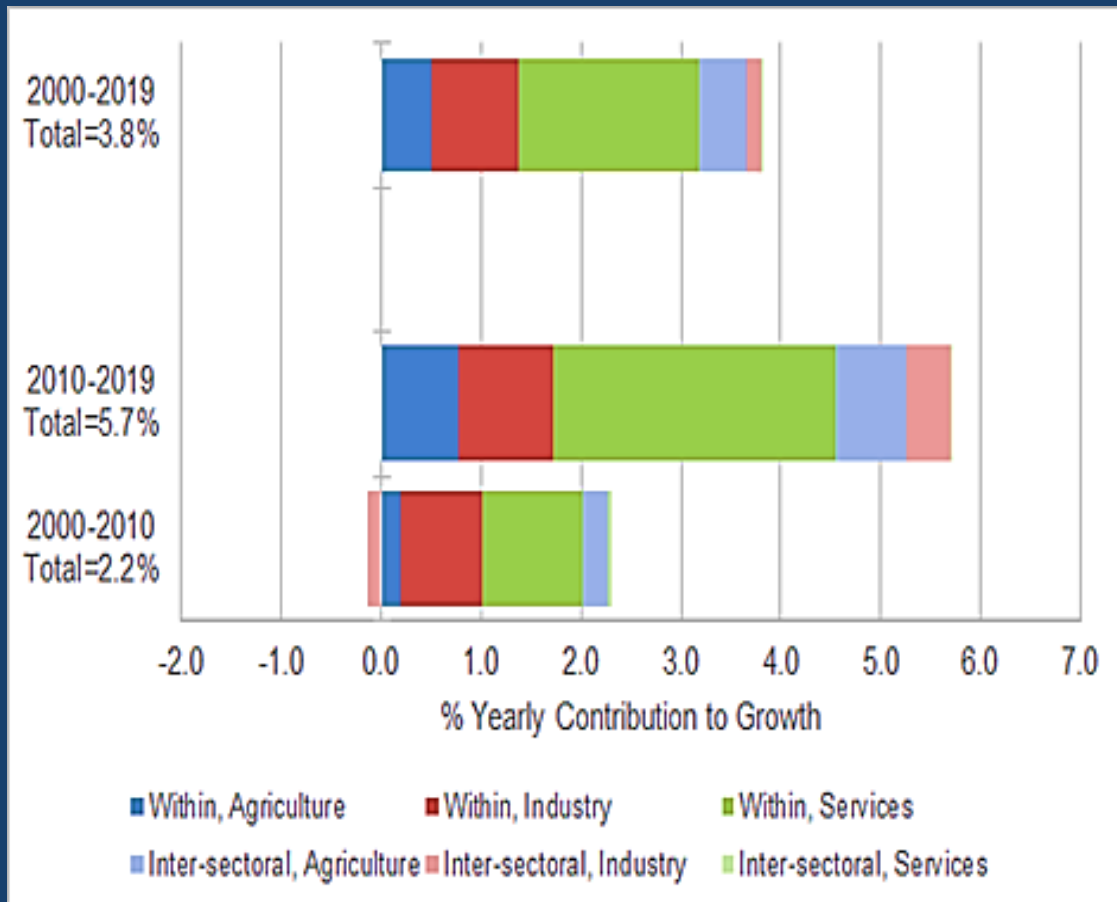


STRONG GROWTH BROUGHT MORE AND BETTER JOBS FOR THE FILIPINOS



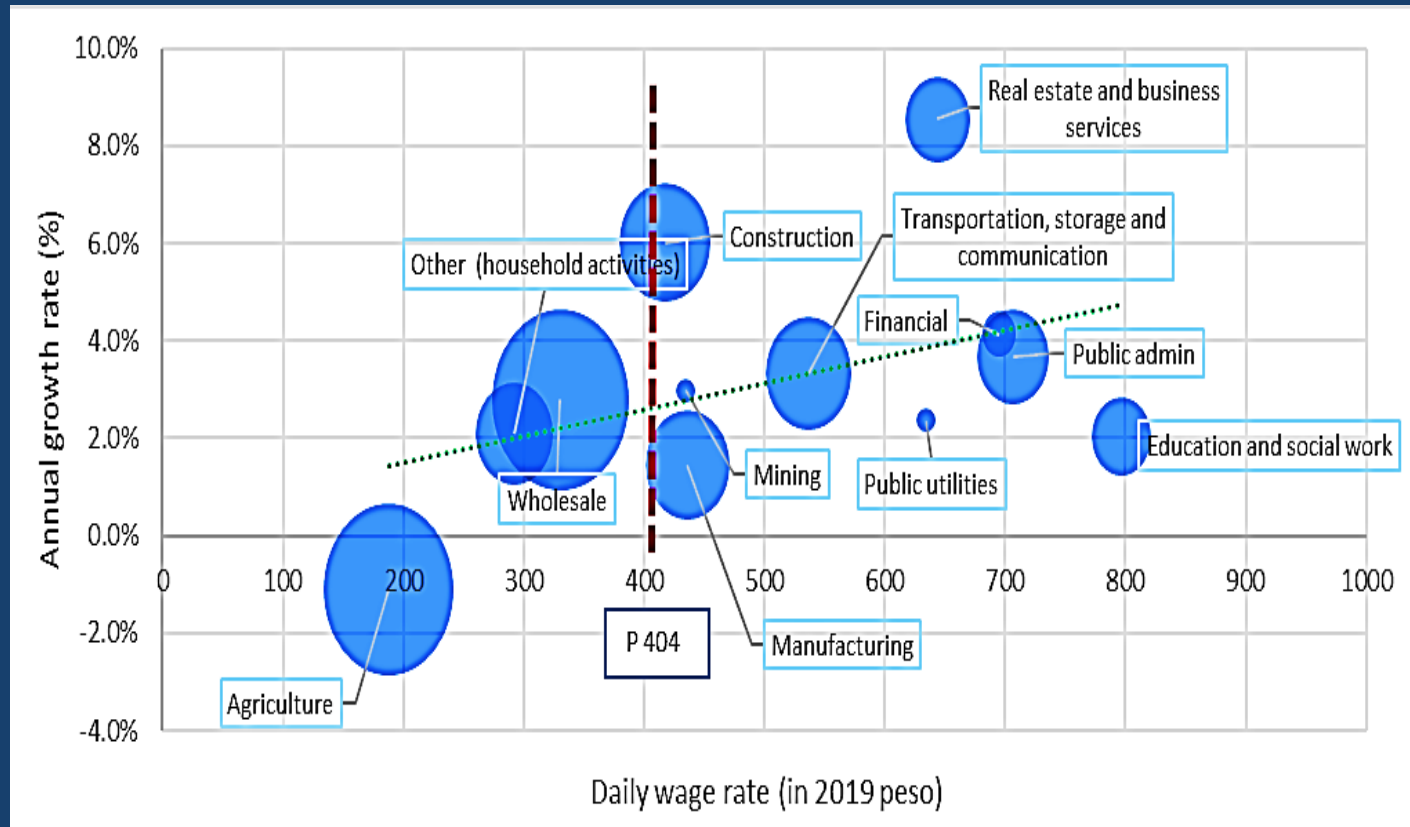
- ▮ Philippines **annual GDP growth rates** averaged 6.4 percent between 2010 and 2019, one of the **fastest-growing economies** in the EAP region.
- ▮ It wasn't jobless growth. Economic growth created **enough jobs** to absorb the working population, maintaining a **low level of unemployment**.
 - Employment grew annually by 2.17 percent (2010-2019); Growth in wage employment has continued

WORKERS' PRODUCTIVITY HAS INCREASED, EVEN MORE CLEARLY IN RECENT YEARS



- Overall **labor productivity (output per worker)** growth has accelerated.
- Transitions to **non-agricultural** employment actively took place.
 - From 2000-2019, agriculture share 37% → 23%, industry 16% → 19%, services 47% → 58%
- Within sector productivity growth, especially the **services** sector, has been a major employment driver.
 - Initially productivity growth is from both industry and services, but increasingly relying more on services

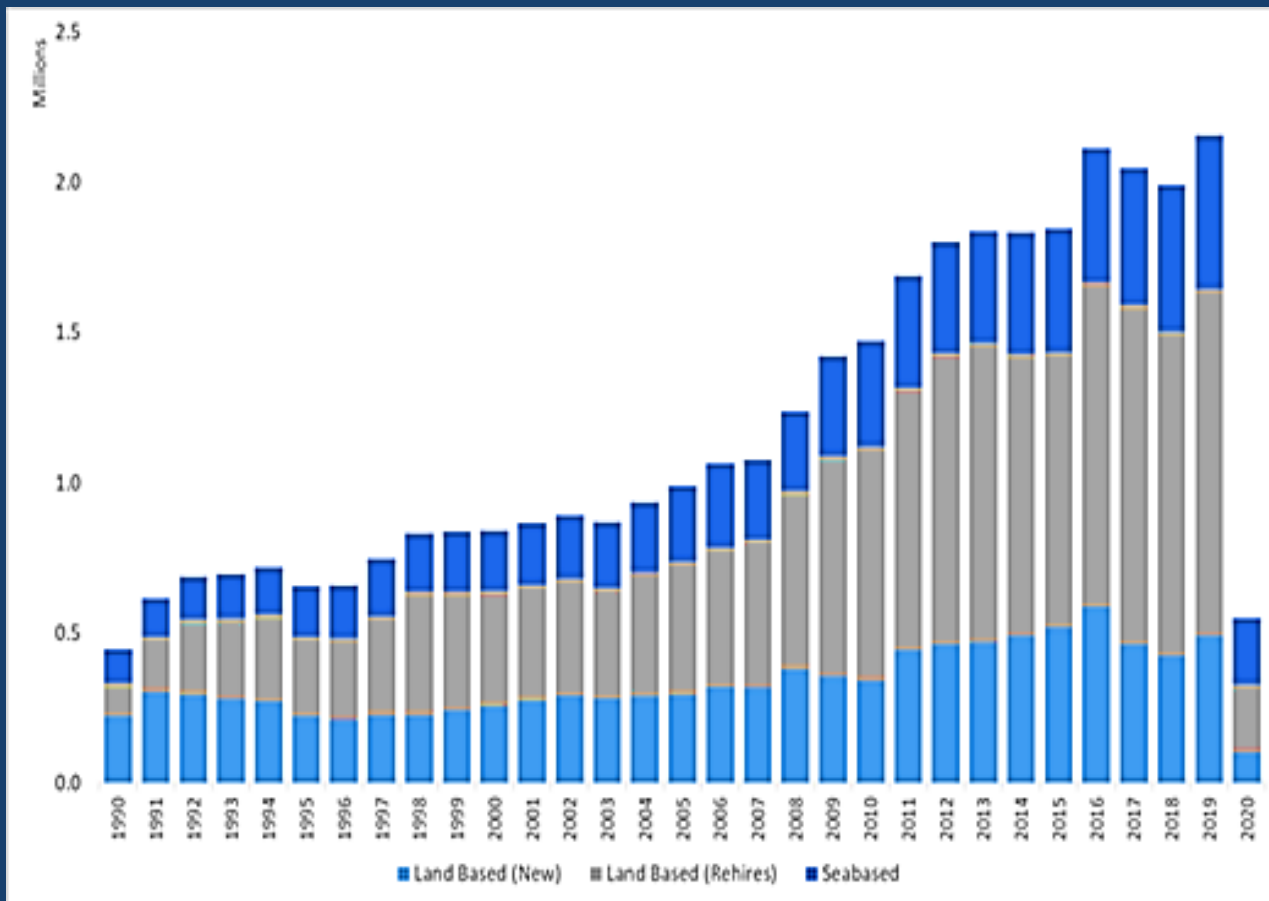
HIGHER PAYING JOBS GROW FASTER, BUT MANY WORKERS STILL IN LOW PAYING JOBS



- Low pay, slow growing, workers absorbing sectors: **Agriculture and Wholesale & Retail**
- Mid pay, fast growing, labor absorbing sector: **Construction**, and to a lesser extent, Transportation, storage, and ICT (including **IT-BPM**)
- High pay, less labor absorbing sectors: **Education and social work (slow growth) + Real estate and business services (fast growth)**

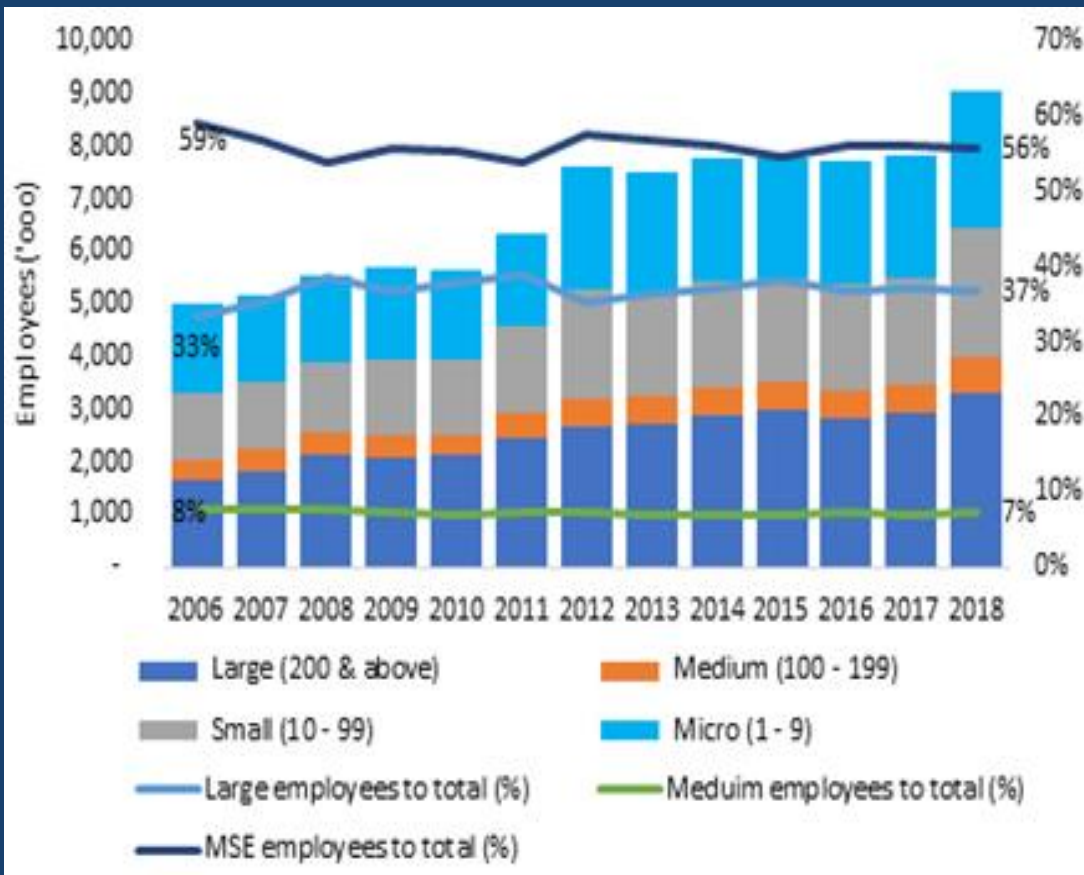
The size of bubbles captures the size of the work force in the sector.

INTERNATIONAL MIGRATION AND REMITTANCES HAVE BEEN PROMINENT FOR PHILIPPINE ECONOMY AND LABOR MARKET



- Increasing number of out-migrants, many of whom are **re-hires**
- Unique features: high share of **sea-based** workers and **female** workers
- Like other labor sending countries: **Limited destination markets** (mostly Middle East/Neighboring Asia)
- Remittances: close to **10% GDP** equivalent (for comparison, FDI is equivalent to 2.5% GDP)

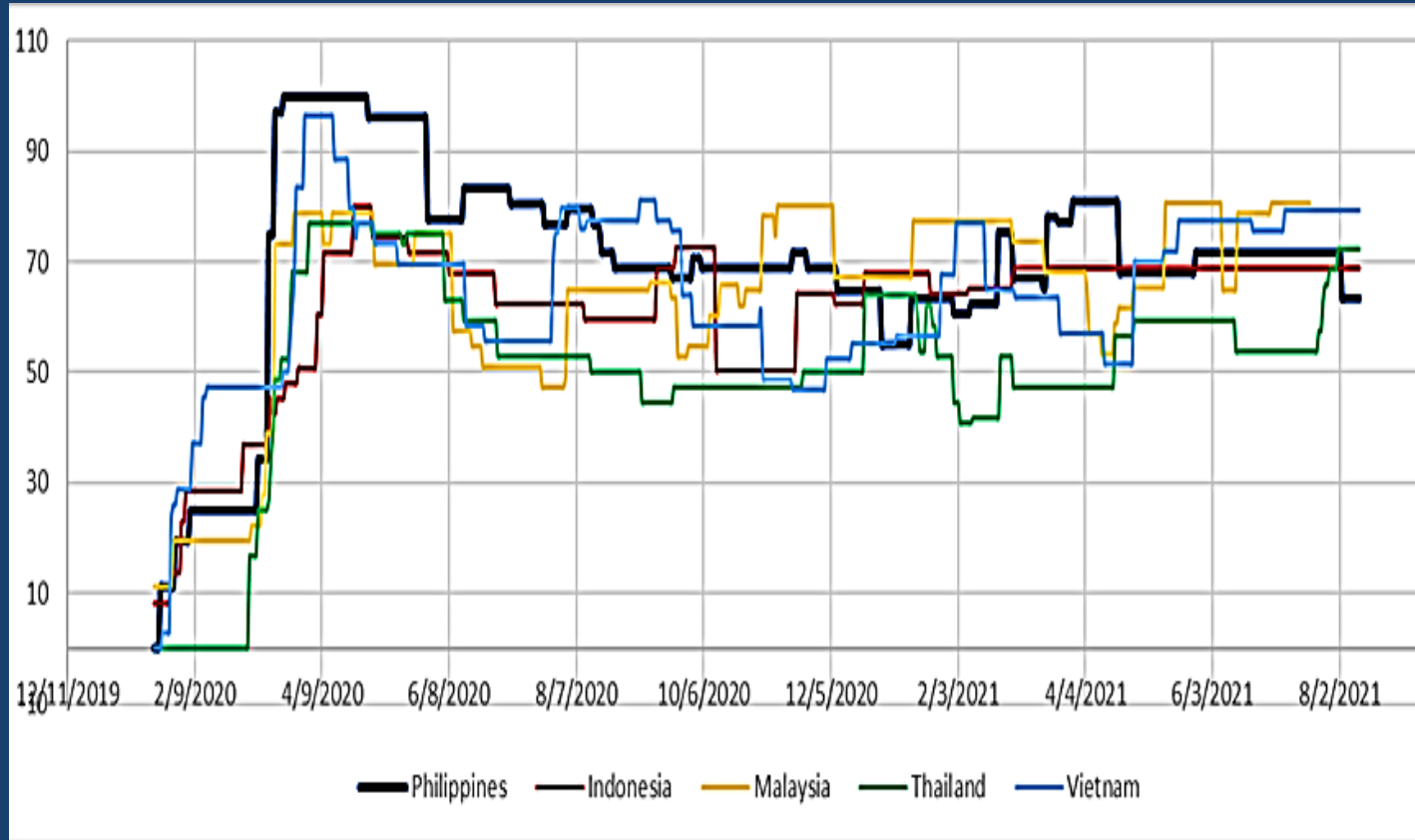
DESPITE PROGRESS, SEVERAL STUBBORN CHALLENGES REMAIN AND REQUIRE POLICY ATTENTION



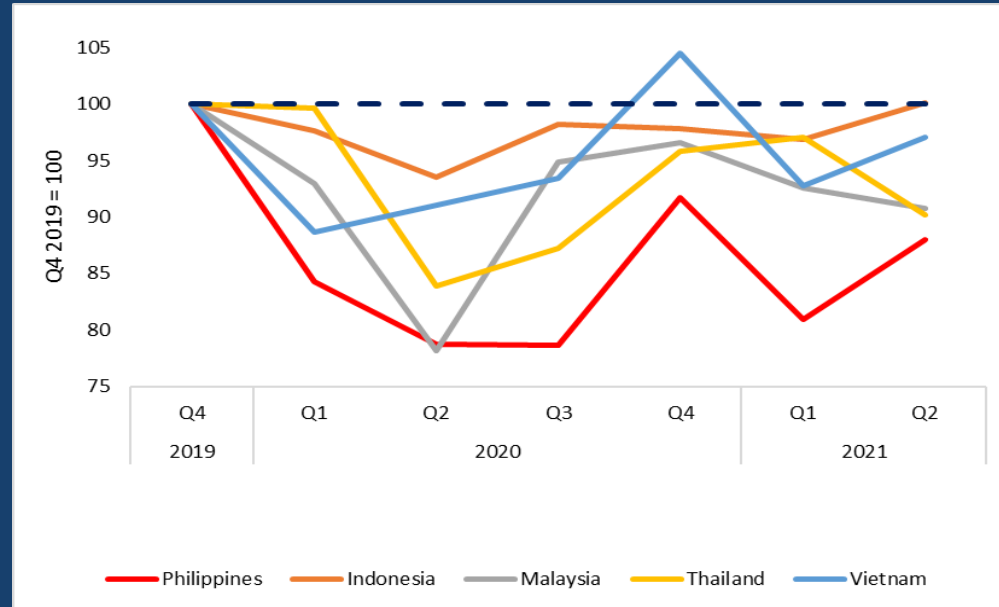
- ▮ Quality of education and **productivity** of workers
- ▮ Labor regulation & **informality**
- ▮ Firms dominated by **MSMEs (99.5%)**; jobs created by MSMEs (56%) and large firms (37%) with a missing middle
- ▮ **LM disparities** – e.g., youth joblessness and inactivity, regional variations, gender, etc. – remain significant
- ▮ Further, the global trend of the **changing nature of work (4th Industrial revolution)** and greater attention to **climate change**, require additional strategies for the future jobs market

COVID-19 HAS SHAKEN THE PHILIPPINE JOB MARKET - WOULD THIS BE A TURNING POINT?

Significant impact on businesses and jobs



Oxford COVID-19 Stringency Index Tracker



Most stringent / longest lockdown measures

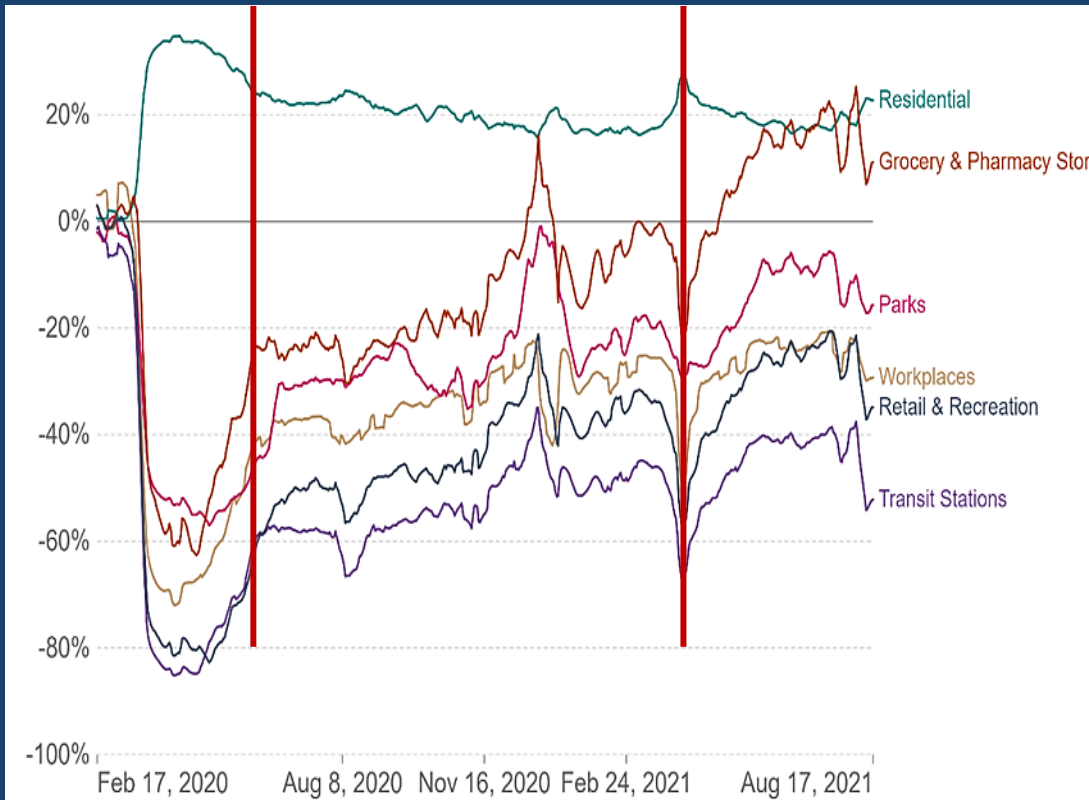
Largest contraction in the region

HEALTH SHOCK, LOCKDOWN MEASURES, GLOBAL RECESSION

Phase 1: Beginning-Q2 2020

Phase 2: Q3 2020-Q1 2021

Phase 3: Q2 2021- present

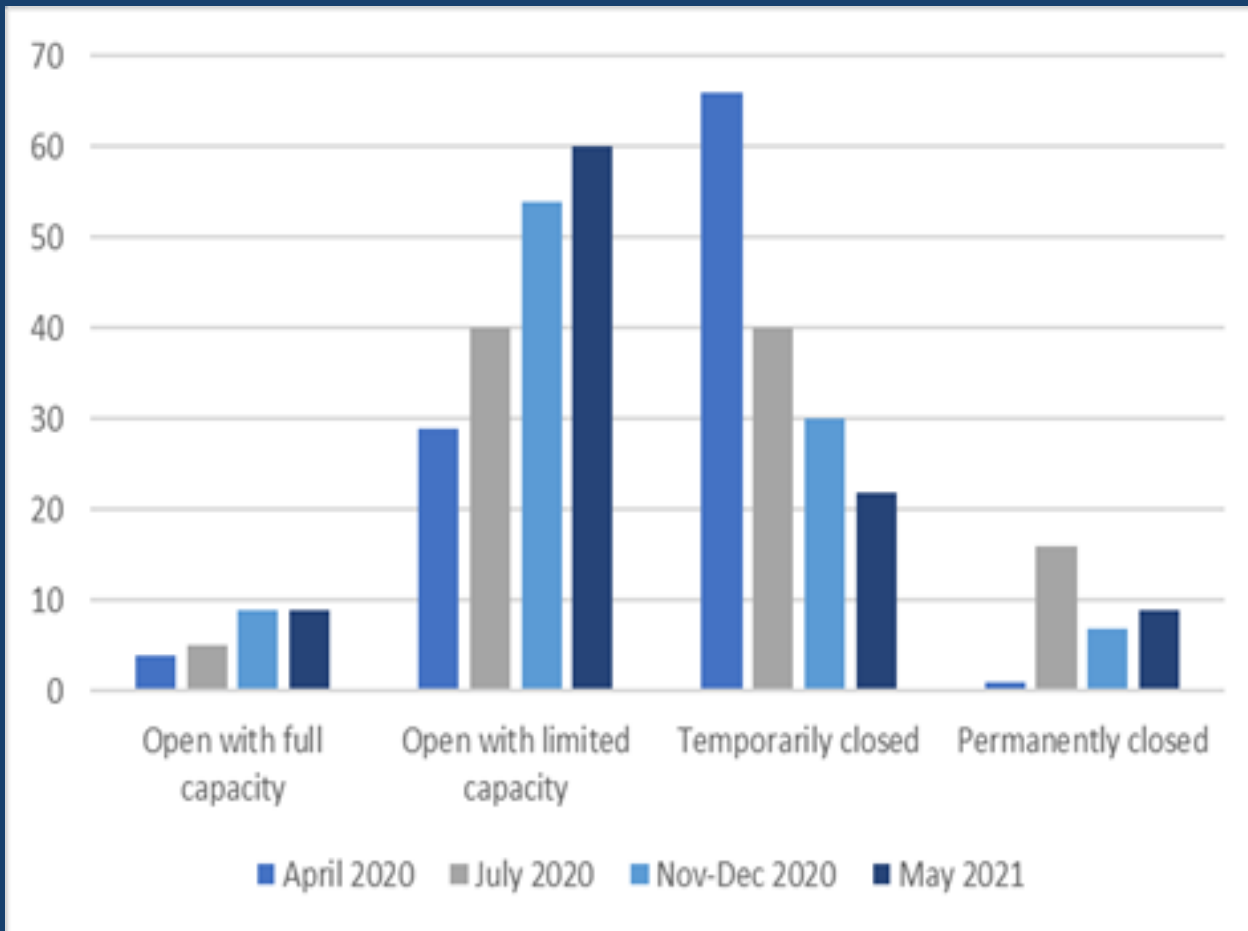


Source: Google COVID-19 Community Mobility Trends – Last updated 23 August 2021, 16:50 (London time)
Note: It's not recommended to compare levels across countries; local differences in categories could be misleading.
OurWorldInData.org/coronavirus • CC BY

- Phase 1: strict lockdown, strict enforcement & compliance, largest social assistance (SAP #1), **massive jobs losses and overshooting unemployment**
- Phase 2: relaxed lockdown, rebounding economy, favorable global market, **return of business operations and jobs (with less than full capacity)**
- Phase 3: lockdown fatigue, non-systematic *Ayuda*, **increasing search for work or additional working hours**

FIRMS' COPING MECHANISMS

Firms' behaviors impacting jobs and workers...



▮ Decrease in employees
(-> unemployment)

▮ Decrease in working hours
(-> underemployment)

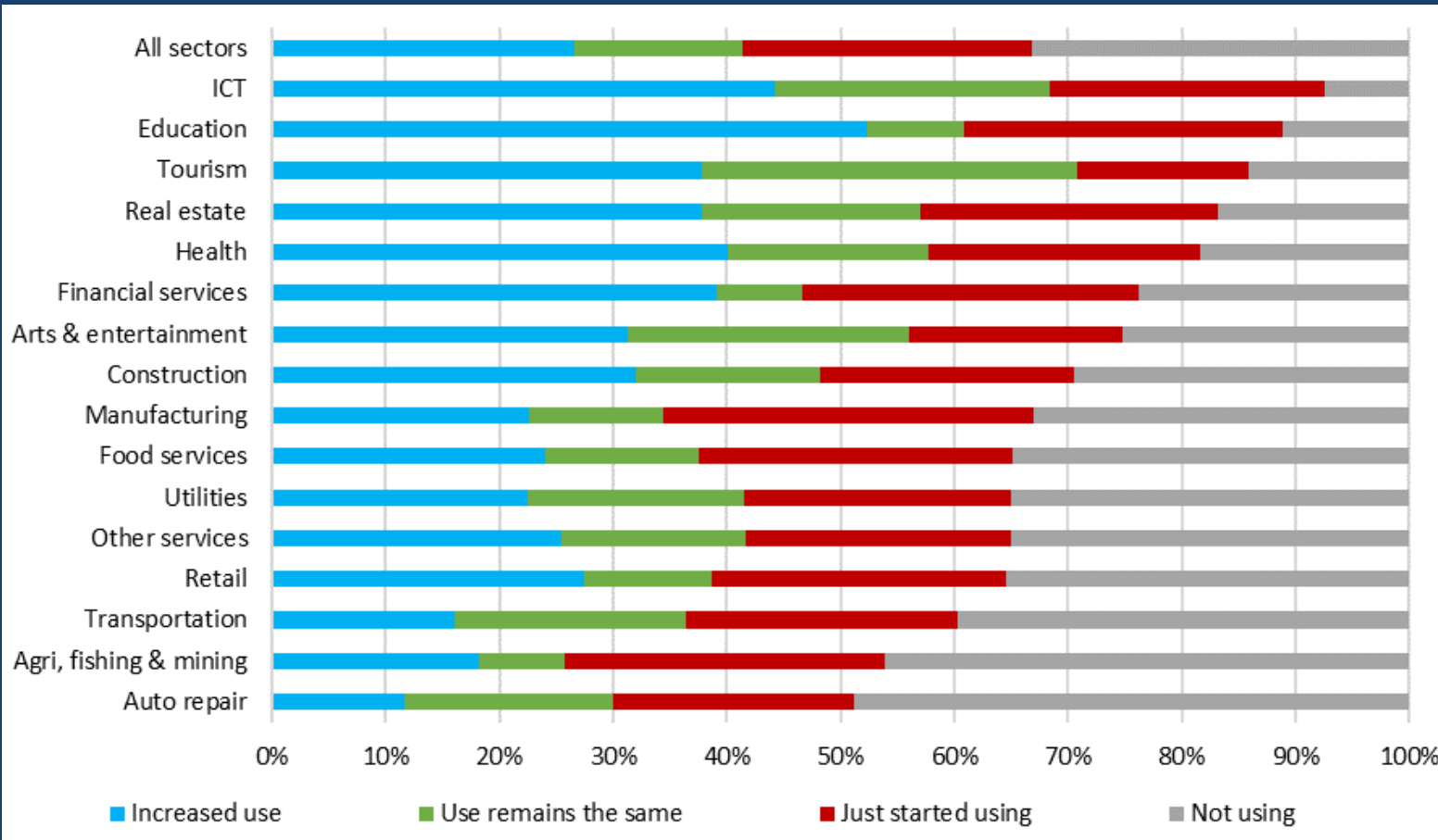
▮ Changes in work arrangements
(-> working from home)

▮ Reduction in wages and benefits
(-> reduced income)

▮ Adoption and intensified use of technology
(-> increased demand for skills)

DIGITAL PAYMENTS AND ONLINE MARKETING MOST COMMONLY USED AND ADOPTED

Pandemic accelerated the adoption and increased use of technology



ICT, Edu: large users of technology, further expanding

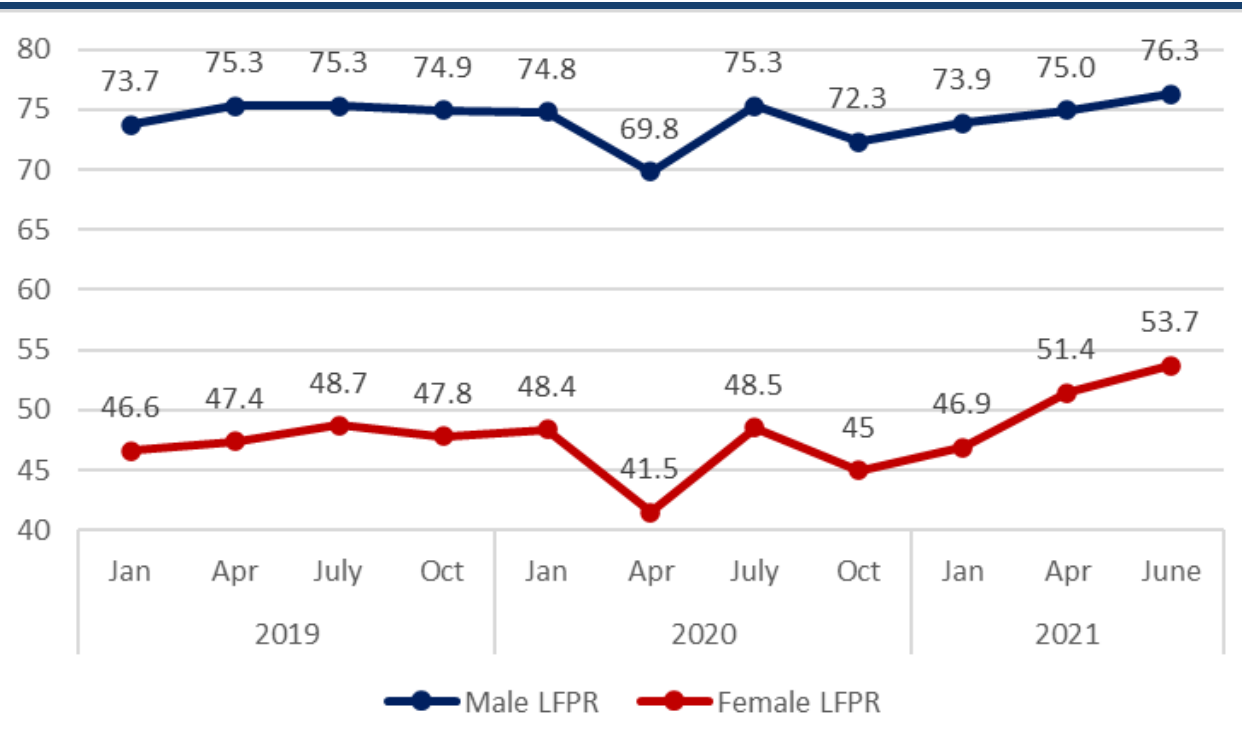
Manufacturing, Financial services: actively adopting

Agriculture, wholesale & retail: low productivity, low growth, labor intensive sector also burgeoning

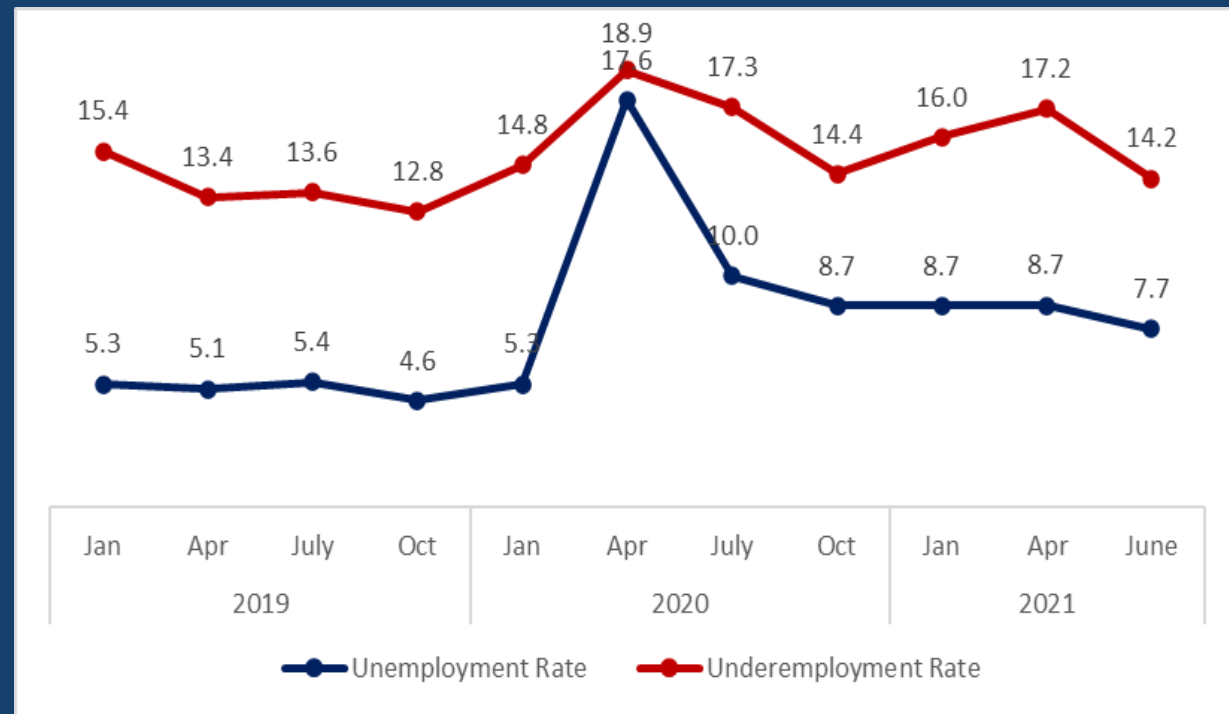
Source: WB Firms Survey (R2) Nov-Dec 2020

MORE PEOPLE ARE LOOKING FOR JOBS; UN(DER) EMPLOYMENT STILL HIGH

Job creation is not fast enough



- ▮ Labor force participation is on the rise since Oct 2020...
- ▮ Particularly prominent for women: **likely added worker effect.**



- ▮ **Unemployment** downward trend since April 2020, but never recovered to pre-pandemic level
- ▮ **Underemployment** common and fluctuating depending on lockdown measures

Overall decrease in quality of jobs due to the pandemic reversing some gains over time

☐ Employment Type

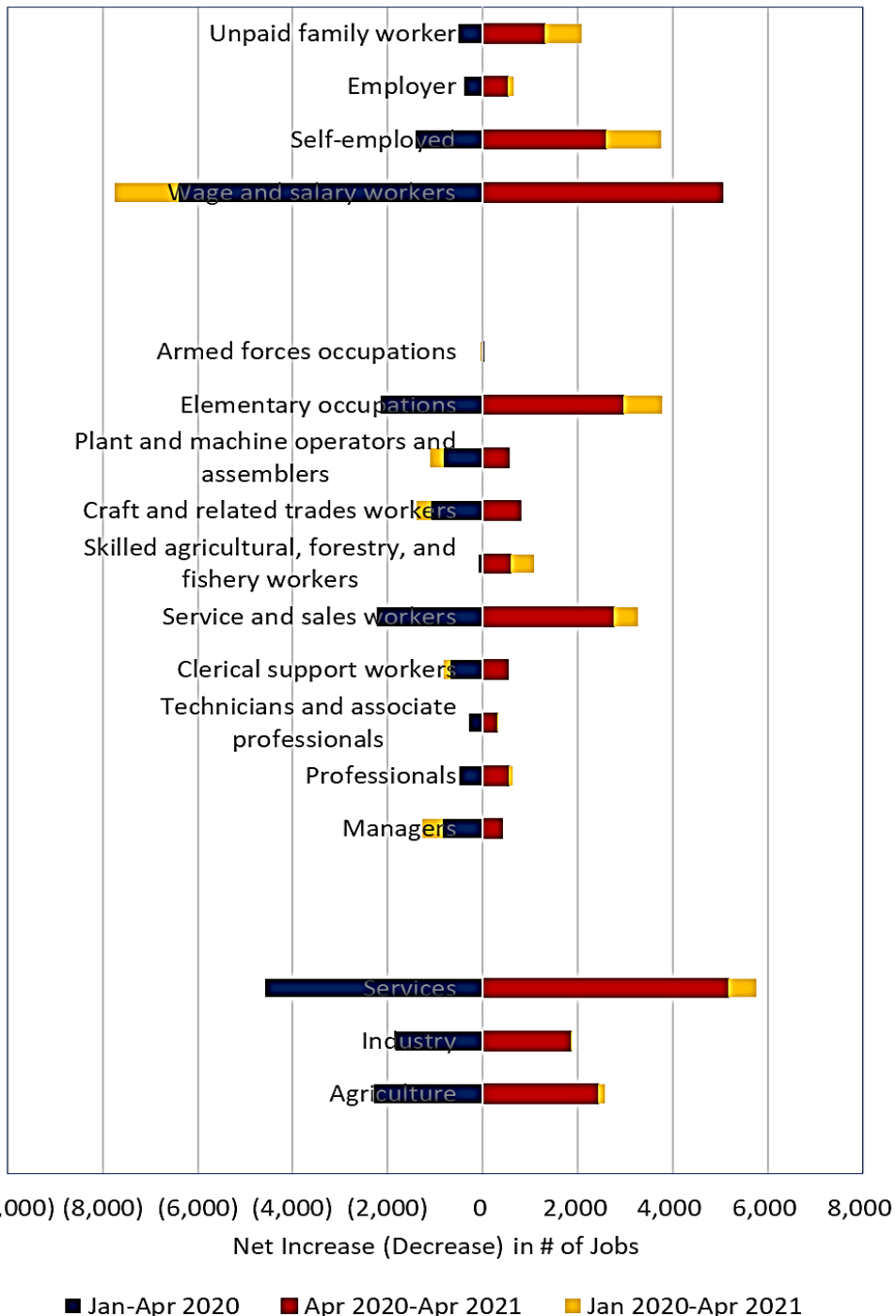
- **Massive destruction in wage employment**; despite rebounding, many wage and salaried employment are gone; share of wage employment at 61% reversing at least **5 years** of progress.
- A large number of workers began their own account/business (likely **subsistence business**) without any paid employees
- Many **unpaid family workers**

☐ Occupations

- Increases in **elementary occupations/service and sales workers**
- **Managers & machine operators** are down

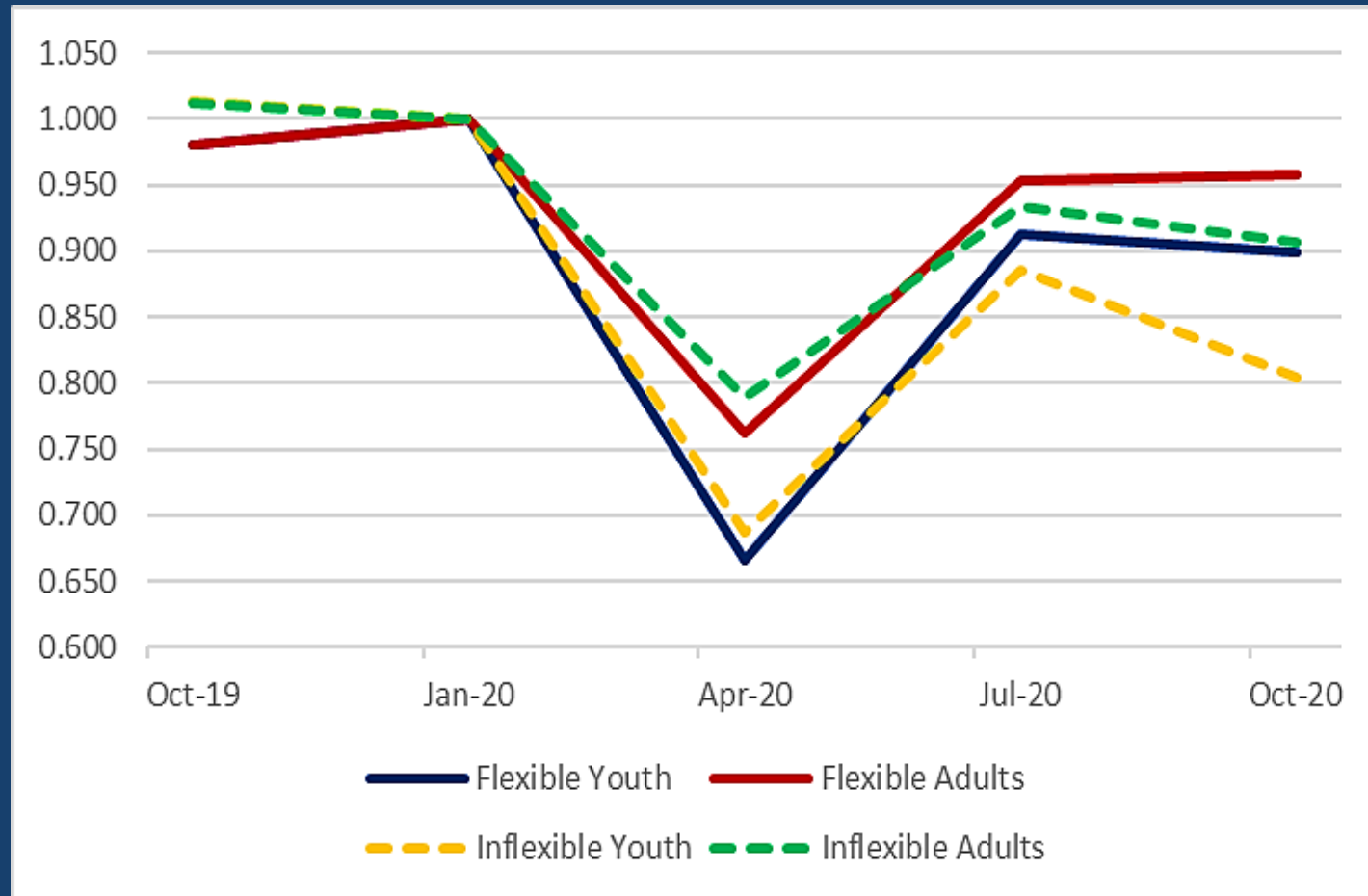
☐ Employment sector

- **Services** destroyed quickly and rebounded
- Slight increase in **agriculture** share at the expense of services



HETEROGENEOUS IMPACT ON WORKERS

Large variations in workers' experience depending on their characteristics and type of tasks and jobs



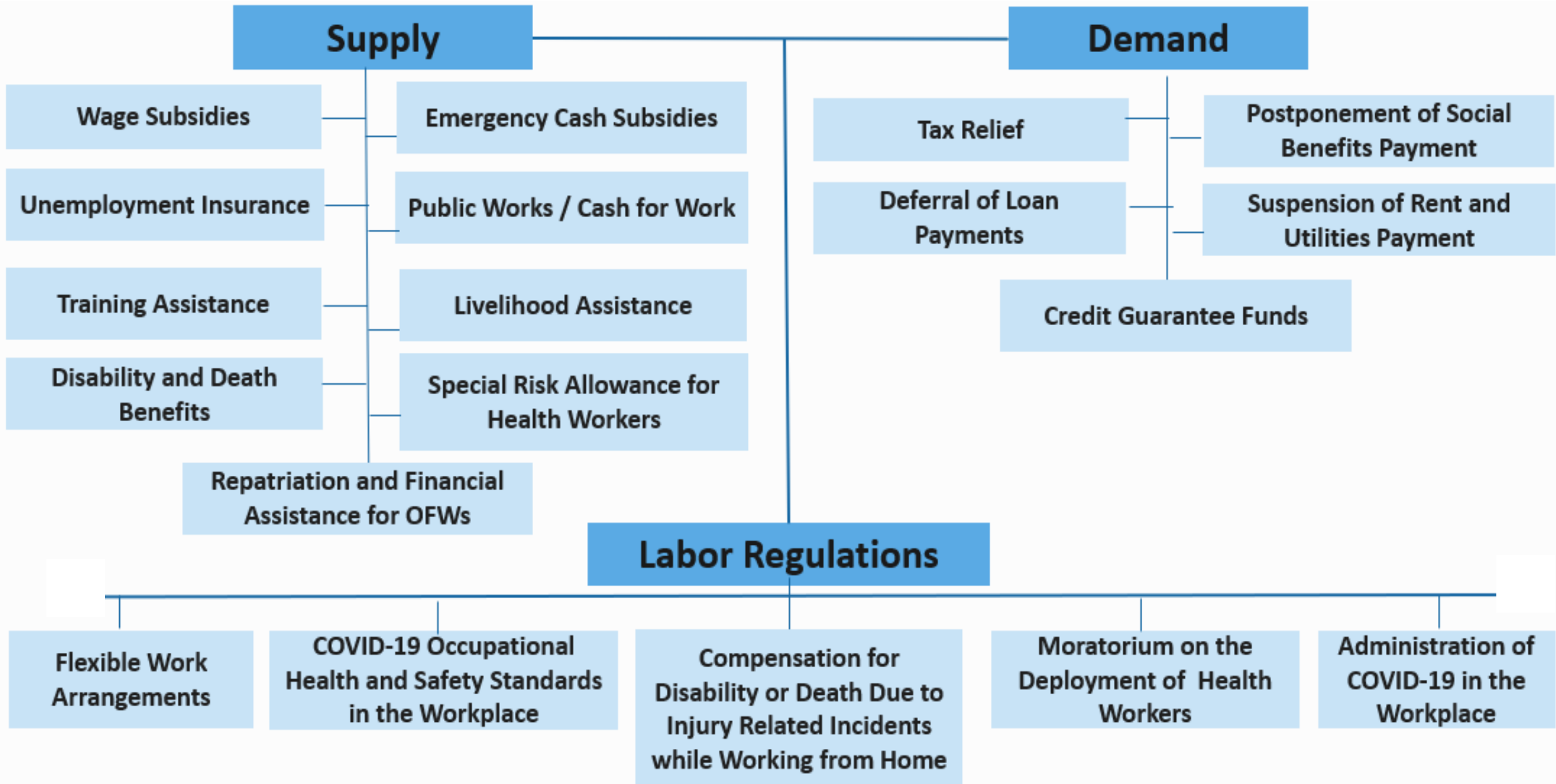
Workers Characteristics

- Female > Male
- Youth >> Adults
- Better educated > Less educated
- Urban > Rural

Flexibility (Work from home ability)

- Flexible jobs seem to be rebounding better and showing resilience

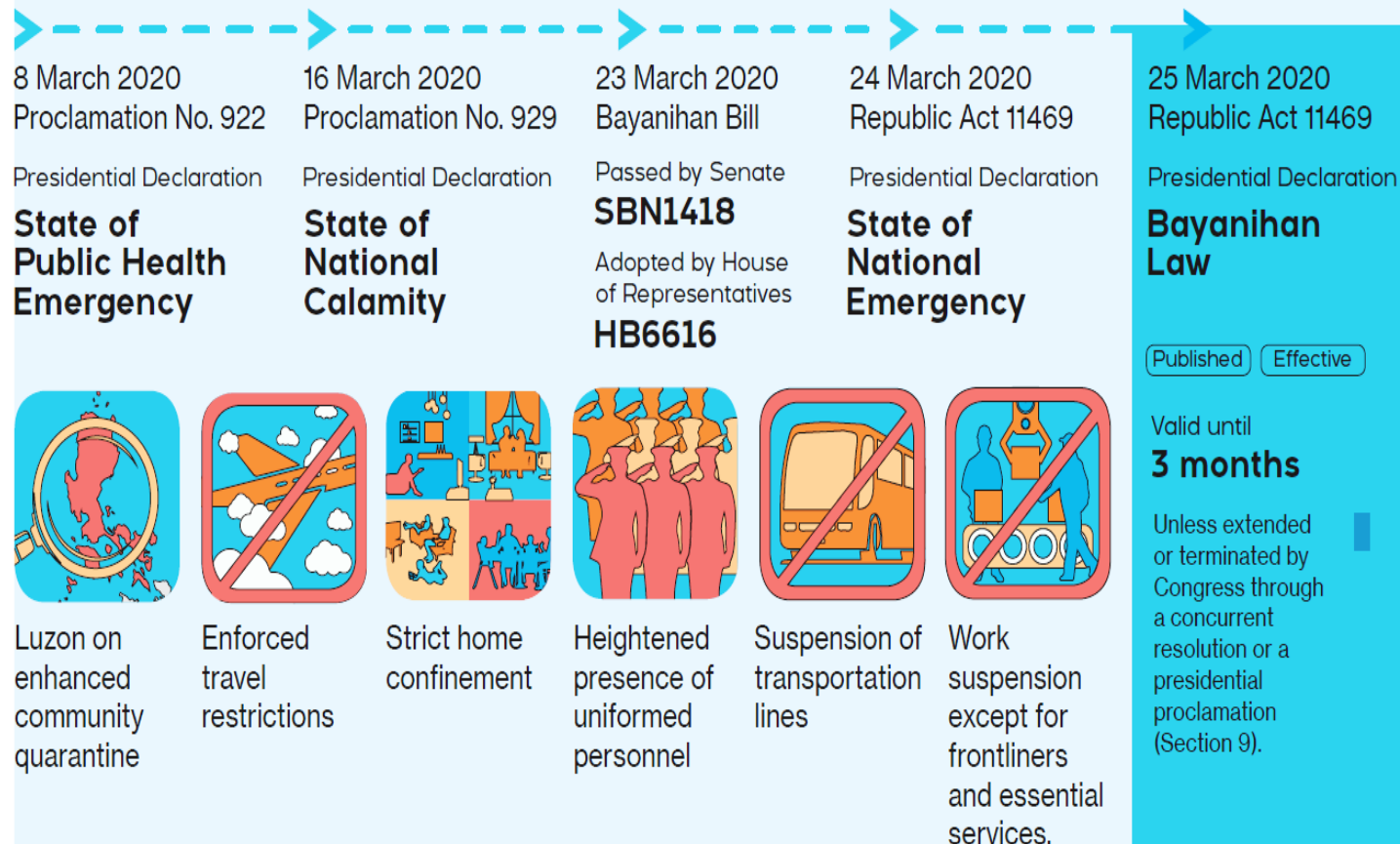
GOVERNMENT LABOR MARKET RESPONSES TO COVID-19



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Employment Programs (Bayanihan 1)

The enactment of *Bayanihan bill* into law declares a **State of National Emergency (Section 2)** in the entire Philippines.



Delayed implementation of two major programs mandated under the law...

- Provision of **emergency subsidies** to 18 million families. Expanded 4Ps covering **workers in the informal sector** – 200 billion
- COVID-19 **special risk allowance (SRA)** and **hazard pay for health workers (frontliners)**, plus medical expenses and 100k to those who contracted the disease, 1M death benefit – 1.2 billion

GOVERNMENT LABOR MARKET RESPONSES TO COVID-19

Employment Programs (Bayanihan 2)

Employment and Labor Market Interventions (for workers)	PhP 28.5 B
Cash for work programs for impacted sectors and unemployment/involuntary separation assistance for displaced workers or employees (DOLE)	13.00 B
Temporary livelihood to displaced workers in the transportation industry through service contracting of public utility vehicles, regardless of quarantine (DOLE)	5.58 B
Hiring of 50,000 contact tracers to be implemented (DILG)	5.00 B
Support to implementation of cash for work program of DOLE and unemployment/involuntary assistance for displaced workers in the tourism industry (DOT/DOLE)	3,00 B
Skills training for TVET scholars, including 100M for tourist guides training and subsidies (TESDA)	1.1 B
Funding augmentation for repatriation and medical assistance of OFWs (DFA)	820 M

Bayanihan to Recover as One
Republic Act 11494, 11 September 2020

Employment and Labor Market Interventions (for businesses)	PhP 36.6B
Assistance to Agricultural Sector (DA)	24.00 B
Bayanihan COVID-19 Assistance to Restart Enterprises (CARES) for MSMEs (SBCorp-DTI)	10.0 B
Assist critically impacted businesses in transportation sector (DOTC)	2.60 B

Existing programs were expanded and new programs for financial support to businesses and specific sectors were introduced.

GOVERNMENT LABOR MARKET RESPONSES TO COVID-19

For workers, for firms,
and through labor
regulation

Program	% hhs receiving	% pop receiving	Avg Amount (Jan to June)
Regular social assistance			
4Ps	15%	21%	9,000
UCT under tax reform	2%	3%	3,017
Indigent Senior Citizen's Social Pension	10%	8%	4,018
Individual Medical Assistance Program	0%	0%	11,111
Student Financial Assistance	0%	0%	8,945
Emergency Shelter Assistance	0%	0%	4,819
Social assistance under Bayanihan Act			
SAP	47%	48%	6,177
DOLE TUPAD	1%	1%	3,987
DOLE COVID-19 (CAMP)	1%	1%	5,383
DOLE AKAP	0%	0%	10,441
DTI Livelihood Seeding Program	0%	0%	4,293
DA Rice Farmers Assistance	3%	3%	4,967
DSWD Relief Assistance	22%	23%	940
Relief Assistance from Gov (Other than DSWD)	85%	86%	1,712
Relief Assistance other than from Gov	24%	25%	1,070

DOLE/DTI's labor programs show a small coverage

Skills development programs – difficult to quantify

(based on APIS 2020)

GOOD JOBS ARE NEEDED MORE THAN EVER

- **National Economic Recovery Strategy (NERS) 2020-22 shows a broader agenda for recovery**
 - Starting from vaccine distribution & COVID-19 management
 - Promoting collaboration between gov't, business, and labor
- **What should be policy priorities beyond COVID-19 recovery?**

JOBS RECOVERY AND FUTURE OF WORK

Policy Options and Recommendations

- ▬ Strengthen economic **fundamentals** for job generation
 - Ensure macroeconomic stability
 - Promote ease of doing business & improve the investment climate
 - Invest in human capital development and competitiveness
- ▬ Improve **employability** and promote **skills development and mobility/migration**
 - Develop the skilled work force for growing and frontier sectors (e.g., digital skills, greening skills, health and social care)
 - Diversify and promote online delivery of skills development (e.g., SHS, TVET, apprenticeship, etc)
 - Strengthen qualifications and accreditation for labor mobility/migration
- ▬ Ensure **green, resilient, and inclusive development (GRID)**
 - Implement targeted active labor market programs (e.g., especially for youth) for greater impact
 - Expand and enhance social insurance and labor market safety nets such as cash for work
 - Support bold strategies and plans for green jobs (e/g., eco-friendly agri-business and activities)
 - Enhance government support and assistance for reintegration of displaced OFWs
 - Leverage technology to enhance online employment services

ROBUST AND HEALTHY WORKFORCE

▯ For future work force

- Strengthen early start (health and nutrition) – 1/3 young children (<5) is stunted
- Enhance primary education – not only for quantity but also for quality
- Promote secondary education especially the completion of SHS

▯ For individuals in transition

- Strengthen existing programs by better targeting (e.g., Youth population hit hard by the COVID-19; female NEET rate high and increasing)
- Expand skills development (up-skilling/re-skilling) opportunities

▯ For the stock of the current work force

- Identify strategic sectors (fast growing ones) and make intentional investments (e.g., digital/green skills)
- Build on what the Filipinos are already doing well (e.g., IT-BTM, sea farers, education & social care)
- Make sure inclusive workforce development by enhancing productivity for a large number of low productivity sector workers (e.g., agriculture, wholesale & retail) and linking them with safety nets and social insurance

DIGITAL SKILLS

Clear concepts, definitions, applicability

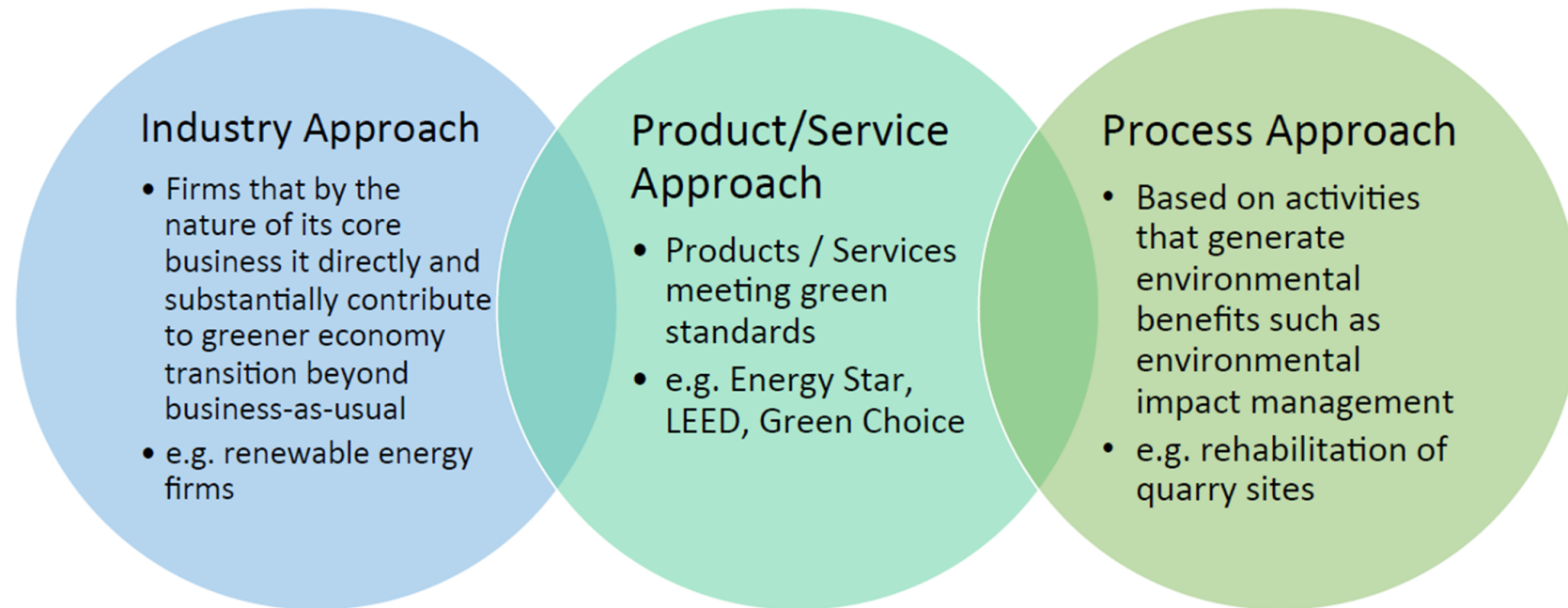
- To understand the demand for specific skills and reflect in skills development
- To incorporate into curriculum at different levels
- To explore different modality of skills development delivery
- To recognize and accredit the skills by education/training/tests

Level	Digital skills framework	IT Competency standard
BASIC <i>Ability to access and use digital technologies to perform basic tasks</i>	1. Functional use of digital devices	B1. Basic IT knowledge B2. Basic computer usage
	2. Online communication via emails	B3. Basic internet usage (e.g. emails)
	3. Using professional software for presentations, basic spreadsheet use	B4. Basic document processing (e.g. Word) B5. Basic spreadsheet usage (e.g. Excel) B6. Basic presentation usage (e.g. Powerpoint)
	4. Finding, managing, and storing digital information and content (e.g. social media)	B3. Basic Internet usage (e.g. web search, social media) I8. Database Management system
INTERMEDIATE <i>Ability to use professional software for analysis, creation, management, and design</i>	1. Using professional software for analytics, accounting, project management	I1. Advanced document processing I2. Advanced spreadsheet usage I3. Advanced presentation usage I4. Project planning software usage (e.g. Microsoft Project)
	2. Digital marketing, social media analytics	
	3. Web design, graphic design	I5. 2D graphics design (CAD) I6. Website editing (web design with HTML) I7. Photo editing
ADVANCED <i>Ability to perform specialized tasks in information and communications technology</i>	1. Computer programming	
	2. Cloud computing, network management	
	3. Artificial intelligence	
	4. Data science, big data analytics	
	5. Cyber security	I9. Information safety and security
	6. Web development, search engine optimization	

GREEN SKILLS

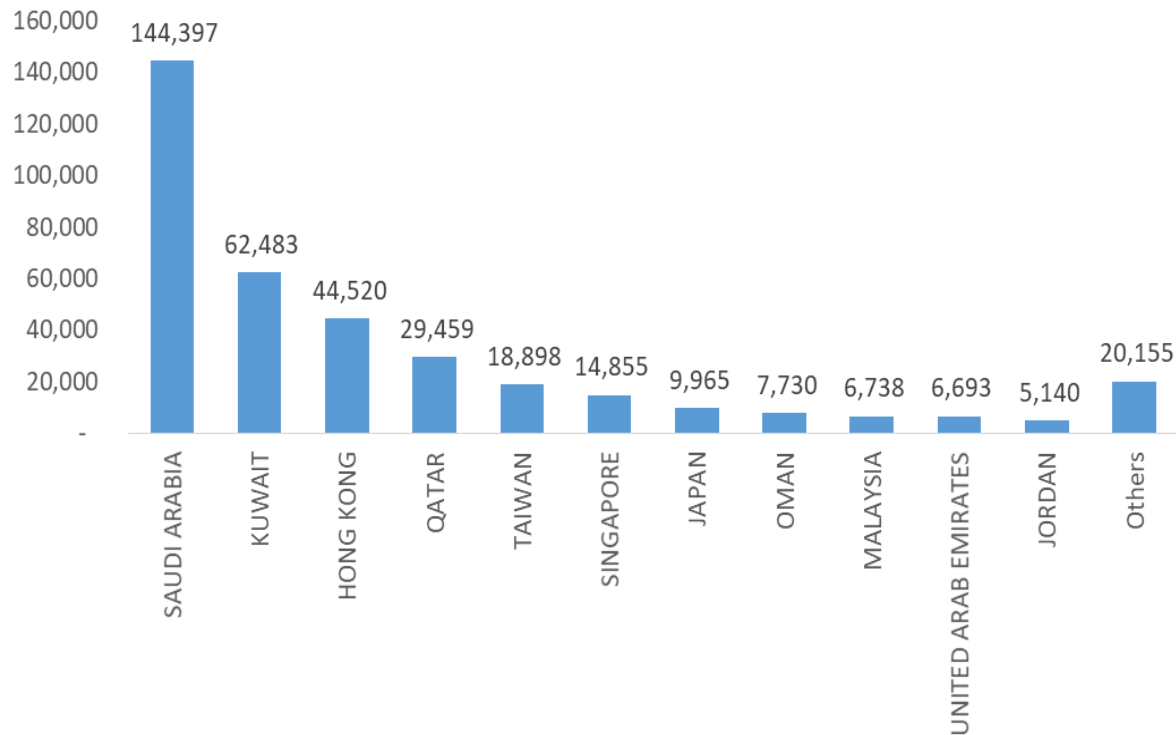
- Clear concepts, definitions, applicability
 - To understand the demand for specific skills and reflect in skills development
 - To incorporate into curriculum at different levels
 - To explore different modality of skills development delivery
 - To recognize and accredit the skills by education/training/tests
- Build a 'greening' workforce

Approaches to defining what is green and what is not

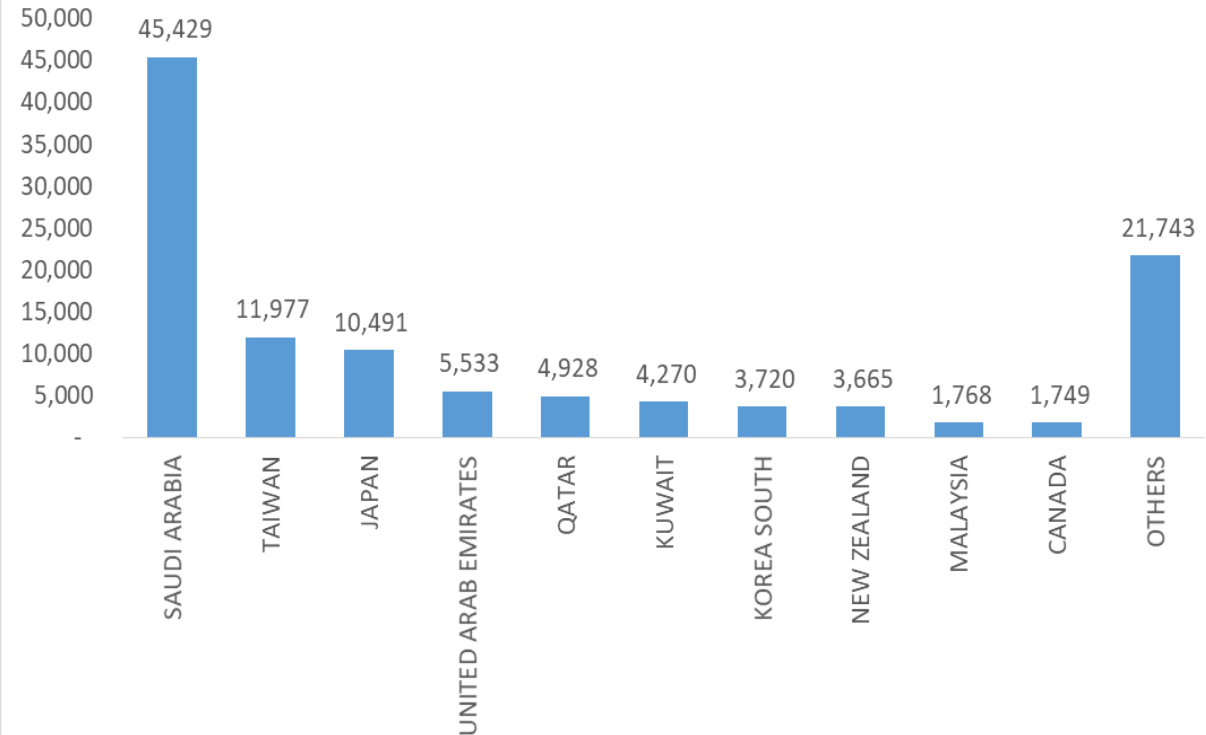


EDUCATION AND SOCIAL CARE

Top 10 destination countries (female)



Top 10 destination countries (male)



Large majority of women going to the Middle East as domestic workers...with increasing demand for education and social care (for children/ for elderly)

THANK YOU