# Employability and Promotion of Local Employment:

Key to Long-Term Recovery

PIDS 20<sup>th</sup> Development Policy Research Month Virtual Kick-off Forum 1 September 2022

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The impact of the COVID-19 pandemic on the Philippine labor market

- a spike in the unemployment rate
- a fall in labor force participation rate
- a significant reduction in working hours
- a large swell in the fraction of workers who are employed but absent from work

#### LABOR MARKET SITUATION **JUN 2022** 2020 2019 2021 2018 **REAL GDP GROWTH RATE** % -9.5 7.4 6.1 **EMPLOYMENT** 94.9 94.7 89.7 94.0 % 92.2 ('000)(39,378)(43,989)(46,592)(41,160)(42.428)UNEMPLOYMENT 5.3 5.1 10.3 7.8 6.0 % (2,990)('000) (2,301)(2,264)(4,500)(3,712)UNDEREMPLOYMENT 16.4 16.4 12.6 14.0 15.9 (7,003)('000)(5,888)(6,735)(5,934)(6,395)

# Dual impact of COVID-19 and automation on the workforce

The workforce is experiencing a major 'double-disruption' because pandemic-caused lockdowns and layoffs are coming at the exact same time that many businesses are embracing the use of more automation. (WEF, Future of Jobs 2020)

In the Philippines, the ILO estimates 7.2 million workers face a double-tiered risk of the job-disruptive impacts of the pandemic and the destructive impacts of digitalization.

### Hybrid work creates unevenness as workplaces temporarily go on and off

- SMEs face challenges in implementing work-fromhome arrangements
- Increase in employee turnover (competition between flexible job offerings)
- Automation replacing managerial roles

- Mental health concerns with rising rates of depression and anxiety linked to the pandemic
- Real wage cuts as annual compensation increases fall behind inflation

LABOR MARKET TRENDS Thriving in the Era of Digital Transformation

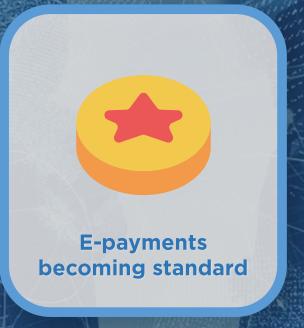
Available at ble.dole.gov.ph



## Philippines in the Digital Transformation Crossroads







## Workforce Development for the Digital Economy



#### **Human Skills**

Also known as 'soft skills', allows teams to work cohesively through social, creative, and critical thinking.



#### **Business Enabler Skills**

Enables individuals to connect the capabilities of digital technologies to broader business goals.



#### **Digital Building Block Skills**

Leverages technology to add value and align with functional domains that are critical to the information economy.

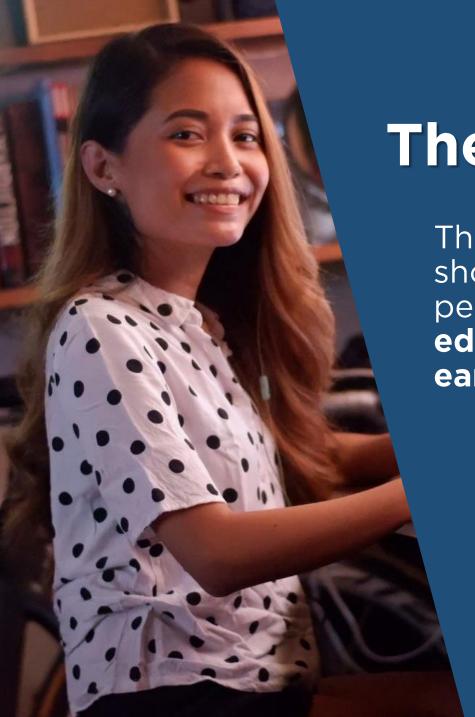


### Improving employability of the workforce:

- Modernized and responsive technical and vocational training and apprenticeship
- Upgraded skills standards, competency assessment, and certification benchmarked against international standards
- Professional standards and licensure examinations aligned with international standards







The Youth: Priority

The COVID-19 crisis has resulted in multiple shocks that disproportionately impact young people. These shocks include disruptions in education and training, employment and earnings, and increased job search constraints.

The disruption in their access to education and employment opportunities is likely to put the young generation on a **much more volatile trajectory** in finding and maintaining quality jobs and income.



### The Gig Economy and Digital Careers

The gig economy offers job flexibility that is more appealing and becoming more and more necessary to workers.

Promoting a culture of compliance to labor laws, especially labor standards, encourages the growth of the industry while ensuring just relations for workers and employers.



## Invest in Green Jobs

Promoting green jobs is imperative in addressing climate change, accelerating the transformation of economic development models, and facilitating green growth, low-carbon, and sustainable development. It can help increase both the quantity and quality of jobs.







# Facilitation of employment through the PESOs which provides:

- Job search and placement
- Employment, vocational and career counselling
- Implementation of labor market programs

#### **WAYS FORWARD**

- Review existing policies with a social justice lens to ensure just and inclusive transition
- Finalize national labor and employment plan with tripartite participation
- Continue collaboration with national and international development partners



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