Jobs are a cornerstone of development

- Jobs provide pathways out of poverty, opportunities to utilize and enhance skills, and means to create value and contribute to the economy.

- Policy objectives: job creation; jobs quality; and access to jobs.
Outline and key takeaways

Jobs Diagnostics

- The pandemic brought a significant impact on the labor market and reversed some of the progress
- Overall indicators suggest that the labor market is recovering with the strong rebound of the economy and some positive developments (e.g., digital solutions, female labor force participation)
- Challenges remain as indicators of jobs quality lag behind and poverty rates increased, and they are particularly acute for the youth group
Outline and key takeaways

Special Topics on Jobs

- **Labor regulations** including employment protection legislations and minimum wage policies can be complemented by other labor policies including social insurance and active labor market programs.

- **International migration** will continue to be an important driver for development, and supporting workers with better opportunities is also important in addition to providing adequate protection for them.

- **Green and digital sectors** are receiving growing attention, and should be actively incorporated for jobs policy.
Prior to the pandemic, the Philippine job market thrived

- Sustained and robust economic growth
- Faster growth in employment than the labor force
- Accelerated growth in labor productivity driven by services
- Steady structural transformation
- Overseas Filipino workers, IT-BPM sectors
- Rapid poverty reduction
COVID-19 brought a serious setback, but the Philippine labor market is resilient

- **Job loss** at large scale and increases in **unemployment & underemployment** (varying by phase)
- Some **positive developments** also take place
  - Increase in digital solutions
  - Increase in female labor force participation
Challenges remain that require policy interventions

- By Q2 2022, employment has returned, but some of the progress was reversed
  - Decrease in wage employment
  - Increase in unpaid work
  - Increase in elementary occupations
  - Increase in poverty

- Recovery has been uneven
  - Robust recovery in ICT, wholesale & retail
  - Weak recovery in accommodation & food services
  - Weak recovery for young workers
Even before the pandemic, the youth (ages 15-24) was significantly disadvantaged in the labor market (over 60 percent out of the labor force) and the working poverty rate is higher for youth.

The pandemic significantly affected the youth

- Between Jan 2020 and Jan 2022, the share of the employed declined from 32 to 28% among youth; whereas it remained at similar levels around 0.58 for the average adult population.
- Greater job loss and slower recovery among youth

Long term scarring impact

- Previous crises suggest long lasting scarring impacts
- COVID generation w/ learning, employment, and poverty crisis
Many workers turn to overseas opportunities

- Over 2 million workers **migrating abroad** every year since 2016
- **Remittances** (equivalent to about 10% of GDP) an important source of income
- **More women than men** (about 70 percent of land-based outmigrants)
- **Limited** set of occupations and destinations

*Source: Philippine Overseas Employment Authority (POEA)*
The IT-BPM sector has been prominent in the global online labor market

- **Demand** for workers in the global online labor market has been increasing (more so after the pandemic)
- About 0.6-1.2 million workers in digital jobs
- More present in (low skilled) clerical and data entry jobs than in (high skilled) software development
- The overall level of digital skills in the Philippines lags behind
Policy discussions
Shaping a better future for the Filipino workforce requires:

- Getting the fundamentals right, by ensuring macroeconomic stability, favorable business environment, and human capital investment of workers.

- Using labor market policies and programs strategically especially to tackle specific challenges.
An opportune time to strengthen labor market policies and programs for better outcomes

<table>
<thead>
<tr>
<th>Global</th>
<th>Philippines</th>
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<tbody>
<tr>
<td><strong>Active labor market programs</strong></td>
<td>- Design &amp; implementation challenges</td>
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<tr>
<td>- Wage subsidies</td>
<td>- Limited coverage</td>
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<tr>
<td>- Skills training</td>
<td></td>
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<tr>
<td>- Employment services</td>
<td></td>
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<tr>
<td>- Entrepreneurship</td>
<td></td>
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<tr>
<td><strong>Social insurance</strong></td>
<td><strong>Unemployment benefits</strong></td>
</tr>
<tr>
<td>- Unemployment insurance</td>
<td>- Limited coverage &amp; availability</td>
</tr>
<tr>
<td><strong>Social assistance</strong></td>
<td><strong>Public works plus</strong></td>
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<tr>
<td>- Public works plus (combined with skills training)</td>
<td>- Elementary activities</td>
</tr>
<tr>
<td><strong>Labor regulations</strong></td>
<td><strong>Minimum wage policies</strong></td>
</tr>
<tr>
<td>- Employment protection legislation</td>
<td>- Not evenly enforced</td>
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</tbody>
</table>
Active labor market programs for the youth can be further scaled up and strengthened

<table>
<thead>
<tr>
<th>Target population</th>
<th>Package of intervention</th>
<th>Modality of service delivery</th>
<th>Monitoring and evaluation</th>
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</thead>
<tbody>
<tr>
<td>○ Clear eligibility criteria</td>
<td>○ Skills training (e.g., technical skills – in green / digital, soft skills, job specific skills)</td>
<td>○ Private sector involvement? Incentives?</td>
<td>○ Input based approach to outcome focused approach (i.e., number of training vs. number of employment)</td>
</tr>
<tr>
<td>○ Profiling and gap analysis</td>
<td>○ Job search and matching, counseling and coaching</td>
<td>○ Linkages with existing programs?</td>
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<tr>
<td></td>
<td>○ Wage subsidies</td>
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</tbody>
</table>
Shaping a better future for the Filipino workforce requires a strategic use of all policy instruments

**Labor regulations**
- Are they clear and predictable? Do they reflect the new environment (e.g., remote work; online platforms)? Are they evenly enforced?
- Complement with social insurance and ALMPs

**International migration**
- Worker protection (e.g., household service workers) & occupational development (e.g., seafarers; nurses)
- Diversify occupations and destinations

**Green and digital sectors**
- Note global megatrends and emerging demands

Data, measurement, and evidence-based policy and programs
During the panel discussion

- Report's main takeaways and overall recommendations
- Youth employment challenges and related labor policies
- Support for migrant workers
- Adoption of digital solutions in the market
- Green and digital transitions in the economy
Thank you!


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