

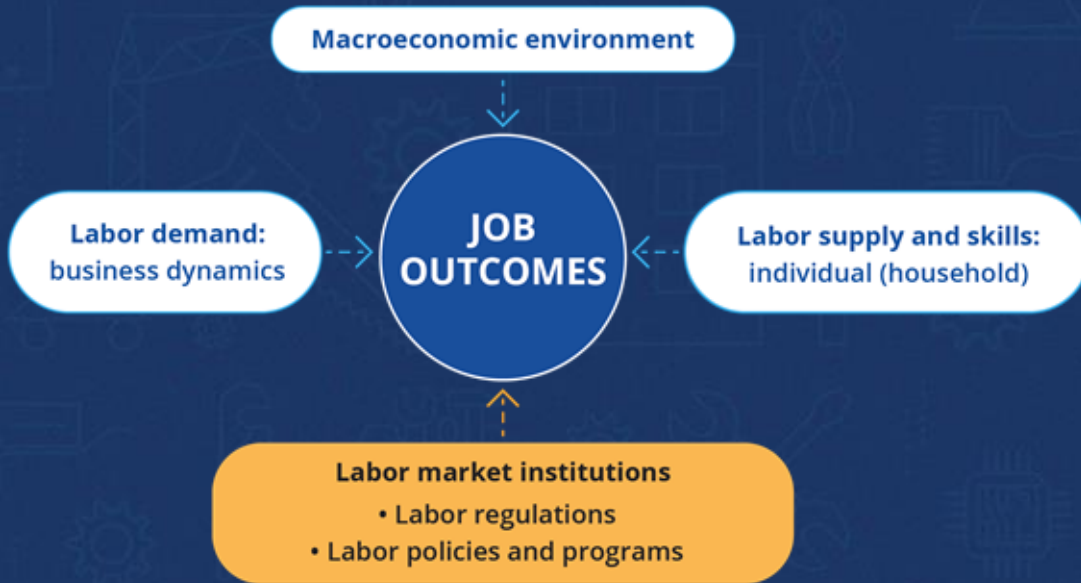


Philippine Jobs Report

**SHAPING A BETTER FUTURE
FOR THE FILIPINO WORKFORCE**

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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

- o The pandemic brought a significant impact on the labor market and reversed some of the progress
- o 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)
- o Challenges remain as indicators of jobs quality lag behind and poverty rates increased, and they are particularly acute for the youth group

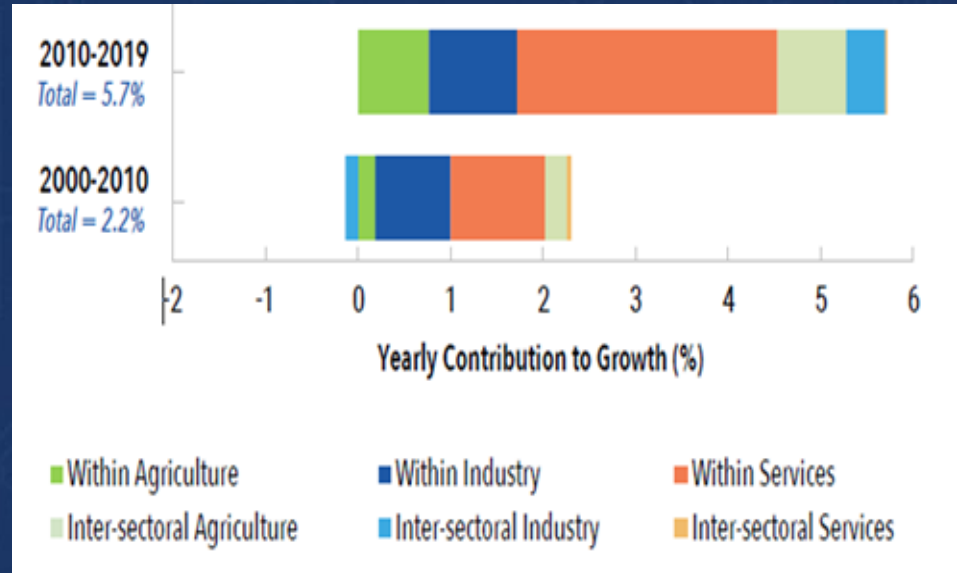
Outline and key takeaways

Special Topics on Jobs

- o **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
- o **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
- o **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**

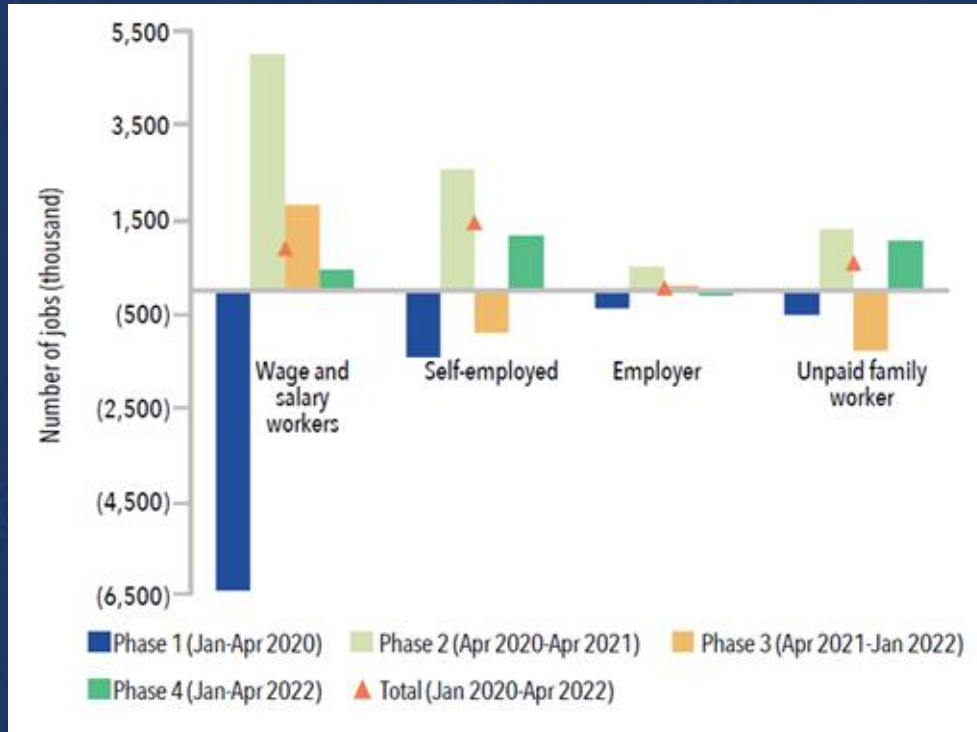


COVID-19 brought a serious setback, but the Philippine labor market is resilient



- **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



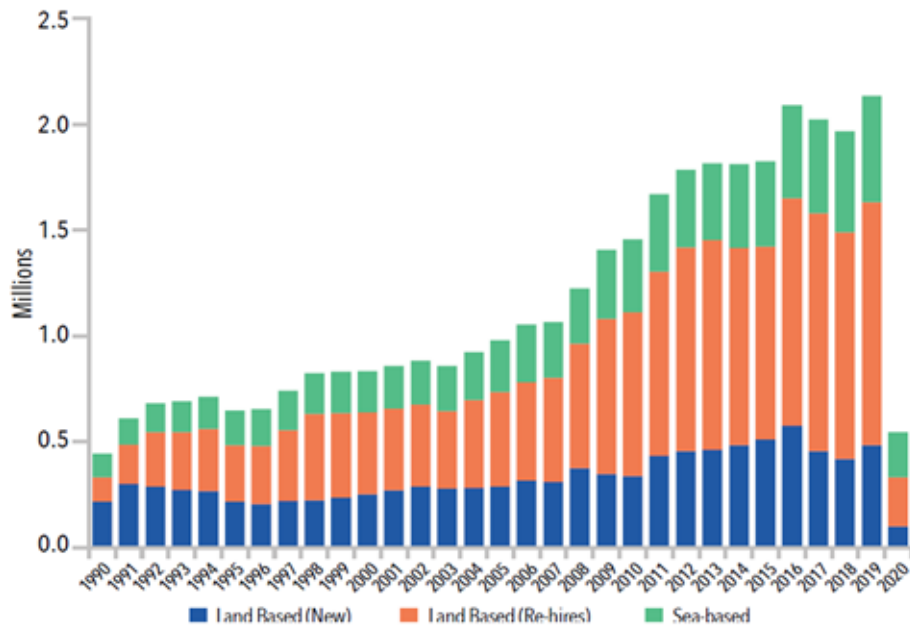
- By Q2 2022, employment has returned, but **some of the progress was reversed**
 - Decrease in wage employment
 - Increase in unpaid work
 - Increase in elementary occupations
 - Increase in poverty
- Recovery has been **uneven**
 - Robust recovery in ICT, wholesale & retail
 - Weak recovery in accommodation & food services
 - Weak recovery for young workers

Young individuals face disproportionately large challenges

- 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).

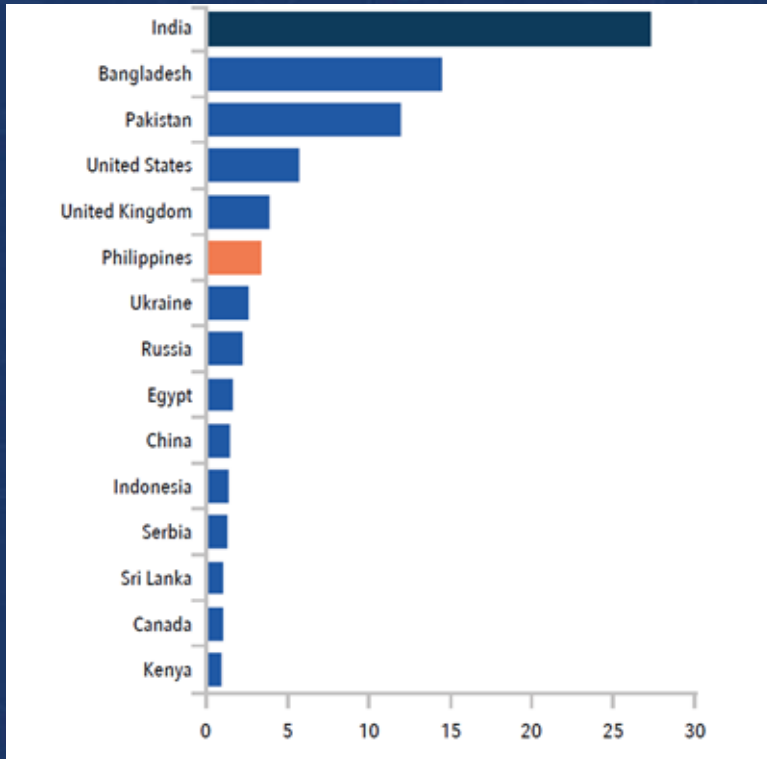


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The IT-BPM sector has been prominent in the global online labor market



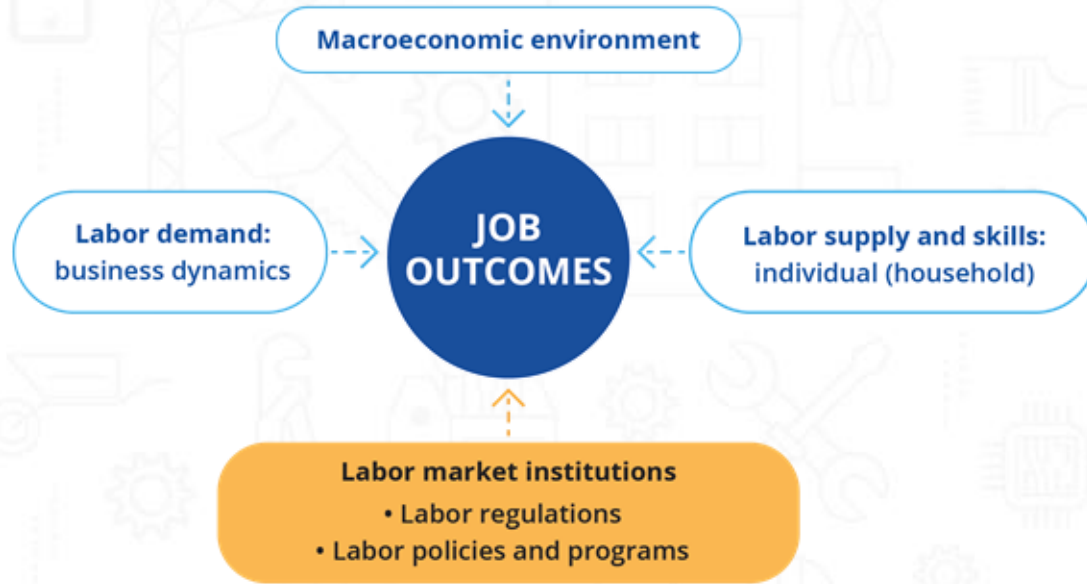
- **Demand** for workers in the global online labor market **has been increasing** (more so after the pandemic)
- About **0.6-1.2 million workers** in digital jobs
- More present in **(low skilled) clerical and data entry jobs** than in (high skilled) software development
- The overall level of digital 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

Global

Active labor market programs

- Wage subsidies
- Skills training
- Employment services
- Entrepreneurship

Social insurance

- Unemployment insurance

Social assistance

- Public works plus (combined with skills training)

Labor regulations

- Employment protection legislation
- Minimum wage policies

Philippines

Active labor market programs

- Design & implementation challenges
- Limited coverage

Unemployment benefits

- Limited coverage & availability

Public works plus

- Elementary activities

Minimum wage policies

- Not evenly enforced



Active labor market programs for the youth can be further scaled up and strengthened

Target population

- o Clear eligibility criteria
- o Profiling and gap analysis

Package of intervention

- o Skills training (e.g., technical skills – in green / digital, soft skills, job specific skills)
- o Job search and matching, counseling and coaching
- o Wage subsidies

Modality of service delivery

- o Private sector involvement? Incentives?
- o Linkages with existing programs?

Monitoring and evaluation

- o Input based approach to outcome focused approach (i.e., number of training vs. number of employment)



Shaping a better future for the Filipino workforce requires a strategic use of all policy instruments

Data, measurement, and evidence-based policy and programs

- **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



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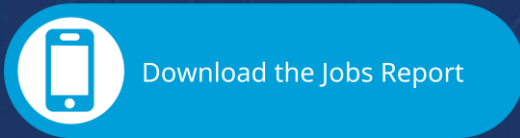


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During the panel discussion

- 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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