



The Philippine Development Plan: An Agenda for Employment Creation and Poverty Reduction

Arsenio M. Balisacan
Secretary of Socioeconomic Planning
NEDA
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Outline

- I. Background: PDP targets and achievements
- II. Lessons learned
- III. The Updated PDP
- IV. Employment Creation Agenda in the PDP
- V. The Role of Tech/Voc Education
- VI. Example of the Tourism Services Sector

We are on track with respect to our economic targets;
the present challenge is to catch up with our social outcome targets.

PDP 2011-2016 Targets



7-8%

Gross Domestic Product



22%

Investment/GDP ratio



6.8-7.2%

Unemployment Rate



Poverty Incidence down to

16.6%

Where are we now?



6.8% (2012)

7.6% (SI 2013)

Real GDP Growth



20.3% (2012)

20.8% (SI 2013)

Fixed Capital as ratio to
GDP



Unemployment rate

7.0% (2012)

7.3% (ave. of LFS' 2013 Jan, Apr
& Jul round)

Underemployment rate

20.0% (2012)

19.8% (ave. Jan, Apr & Jul 2013)



27.9% (S1 2012)

28.6% (S1 2009)

Poverty Rate



Generation of quality employment remains a big challenge.

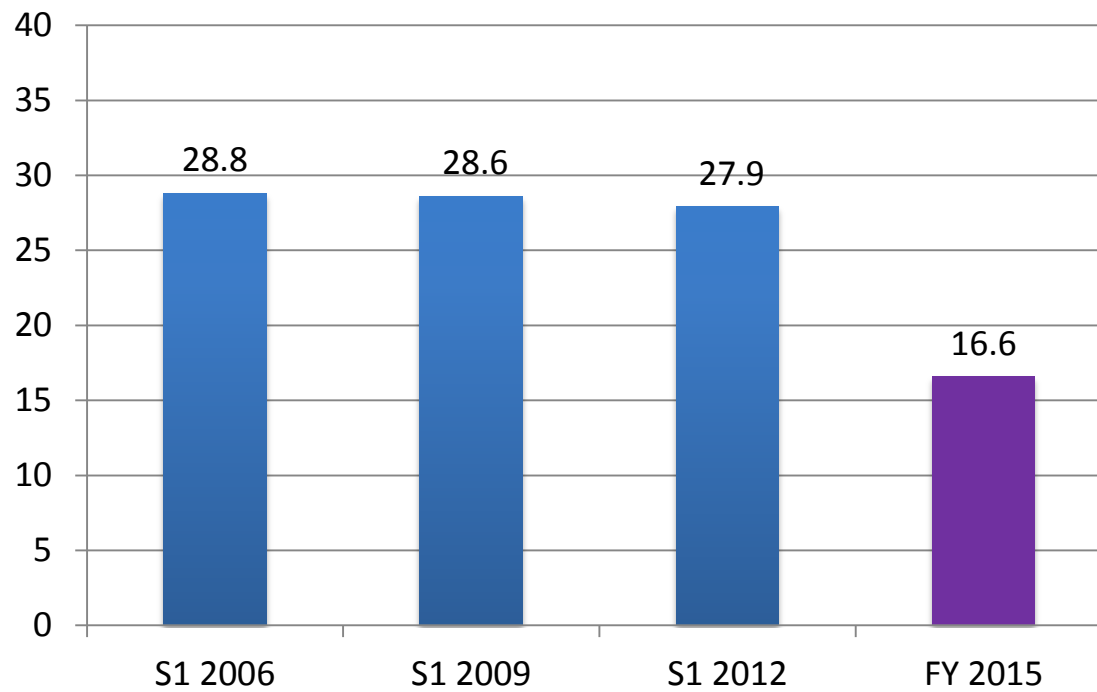
Indicator	Ave 2010	Ave 2012	Ave 2012 (Jan, Apr & Jul)	Ave 2013 (Jan, Apr & Jul)
Labor Force Level ('000)	38,893	40,426	40,424	40,972
Employment Level ('000)	36,035	37,600	37,577	37,978
Unpaid family worker (% to total employment)	11.5	11.0	11.1	10.1
Unemployment Level ('000)	2,859	2,826	2,847	2,994
Unemployment Rate (%)	7.4	7.0	7.0	7.3
Underemployment Level ('000)	6,762	7,514	7,632	7,509
Underemployment Rate (%)	18.8	20.0	20.3	19.8

Source: Labor Force Survey, National Statistics Office



And poverty reduction needs to be accelerated

**First Semester Poverty Incidence Among
Population (%)**





High Quality Employment Generation and Poverty Reduction are closely linked

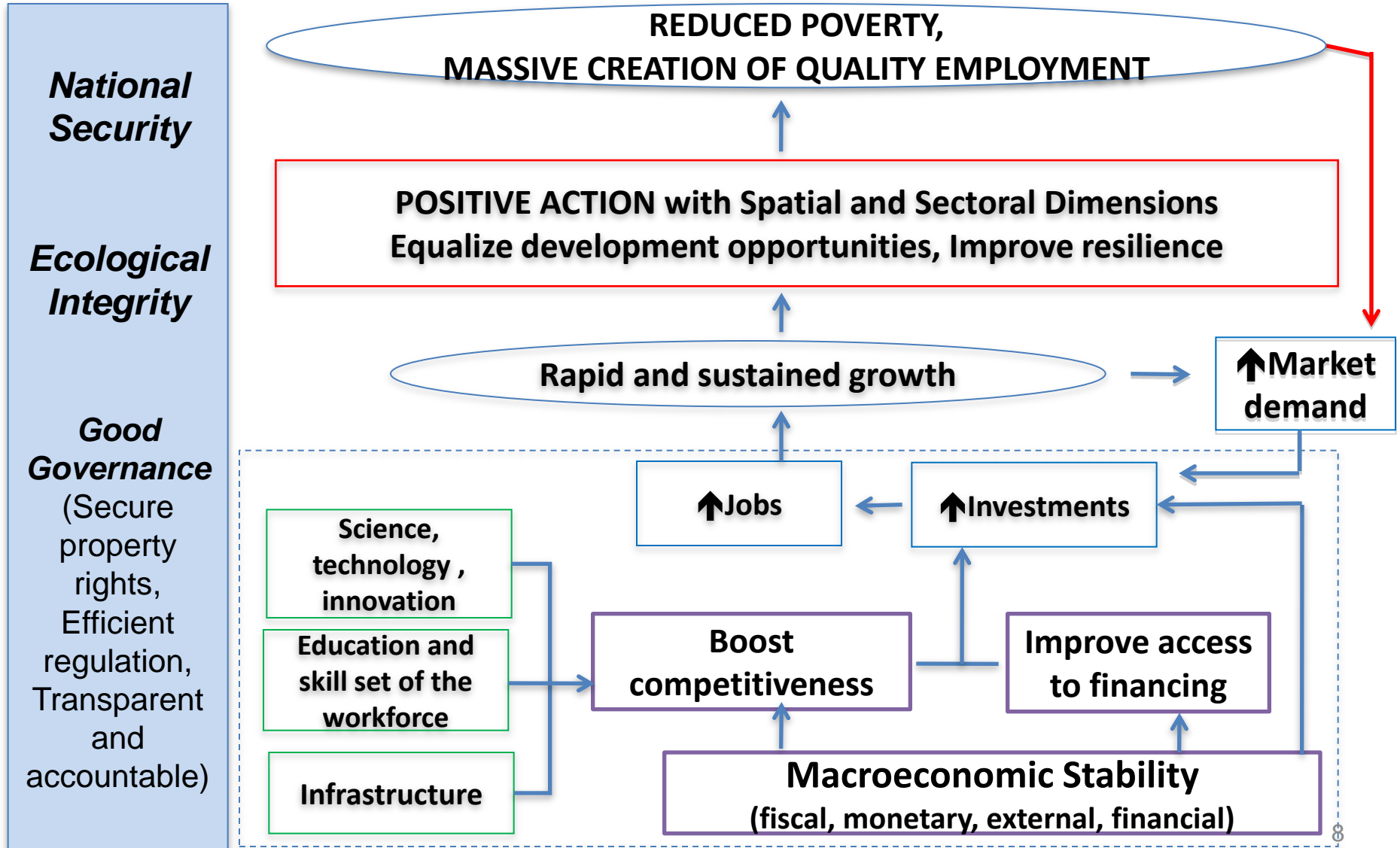
- High quality employment is a powerful means by which the poor can raise themselves out of poverty
- However, achieving both outcomes require strategic interventions across a broad spectrum of policy:
 - Fostering an environment conducive to business
 - Encouraging Investment
 - Investing in education and skills training
 - Enhancing health and social services



Lessons Learned: Midterm Assessment of PDP 2011-2016

- Good governance has proven to be an effective platform upon which strategies should be implemented.
- Macroeconomic (fiscal, financial, external) and political stability fuels positive expectations that lead to growth.
- Economic growth is necessary but not sufficient for poverty reduction.
- Growth strategies need to have spatial and sectoral dimensions to ensure inclusivity.
- Disasters can negate the gains and even push back development.

Hence we will do more in our pursuit for inclusive growth.





The Unemployment Problem

Indicator	Average in 2012	
	(thousands)	%
Total Unemployed	2,826	100.0
By Age group		
15-24 years old	1,412	49.9
25 and above	1,414	50.1
By Highest Education		
High School	1,275	45.1
College	931	32.9
Others	620	21.9



The Unemployment Problem

1. Insufficient employment opportunities
2. High underemployment in agriculture
3. Low employability of job applicants (e.g. high youth unemployment, job-worker mismatches)
4. Lack of safety nets in the event of unanticipated shocks to employment and incomes (e.g. those arising from economic crises, natural disasters, and changes in government policies or regulations)



Employment Creation Agenda in the PDP

- Comprehensive and multi-pronged
- Addresses each aspect of the unemployment problem
- Adheres to the following principles
 - Efficiency (catalytic; facilitates and not substitutes for private action)
 - Equity (priority given to poor sectors/areas)
 - Feasibility (doable within the Plan period)



Employment Creation Agenda in the PDP

Problems to be Addressed	Components
Insufficient employment opportunities for workers	<ol style="list-style-type: none">1. Encourage new investments/expand employment opportunities2. Promote priority sectors for inclusive growth
High underemployment in agriculture	<ol style="list-style-type: none">3. Address visible underemployment in agriculture by increasing the return to agricultural labor for the same output, or provide additional sources of income to the agricultural worker.
Low employability of job applicants	<ol style="list-style-type: none">4. Increase employability of new job entrants by enhancing the Government Internship Program, SPES and apprenticeship programs with the private sector
Lack of safety nets in the event of shocks	<ol style="list-style-type: none">5. Restore Livelihood Sources in Distressed Areas and/or Sectors6. Universal Coverage of Social Protection



Specific role of Technical/Vocational Education

- Recognizes the importance of improving workers' skills
 - Best way to prepare job applicants to the world of work
 - Facilitates innovation by hastening learning by doing
- TVET is a key intervention for addressing the skills mismatch
- Improved prospect for entrepreneurship and self-employment

Priority Sectors



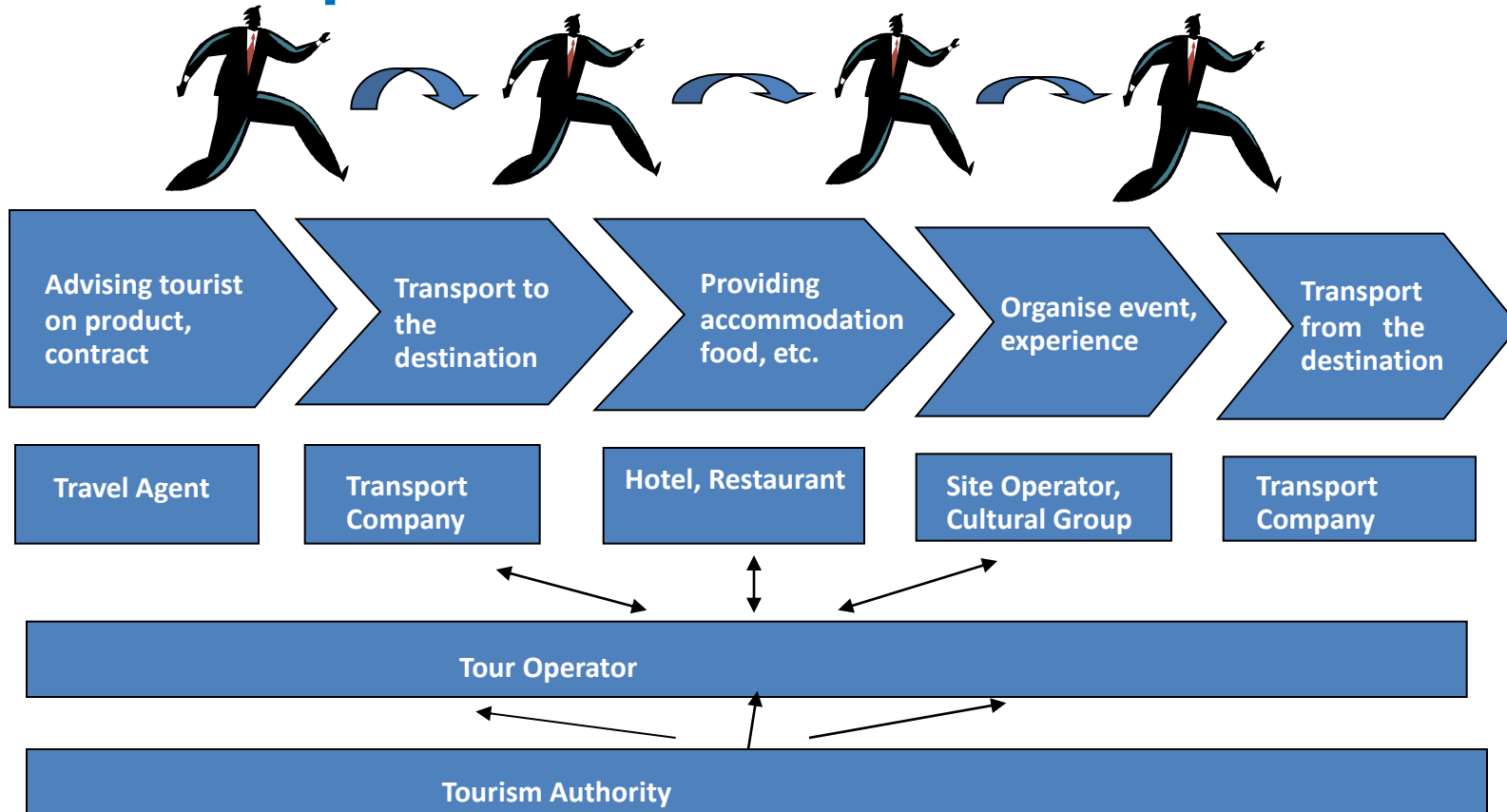
- Agri-business
- Infrastructure
- Tourism
- BPO
- Logistics



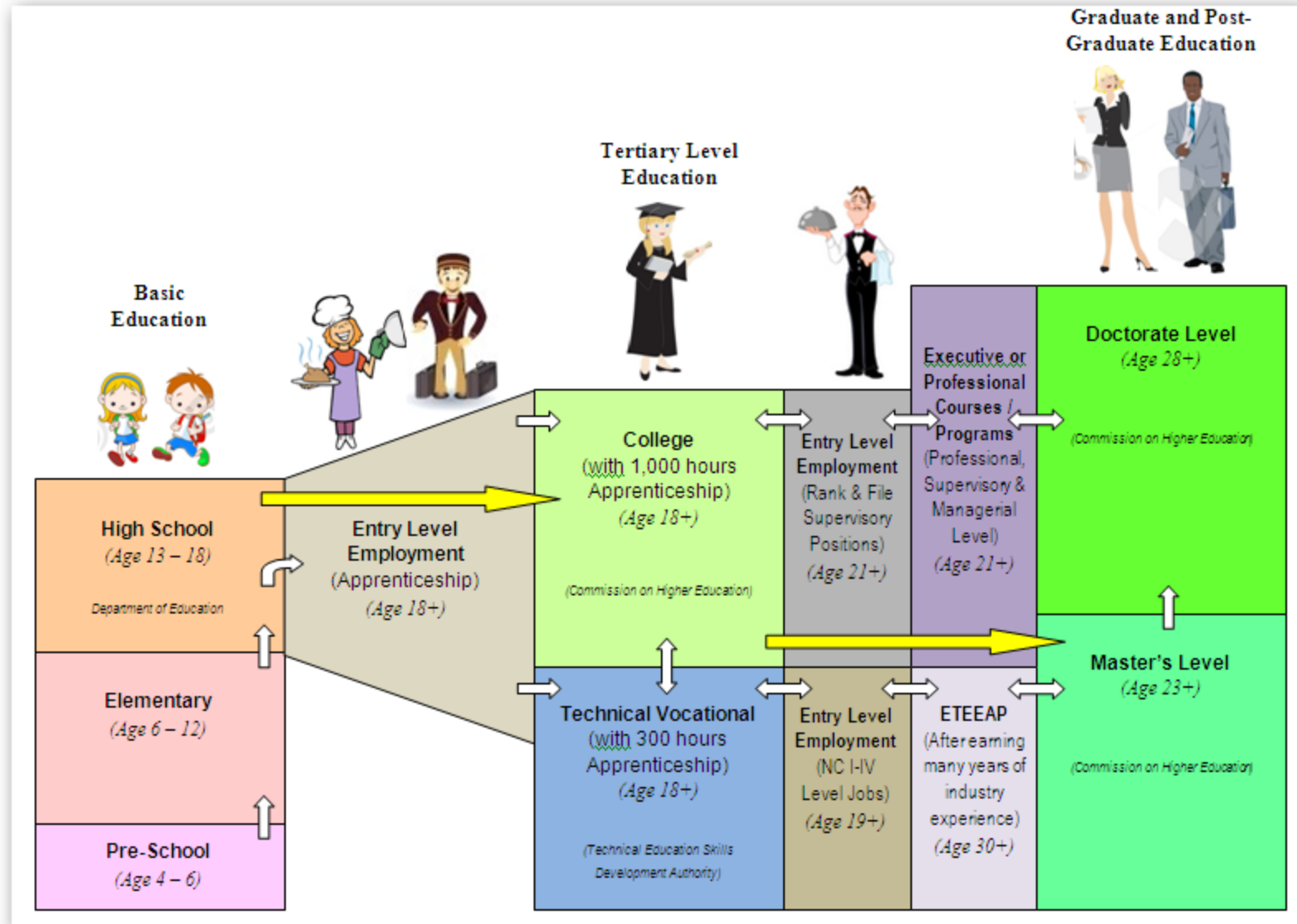
- ### PDP Midterm Update
- Agro-industry/Agriculture
 - Manufacturing
 - BPM/IT
 - Housing
 - Infrastructure/Logistics
 - Tourism

Each sector involves a value chain;
each chain needs to be competitive;
Each chain requires a competitive workforce

Simple Tourism Value Chain

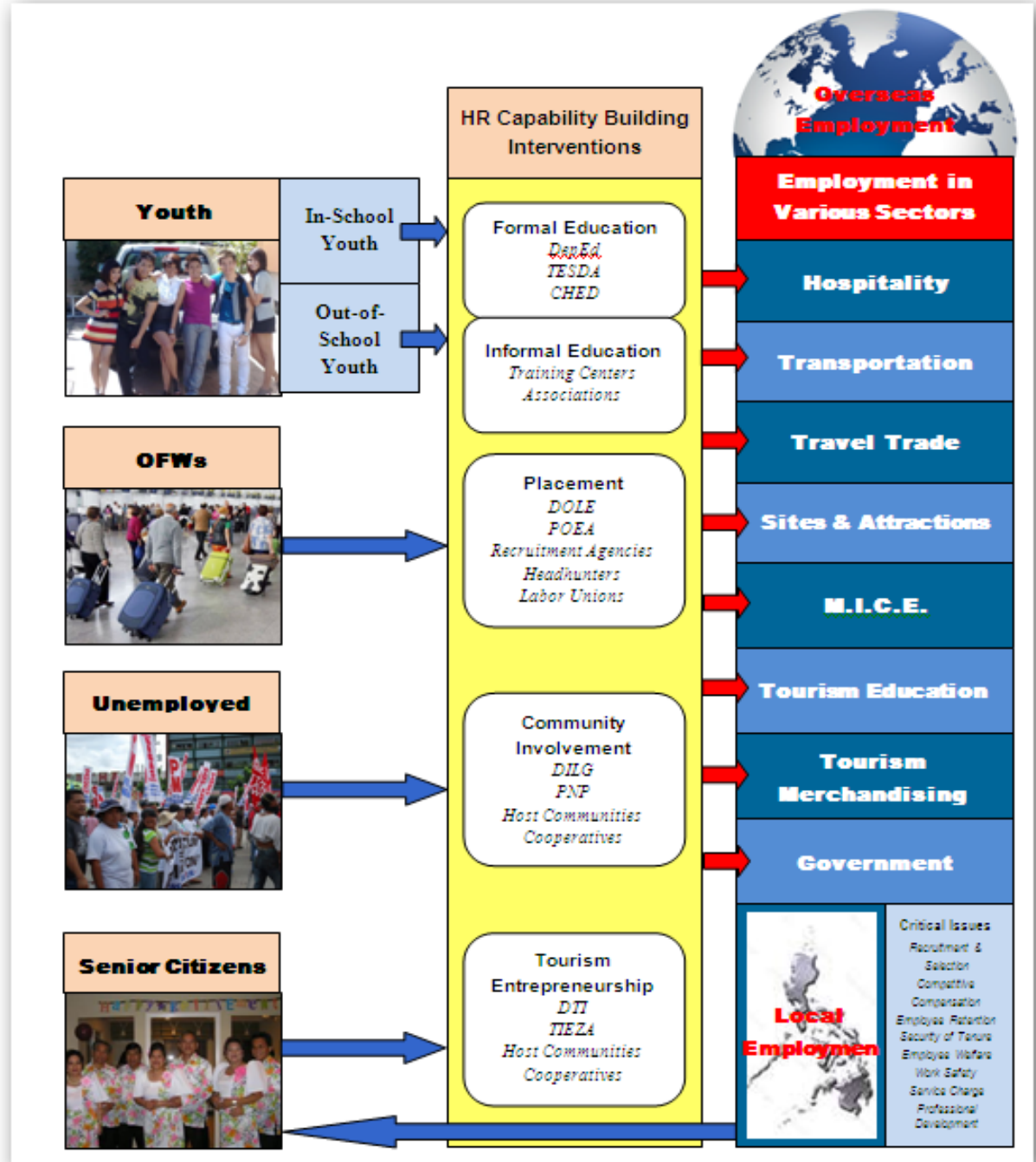


Proposed Tourism and Hospitality Management Education System (2012 – 2016)



Source: NTDP (<http://www.visitmyphilippines.com>)

Human Capital Development Philippine Tourism Industry 2011 - 2016





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