



TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY

LABOR MARKET INTELLIGENCE REPORT

DECENT WORK COUNTRY PROFILE: THE PHILIPPINES

Office of the Deputy Director General for Sectoral TVET
Planning Office
TESDA Complex, East Service Road, South Superhighway
Taguig City, Metro Manila
Tel. No. (02) 888 5652; 817 2675; 893 1966
www.tesda.gov.ph

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- The greatest challenge for the Philippines is to drive the economy to a higher level of growth and job creation. The recent resurgence in growth did not make a dent on poverty incidence suggesting that economic growth has not been inclusive. This could be attributed to the highly skewed income distribution pattern and rapid population growth rates in earlier decades. With working age-population projected to grow by more than a million annually in the next ten (10) years, generating new employment opportunities to ease the problems of unemployment and underemployment is a major concern.
- The Decent Work Country Profile covers ten substantive elements corresponding to the four strategic pillars of the Decent Work Agenda (full and productive employment, rights at work, social protection and the promotion of social dialogue), namely:
 - 1) employment opportunities;
 - 2) adequate earnings and productive work;
 - 3) decent hours;
 - 4) combining work, family and personal life;
 - 5) work that should be abolished;
 - 6) stability and security of work;
 - 7) equal opportunity and treatment in employment;
 - 8) safe work environment;
 - 9) social security; and
 - 10) social dialogue, workers' and employers' representation.

I. EMPLOYMENT OPPORTUNITIES

- There are indications that the “quality” or structure of employment progressed over time. Some gains are noted:
 1. Steady increase over time in the proportion of wage and salary workers to total employment (46.2 per cent in 1995 to 54.5 per cent in 2012). Wage employment opportunities, mostly in **services**, were enjoyed by men and women workers although the increase in the said proportion is slightly higher for men (46.7 per cent to 55.4 per cent) than for women (45.4 per cent to 53.1 per cent).

2. Strong differences since 1995 between men and women in terms of vulnerability: proportionally, there were more men in self-employment (31.4 per cent) than women (28.2 per cent) and more women as unpaid family workers (16.4 per cent) than men (8.4 per cent) in 2010.
- A higher proportion of unemployed women reached or completed tertiary education than their male counterparts, the latter having higher proportions in terms of secondary education. These high proportions could indicate possible job mismatches, particularly for those with tertiary education. It also reflects the fact that unemployment with high education levels have a higher “reservation wage,” as they can afford to wait for better job offers.
 - In terms of vulnerable employment (estimated by the proportion of self-employed and unpaid family workers), this proportion exhibited a marked decline, though still significantly high from 50.3 per cent in 1997 to 41.7 per cent in 2010. More than half of employed women (52.3 per cent) in 1995 were self-employed or unpaid family workers, but this proportion fell to 44.6 per cent in 2012. This decline may be interpreted as an improvement in the wage employment opportunities of women, and potentially, an improvement in job quality. Men also reported a lower proportion of self-employed and unpaid family workers (from 49.1 per cent in 1995 to 39.8 per cent in 2012).
 - Changes in employment and unpaid family work in total employment across sectors reveals mixed results:
 1. Between 1995 and 2012, the largest reduction in the proportion of such workers occurred in agriculture (74.0 per cent to 65.6 per cent)
 2. Services which recorded the largest expansion over the 16-year period (40.5 per cent to 51.8 per cent), experiences only a modest reduction in the proportion of self-employed and unpaid family workers (36.6 per cent to 33.8 per cent).

Employment opportunities

Decent Work Indicator	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Employment by class of worker, % distribution	100.0															
Wage and salary workers	46.2	46.5	49.5	49.9	49.6	50.7	49.5	48.7	50.1	52.1	50.5	51.1	52.2	52.4	53.3	54.5
Employers	3.5	3.7	3.6	3.6	4.8	4.8	5.3	5.5	5.2	5.1	4.7	4.4	4.3	4.2	4.1	3.9
Self-employed	35.5	34.3	33.3	33.4	32.0	32.3	32.2	32.4	32.4	31.7	32.8	32.2	31.5	31.3	30.6	30.1
Unpaid family workers	14.8	15.5	13.7	13.1	13.6	12.2	13.0	13.3	12.3	11.2	12.0	12.3	12.1	12.2	12.0	11.5
Men	100.0															
Wage and salary workers	46.7	47.1	50.1	50.5	50.1	50.7	50.1	49.3	50.6	52.8	50.9	51.5	52.7	52.9	54.1	55.4
Employers	4.2	4.5	4.3	4.3	6.1	6.1	6.9	7.3	6.8	6.6	6.0	5.6	5.4	5.3	5.2	4.9
Self-employed	37.8	37.2	35.8	35.3	33.6	33.8	33.0	33.3	33.4	32.5	34.4	33.8	33.0	32.8	32.0	31.4
Unpaid family workers	11.3	11.2	9.8	9.8	10.2	9.4	10.0	10.1	9.2	8.1	8.7	9.1	8.9	9.0	8.8	8.4
Women	100.0															

Decent Work Indicator	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Wage and salary workers	45.4	45.5	48.4	48.8	48.8	50.8	48.6	47.9	49.3	51.0	49.9	50.4	51.3	51.4	52.0	53.1
Employers	2.3	2.2	2.4	2.4	2.7	2.6	2.8	2.8	2.7	2.6	2.5	2.5	2.5	2.4	2.5	2.3
Self-employed	31.4	29.5	28.9	30.1	29.2	29.9	30.9	31.0	30.7	30.2	30.1	29.8	29.1	28.8	28.4	28.2
Unpaid family workers	20.9	22.8	20.3	18.7	19.2	16.8	17.7	18.3	17.3	16.1	17.5	17.4	17.0	17.4	17.2	16.4
Proportion of self-employed and unpaid family workers in total employment⁴, in %	50.3	49.8	46.9	46.5	45.6	44.5	45.2	45.7	44.6	42.8	44.8	44.5	43.6	43.5	42.6	41.7
Men	49.1	48.4	45.6	45.1	43.8	43.2	43.0	43.4	42.6	40.7	43.1	42.9	41.9	41.8	40.7	39.8
Women	52.3	52.3	49.2	48.8	48.5	46.7	48.6	49.3	48.0	46.4	47.6	47.2	46.1	46.1	45.6	44.6
Agriculture	74.0	74.5	73.4	72.6	68.7	67.1	66.9	67.0	66.6	64.7	68.2	67.9	67.2	67.0	66.4	65.6
Industry	20.7	18.7	17.1	17.7	17.7	18.5	18.4	18.6	18.1	17.0	17.6	17.5	16.6	16.4	16.7	15.8
Services	36.6	36.4	34.8	35.4	35.6	35.6	37.1	38.0	36.6	34.9	36.2	35.9	35.1	34.8	34.0	33.8
Share of wage employment in non-agricultural employment, in %	65.5	66.1	67.8	66.9	66.4	66.3	65.0	64.0	65.4	66.9	65.7	66.0	66.7	66.8	67.2	67.9
Men	72.3	72.6	73.8	72.7	72.1	71.5	71.1	69.8	70.9	72.6	71.0	71.0	71.6	71.8	72.3	72.8
Women	57.2	58.0	60.2	59.6	59.5	59.9	57.9	57.4	58.8	60.1	59.5	60.1	60.9	61.0	61.3	62.1
Wage and salary workers in non-agricultural employment, % distribution	100.0															
Men	60.6	61.0	60.9	60.4	59.6	59.1	58.8	58.1	58.7	59.3	58.6	58.1	58.1	58.3	58.1	58.1
Women ¹	39.4	39.0	39.1	39.6	40.4	40.9	41.2	41.9	41.3	40.7	41.4	42.0	41.9	41.7	41.9	42.0

II. ADEQUATE EARNINGS AND PRODUCTIVE WORK

- From 2006, working poverty rates in the Philippines were higher among men (30.9 per cent) than women (24.1 per cent) and have been consistently so since 1997. The working poor are most likely to be found in agriculture, with the rate rising from 48.3 per cent in 1997 to 50.1 per cent in 2006. The same increasing trend is observed among those in the industry and services sectors, which recorded working poverty rates of 14.9 per cent and 21.6 percent, respectively.
- In terms of employment type, the highest rates of working poverty are found among unpaid family workers (44.7 per cent) and the self-employed (33.6 percent).
- The proportion of low-paid employees remained unchanged at around 14 per cent between 2000 and 2012. By sector, the services sector still reported the highest proportion of low-paid employees at 15.6 per cent, followed by agriculture at 13.9 per cent and industry at 12.1 per cent in 2010.

- There has been a steady increase in the nominal average basic pay of employees from PhP222.29 in 2011 to PhP306.53 in 2012, which represents an increase of PhP84.24 or around 4 per cent annually in nominal terms. However, these were not adequate to make up for price inflation of around 5 per cent during the same period.
- In terms of pay by sector, employees in electricity, gas and water supply jobs were the most affected by the economic crisis in 2008 with a 4.6 per cent drop in real basic pay. Modest wage recovery occurred after 2009, with basic pay in services reaching PhP209.33 in 2010, followed by industry at PhP183.06 and agriculture at PhP91.52.

III. DECENT HOURS

- By class of worker, the lowest proportion of employed persons with excessive hours in their primary job was among unpaid family workers, with a decrease from 11.6 per cent in 1995 to 12.5 per cent in 2010. Meanwhile, the highest proportions were found among self-employed, at 28.2 per cent in 1995 and 29.5 per cent in 2010.
- In terms of excessive hours in primary job, women worked slightly longer hours than men in both 2000 and 2012. In 2010, workers in the services sector worked the longest hours per week at 47.3 hours, and those in agriculture the shortest at 31.8 hours per week.
- Total underemployment has not substantially changed since 1995, with about one out of every five employed persons wanting additional work although a slightly declining trend is evident.

IV. COMBINING WORK, FAMILY AND PERSONAL LIFE

- A rising trend in the proportion of men becoming economically inactive due to household/family duties was contrasted by the declining trend found in women in similar situations. This suggests that men are now sharing in these duties, which represents a break from tradition and a possible advancement in terms of gender equality in the labour market.
- There is a growing proportion of married women who are now in employment. On the downside, there is an increasing trend of economic inactivity observed among the youth (15-24 years) and this was accompanied by a high proportion of youth who are neither in school nor in employment, particularly among women.
- Family structures were seen to be changing with a decline in the proportion of employed men who are household heads.
- It is also noted that a large proportion of establishments in the non-agriculture sectors which have at least 20 workers, have implemented flexible working time arrangements and child and family care programmes.

V. WORK THAT SHOULD BE ABOLISHED

- The legal and policy environment for the abolition and prevention of child labour and forced labour is well developed in the Philippines and the country is also a signatory to the associated UN and ILO conventions.
- The number of “economically active children” has declined since 2004. The majority of economically active children can be found in agriculture, hunting and forestry at 54.0 per cent in 2010. Moreover, another cause for concern is the high shares of working children, particularly boys, exposed to hazards at work.
- Of remaining concern is the more than half of working children who are not attending school.

VI. STABILITY AND SECURITY OF WORK

- Insecurity of employment continues to persist in some sectors of the economy as employers resort to the hiring of workers under precarious work arrangements such as short-term, contingent, low paying and do not provide the usual non-wage benefits and social security.
- Precarious paid employment varied across sectors but was more apparent in industry with 26.5 per cent of industrial workers which is more than twice as many as recorded in agriculture at 12.7 per cent and in services at 12.4 per cent in 2010.

VII. EQUAL OPPORTUNITY AND TREATMENT IN EMPLOYMENT

- The various pieces of legislation enacted to promote the interests of women at work have led to a growing share of women in total employment and in non-agricultural wage employment.
- Overall, the female share in occupational employment has grown slightly since the 1990’s; from 36.4 per cent in 1995 to 39.2 per cent in 2010. In 2010, women accounted for half (51.9 per cent) of technicians and associate professionals, up from 49.1 per cent in 2001. They also continue to dominate the professional category (68.1 per cent in 2001 to 68.5 per cent in 2010).
- In terms of wage employment in non-agricultural sector, the share of women slightly progressed from 39.4 per cent in 1995 to 42.0 per cent in 2010. This implies that substantially more than half of women are still unable to access more remunerative employment opportunities outside of agriculture.
- In terms of gender wage gap (difference between the average daily basic pay of men and women, expressed as a percentage of the average daily basic pay of men), women service and sales workers were paid an average daily

basic pay that is 35.7 per cent lower than their male counterparts in 2012. Women were also paid less in the occupational groups of labourers and unskilled workers (26.6 per cent), farmers, forestry workers and fishermen (24.4 per cent) and trades and related workers (23.4 per cent). The gap is less among professionals (12.2 per cent), technicians and associate professionals (14.7 per cent) and narrowest among legislators, executives and managers (1.6 per cent) and clerks (3.7 per cent). On the contrary, women plant and machine operators and assemblers are paid 3.1 per cent more than men.

VIII. SAFE WORK ENVIRONMENT

- The regulatory framework for the enforcement of labour standards, as well as the various programmes directed at a safe work environment implemented since 2000 have largely contributed to creating a safer work environment today.
- The incidence rate of fatal and non-fatal occupational injuries per employed persons has declined over time.
- Labour inspection coverage in the Philippines remains weak. In 1998, the ratio of inspectors per 100,000 employees in private establishments was 2.8 and this figure continued to fall to 1.5 in 2010.

IX. SOCIAL SECURITY

- Considerable progress has been achieved with regards to national health insurance coverage, which at 74 per cent in 2010 keeps alive the possibility of achieving the national target of universal coverage by 2016.
- Deficits are also noted in the low share of social security benefits to GDP (1.7 per cent in 2009) and the low share of the economically active population who contribute to the SSS and GSIS pension schemes.

X. SOCIAL DIALOGUE, WORKERS' AND EMPLOYERS' REPRESENTATION

- Trends show decline in both union membership and collective bargaining agreement coverage since 1995 and more positive signs in industrial harmony and the growth of new mechanisms for bipartite relations management.
- The decline in union density may be attributable to the growing number of short-term, seasonal or casual employees in private establishments, which at 2.056 million in 1995 almost doubled to 3.707 million in 2010.
- Collective bargaining coverage rate also fell from 19.7 per cent in 2003 down to 10.9 per cent in 2010.

POLICY OPTIONS:

- The country enjoys better quality employment as shown with the gains in employment opportunities and decline in vulnerable employment and underemployment. The shift of employment opportunities from agriculture to services reflects the growing need to promote and sustain investments in areas such as information and communication technology, tourism and other service-related occupations.
- The Philippines remains largely an agriculture country with 65.6 per cent of employed people in 2010. The agriculture sector remains in need of investment to raise production and incomes. Moreover, boosting the earning power of the employed persons in the agriculture sector should be pursued through small scale entrepreneurship and livelihood training programs.
- An emerging field which can generate new investments and job creation is “GREEN technology” which is being pursued by most developed countries. As one of the top country that sends Filipino workers abroad, it is imperative that we address the skills gap with the introduction of “green skills” in training and education programs.
- Institutionalization of Labour Market Information System can help identify labour gaps, demands for employment as well as address the issue of job-skill mismatch.

TVET INITIATIVES:

On Entrepreneurship and Livelihood Creation

- TESDA has instituted the TESDA Specialista Technopreneurship Program (TSTP) which aims to generate job opportunities as well as boost the earning capacity of individuals through community-based service of trained and certified workers. The program identifies the local economic opportunities, designs and delivers the skills training with the provision of tool kits and monitors the progress of the worker. As of November 2012, a total of 5,930 TESDA Specialistas are operating in various parts of the country.
- TESDA extensively utilizes partnership arrangements with various organizations to promote entrepreneurship in TVET. The GREAT Women project with CIDA aims to integrate entrepreneurship in the basic competency of the TVET curriculum with the development of a Gender-sensitive Trainer’s Manual on Entrepreneurship. The International Labour Organization (ILO) has also been involved in the capacity development on entrepreneurship of the TVET trainers. For 2012, a total of 125 trainers were trained on the use of ILO’s Start and Improve Your Business (SIYB) modules.

On the Empowerment of Women

- In response to the mandate of the Magna Carta of Women (RA 9710) to develop and promote a gender-sensitive curriculum in education, scholarship and training, TESDA together with CIDA and the United Nations Population Fund (UNFPA) developed a Gender-sensitive Trainer's Manual which standardize the teaching of gender-sensitivity in TVET. The topics covered in the manual aims to raise the gender consciousness regarding gender and the rights-based approach to sexual and reproductive health to the trainees/students. TESDA Circular no. 4, series of 2012 "Roll-out of Gender Sensitive Training Curriculum and Gender-Sensitive Trainer's Manual" institutionalized the use of the Manual in all TVET institutions in the country.
- The COKE-TESDA National Convergence Program on Empowering Retailers otherwise known as the Sari-Sari Training and Access to Resources (S³TAR) Program is a public-private partnership program which is committed to develop a business support model that will provide access to business and life skills training, access to financing and financial services as well as access to merchandising support and business assets. The program expects to train 10,000 women until 2020.

On the Disadvantaged Youth

- Access to education and training should be available to families for them to choose to send their children to school over work. Efforts should be made to specifically target skills and training programs for the disadvantaged youth.
- TESDA seeks to promote youth employment and entrepreneurship through the Cash for Training Project (C4TP) together with the Department of Social Welfare and Development (DSWD). The project targets 65,730 disadvantaged youth all over the country for training in wage or self-employment. A total budget of 1.3 billion which covers training cost, toolkits and allowance, is allocated for the implementation of the project.