

REPUBLIC OF THE PHILIPPINES

Environment

The year 1997 saw several events that had significant implications for the Philippines' labour market. In that year the number of workers in the services sector surpassed those in the agricultural sector. Also in that year the Philippines, together with several other economies in the region, were hit by the Asian financial crisis. As well, the lingering effect of the infamous El Nino took a great toll, felt in several parts of the economy, particularly in the agricultural sector.

Beginning in the second half of 1997, a significant number of workers has been permanently laid-off and a large number of permanent closures of firms occurred, especially towards the latter part of the year. Worker lay-offs and firm closures continued during 1998, as the economy entered the most turbulent period of the financial crisis and the most devastating period of the El Nino.

Policies in Place

Given the above situation, Philippines strengthened several of its existing programmes that are meant to provide assistance to adversely affected workers, and put in place several new programmes urgently needed to further strengthen the economy. The programmes were crafted to assist displaced workers, maintain industrial peace and harmony, and improve the timeliness, adequacy and accuracy of labour market information.

Employment of Workers

A crucial concern needing immediate attention that emerged during the crises is the maintenance or provision of employment to the fast growing labour force. As the Philippines entered different phases of the crisis, many firms began to downsize, eliminating the jobs of many workers in the process. A number of firms had to close permanently; thus, cutting off the economic lifelines of their workers.

Comprehensive Employment Plan, 1999–2004

To systematically and effectively approach the tasks of preserving jobs, supporting the generation, facilitation, and enhancement of employment in the economy, the Philippine Medium Term Comprehensive Employment Plan was agreed upon by the tripartite constituents and presented to the President early this year for attestation. The plan identifies the key approaches and employment strategies for the period 1999–2004 that arose from extensive consultations with the various stakeholders in the industries/sectors and in the regions to ensure their acceptability and support.

Public Employment Service Office

For quite some time now, efforts to institutionalise the Public Employment Service Office (PESO)—the main nation-wide network for employment facilitation—have been pursued by several sectors, particularly by the public sector through the Department of Labour and Employment. The network is meant to more efficiently facilitate the placement of workers who are seeking jobs. It also assists employers to find workers with skills suitable to their requirements from nearby communities.

A number of key cities and municipalities have already set up PESO offices, but in some cases only on a temporary or contractual basis. The institutionalisation of the

PESOs, through legislation, should address concerns over the temporary or contractual nature of their services.

Phil-JobNet

In November of 1998, the Philippine President launched Phil-JobNet. This is an Internet-based system of employment facilitation capable of automatically matching job seekers with currently available job vacancies. System-users as job seekers and employers can access the Phil-JobNet, free of charge through the Internet, to look for employment opportunities that will remain posted for 30 days, unless filled.

Job seekers enter their characteristics using a template. Employers, similarly, enter the description of and requirements for job vacancies. Both jobseekers and employers can do on-line matching. Matching jobs, together with the name of the contact persons and institutions, are given to jobseekers during the job matching sequence. Similarly, names, addresses and other pertinent information about jobseekers that match the job requirements are provided to employers.

Integrated Entrepreneurship Development Programme (IEDP)

This programme is aimed at developing skills-based micro-enterprises in the informal sector through vocational training.

The IEDP has two major components:

1. Organising skills-based informal sector operators and/or workers into business teams, formed along the concept of product or business specialisation and/or market differentiation; and
2. Developing informal sector-specific materials to respond to needs for assessment and analysis, resource and employment mapping, programme development, design and implementation of training programmes, and provision of support services for the sector, which can be used for introducing sustainable changes in both operators and workers.

Social Accords

Social accords between labour organisations and employer organisations to preserve jobs are actively promoted. Such accords include provisions that strikes will only be utilised by workers as a last resort and that lay-offs of workers to save enterprises will likewise be resorted to by employers only as a last resort. The social accords also encourage continuing dialogue between management and workers to pursue common goals and to effectively address employment-related problems.

Social Safety Nets to Alleviate Poverty

GATT Adjustment Measures

Even before the financial crisis the Department of Labour and Employment (DOLE) had already set in place GATT adjustment measures to ease the impact of the more intense economic competition due to the implementation of WTO agreements. Through this assistance, efforts on job generation, livelihood, training and strengthening of training institution projects are supported.

Special Loan Windows

For the purposes of supporting displaced workers affected by the financial crisis, the Government, in 1997, through its insurance system, set aside several million pesos.

The fund allows displaced workers to borrow money for several months, repayable under liberal terms.

Temporary Employment Project

As a response to the financial crisis, several projects were modified to assist the displaced workers. In 1998, the Special Project for the Employment of Students (SPES) was modified to allocate a number of slots for students that are children of displaced workers. These students are given work paid at minimum wages. Payments are made by employer (at 60 per cent of the minimum wage) and the Department of Labour and Employment (the balance of 40 per cent).

Rural Works Project

To initiate new economic activities in 1998, DOLE allots funds for rural works activities. These rural works projects include construction of feeder roads, canals, and the like. As these are local government projects, project workers come from the community, thereby giving the latter income opportunities.

Workplace Practices to Improve Productivity

Work Improvement for Small Enterprises (WISE)

This project of the DOLE assists workers and entrepreneurs in small enterprises to increase their productivity, and therefore their competitiveness. Such improvements include workplace improvements, better ways of doing things, or adoption of improved technology.

ISTIV

The ISTIV is a national programme that was launched in 1998 to instil productivity consciousness among workers and employers. ISTIV stands for Industrious, Systematic, Time-conscious, and Innovative workers with strong work Values. The programme enlists the cooperation of workers and employers organisations.

Implementation

The programmes described above are basically the responsibility of the Department of Labour and Employment, in close coordination with other relevant government agencies. Cooperation of workers and employer organisations is sought to ensure their involvement and commitment. Where these are necessary, the cooperation of non-government organisations (NGOs) is also sought.