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SENATE

P. S. RES. NO. 402

Introduced by **SENATOR LEILA M. DE LIMA**

**RESOLUTION**

**DIRECTING THE SENATE COMMITTEE ON LABOR, EMPLOYMENT  
AND HUMAN RESOURCES DEVELOPMENT TO CONDUCT AN INQUIRY,  
IN AID OF LEGISLATION, ON THE RISE OF UNEMPLOYMENT RATE IN  
THE PHILIPPINES**

*WHEREAS*, Article II, Section 9 of the Constitution provides that “[t]he State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all”;

*WHEREAS*, Article XIII, Section 3 of the same provides that “[t]he State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all”;

*WHEREAS*, Book 1, Article 12 (3) of the Labor Code states that “[i]t is the policy of the State to facilitate a free choice of available employment by persons seeking work in conformity with the national interest”;

*WHEREAS*, on 14 March 2017, Philippine Star reported that in the January 2017 Labor Force Survey unemployment rate in the country increased to 6.6%, which is equivalent to 39.3 million employed individuals<sup>1</sup>;

*WHEREAS*, on 8 May 2017, Inquirer noted that, despite the increase in employment from 38.4 million in January 2015 to 39.2 million in January 2016, the

<sup>1</sup> Morallo, A. Unemployment rate increases in January 2017. (2017, 14 March). Philippine Star. Retrieved from <http://www.philstar.com/business/2017/03/14/1681058/unemployment-rate-increases-january-2017>.

number of underemployed Filipinos also increased by 847,000 to 7.7 million in January 2016, from the same period last year<sup>2</sup>;

*WHEREAS*, on 1 May 2017, Business World reported that the results of the survey by Social Weather Station (SWS) for first quarter of 2017 shows steady joblessness and a slightly lower net optimism on job availability in the year ahead<sup>3</sup>;

*WHEREAS*, on 19 January 2017, Business World reported that, despite UN projections showing the Philippines outpaces the gross domestic product growth averages for East and South Asian, its relatively high unemployment rate raises a red flag to the otherwise promising outlook<sup>4</sup>;

*WHEREAS*, according to a 2014 study entitled “Retrenched and Returned: Filipino Migrant Workers during Times of Crisis”, high unemployment and under-employment rates are some of the factors that precipitate labor migration in the Philippines<sup>5</sup>;

*WHEREAS*, according to a 2012 Asian Development Bank (ADB) study, the Philippines, as one of the largest remittance-receiving countries with 10 percent of the population working in 200 countries nationwide, has been showing resiliency during crises because remittance inflows keep increasing, albeit at a much lower rate than before<sup>6</sup>;

*WHEREAS*, on 06 June 2017, CNN reported that the Philippine government banned deployment of Filipino workers to Qatar, saying that it is concerned with the fate of the 140,000 OFWs already in the host country, and that the ban applies to newly-hired and returning Filipino workers<sup>7</sup>;

*WHEREAS*, the displaced OFWs, such as those affected by the Qatar deployment ban, who are unable to find alternative employment shall now form part of the unemployed sector and will, thus, exacerbate the unemployment problem and, in addition, negatively impact expected remittances from abroad;

*WHEREAS*, it is also noteworthy that remarkable youth unemployment also contributed to the rise of high unemployment in the country;

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<sup>2</sup> Gonzales, Y. PH has worst unemployment rate despite high GDP growth—Ibon. (2016, 24 May). Rappler. Retrieved from <http://business.inquirer.net/210532/ph-has-worst-unemployment-rate-despite-high-gdp-growth-research#ixzz4gSceulQ4>.

<sup>3</sup> Business World. Joblessness steadies, optimism slips. (2017, 1 May). Retrieved from <http://www.bworldonline.com/content.php?section=TopStory&title=joblessness-steadies-optimism-slips&id=144474>

<sup>4</sup> Uy, D. M. Unemployment mars PHL’s growth picture. (2017, 19 January). Retrieved from <http://www.bworldonline.com/content.php?section=TopStory&title=unemployment-mars-phl&8217s-growth-picture&id=139327>

<sup>5</sup> Spitzer, D and Piper, N. Retrenched and Returned: Filipino Migrant Workers during Times of Crisis. (2014).

<sup>6</sup> Asian Development Bank. Global Crisis, Remittances, and Poverty in Asia. (2012). Retrieved from <https://www.adb.org/sites/default/files/publication/29831/global-crisis-asia.pdf>.

<sup>7</sup> CNN. Philippines stops sending workers to Qatar. (2017, 06 June). Retrieved from <http://money.cnn.com/2017/06/06/news/economy/qatar-migrant-workers-philippines/index.html>

*WHEREAS*, according to the latest Labor Statistics, 1.86 million Filipinos aged 15 to 30 are unemployed as of April 2016<sup>8</sup>;

*WHEREAS*, on 31 March 2016, CNN Philippines reported the findings of Asian Development Outlook 2016 that, of the country's overall unemployment rate in January 2016, almost half of unemployed persons were from the 18-24 age group<sup>9</sup>;

*WHEREAS*, the same report revealed that “[c]ollege graduates took about a year to find work, and high school graduates took up to 3 years. Many drift into informal work, often part time and poorly paid, or remain unemployed. One in four young people is neither working nor pursuing education or training”<sup>10</sup>;

*WHEREAS*, the Philippine Government should have measures and programs in place to prevent and to mitigate the economic impact of the rising unemployment and under-employment rates, including those resulting from massive layoffs due to conflicts or wars abroad and the inability or difficulty encountered by the youth in finding adequate, gainful employment;

*WHEREAS*, the Government should strengthen efforts towards job creation and generation, and solving the issue of job mismatch especially now that almost a million joined the labor force because of the recently concluded academic year<sup>11</sup>;

*WHEREAS*, the Government should look into the possibility of providing greater job-seeker benefits, and alternative job-seeking and -training incentives for fresh graduates and displaced OFWs, which is aimed at easing some of their financial burdens for a reasonable time while they seek employment, connecting them with temporary employment opportunities locally, and increasing their chances of finding permanent gainful employment;

*WHEREAS*, there is a very urgent need for the Government to anticipate and address the economic impact of rising unemployment, especially in light of President Rodrigo Duterte’s act of certifying as urgent<sup>12</sup> the passage of House Bill No. 5636 or the proposed Tax Reform for Acceleration and Inclusion Act, which is poised to become extremely burdensome to everyone from middle-income earners to low-income earners, and especially the unemployed and under-employed members of society, who will not reap the benefit of lowered income tax rates, but will nonetheless suffer the increase in prices of basic commodities that will result from the proposed higher excise tax rates on fuel, among others;

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<sup>8</sup> Philippine Statistics Authority January 2017 Current Labor Statistics. Retrieved from <https://psa.gov.ph/sites/default/files/attachments/ird/specialrelease/E-CLS-January%202017.pdf>

<sup>9</sup> CNN Philippines. ADB: Youth unemployment a 'policy challenge' for gov't. (2016, 31 March). Retrieved from <http://cnnphilippines.com/business/2016/03/30/ADB-Youth-unemployment-policy-challenge-govt.html>

<sup>10</sup> *Ibid.*

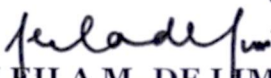
<sup>11</sup> Philippine Star. 1 M graduates face unemployment. (2017, 15 March). Retrieved from <http://www.philstar.com/headlines/2017/03/14/1680961/1-m-graduates-face-unemployment>

<sup>12</sup> Department of Finance. PRRD certifies tax reform bill as urgent. (2017, 29 May). Retrieved from <http://www.dof.gov.ph/taxreform/index.php/2017/05/29/prrd-certifies-tax-reform-bill-as-urgent/>

*WHEREAS*, there is an urgent need to investigate, in aid of legislation, the rise in our country's unemployment rate, address this perennial problem, and study the possible negative effects of certain proposed legislation on unemployed workers, their families, and Philippine society in general;

***NOW THEREFORE, BE IT RESOLVED***, as it is hereby resolved, to direct the Senate Committee on Labor, Employment and Human Resources Development to conduct an inquiry, in aid of legislation, on the rise of unemployment rate in the Philippines.

Adopted,

  
LEILA M. DE LIMA