

MEASUREMENTS OF YOUTH UNEMPLOYMENT

This report is the second of the two-part series focusing on the youth unemployment. Data presented were culled from the Labor Force Survey (LFS) – Public Use Files (PUF) of the National Statistics Office (NSO). Results of the four survey rounds of the LFS in January, April, July and October were averaged to represent annual data from 1998-2002. Starting 1998, the LFS was adjusted based on the 1995 census-based population projections.

OVERVIEW

Youth unemployment could be measured by four distinct indicators, each representing a different aspect of youth unemployment problem, according to the International Labor Office (ILO) Key Indicators of the Labor Market (KILM) 2001-2002.

The four (4) measurements are: 1) youth unemployment rate (youth unemployment as percentage of the youth labor force); 2) ratio of the youth unemployment rate to the adult unemployment rate; 3) youth unemployment as a proportion of total unemployment; and 4) youth unemployment as a proportion of the youth population. These measurements should be analyzed jointly to properly gauge the

extent of youth unemployment within the labor market. Taking the indicators singly, however, would not be reflective of the true problem of youth unemployment. The analysis would be a helpful guide on the formulation of policies and development of programs for the youth in an economy.

According to the ILO, when the youth unemployment rate in an economy is high and the ratio of the youth unemployment rate to adult unemployment rate is close to one, unemployment is prevailing throughout the economy. But when both indicators are high and the share of youth unemployed to total unemployed is also high, the unemployment problem is more unequally distributed or more specific to youth.

MEASUREMENTS OF THE FILIPINO YOUTH UNEMPLOYED

The ILO defines young people as persons aged between 15 and 24 while adults are those aged 25 and above. In the Philippines, the youth refers to those persons aged 15-30 years old as defined in Republic Act No. 8044 – Creation of the

National Youth Commission. However, for purposes of consistency with the ILO definition of youth, this report presents the data of young household population between 15 to 24 years old.

Youth Unemployment Rate

For the past five years, the unemployment rate of those aged 15 – 24 ranged from 21.0 percent to 24.2 percent. The young females posted higher unemployment rates (24.4% to 28.0%) than their male counterparts (19.1% to 22.1%)

According to ILO, the high unemployment rate phenomenon is not exclusive to the developing economies like the Philippines. Young unemployed in developed (industrialized) economies also

find difficulties in looking for a job. In countries like Italy, France, Spain and Greece, youth unemployment rates in 1998, were higher at 33.8 percent, 25.4 percent, 34.1 percent and 29.7 percent, respectively (KILM 2001-2002) than the 21.4 percent of the Philippines. However, when compared to available data of neighboring Southeast Asian Countries like Singapore (7.1%) and Thailand (7.4%), the Philippine youth unemployment rate in 1998 was three times higher.

Ratio of the Youth Unemployment Rate to the Adult Unemployment Rate

The Philippine ratio of youth unemployment rate to adult unemployment rate ranged from 3.2 to 3.4 over the five-year period. This means that there are three times more young jobseekers than adult unemployed relative to the labor force population. As mentioned earlier, if such condition occurs and the situation is compounded by high unemployment rate

among youth, then the youth unemployment is prevalent for the entire economy. When the labor market is tight, the young jobseekers are left behind by their adult counterpart. Employers will hire the more experienced adult unemployed to avoid the cost of training the young and inexperienced workers.

Share of Youth Unemployed to Total Unemployed

Although decreasing from 50.2 percent in 1998 to 49.5 percent in 2002, the young jobseekers still comprise almost half of the total unemployed. In proportion

to total male unemployed, male youths posted lower shares (46.9% to 48.2%) compared to their female counterparts (53.1% to 55.6%)

Share of Youth Unemployed to Youth Population

More than 10 percent of the youth population had taken steps to find work and this share was noted to be slowly inching upward (11.1% to 12.6%) from 1998 to

2002. The share of the male is higher by two to three percentage points than their female counterpart.



Source of data: National Statistics Office, Labor Force Survey (LFS)/Public Use Files (PUF).

CONCLUSION

In summary, the young unemployed constitutes about half of the Philippines total unemployed. Further, youth unemployment rate is three times the adult unemployment rate. Moreover, the share of youth unemployed to total youth population is gradually increasing in recent years.

While the annual unemployment rate of young females is higher than their male counterpart, the proportionate share of young male unemployed relative to total population is noted to be higher than the female unemployed. This indicates that young female jobseekers are more likely to remain unemployed for quite sometime either by choice, i.e., they have job preference that suit their qualifications, or

by circumstances, i.e., the available limited employment opportunities may be suited for men only. Data in Table 1 also suggest that the youth unemployment problem is unequally distributed. Young people suffer difficulties in finding jobs to a larger degree compared to their older and experienced counterparts.

In view of this, it may be necessary to institute employment policies that focus on easing the entry of young people into the world of work. Program interventions may take the form of skills training, enhanced on-the-job training program, apprenticeship before graduation to prepare our young workers for productive work, among others.

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**Table 1 – MEASUREMENTS OF YOUTH UNEMPLOYMENT BY SEX,
PHILIPPINES: 1998 – 2002**

YEAR	Youth (15-24) Unemployment Rate (%)			Adult (25 & Over) Unemployment Rate (%)			Ratio of Youth Unemployment Rate to Adult Unemployment Rate			Share of Youth Unemployed to Total Unemployed (%)			Share of Youth Unemployed to Youth Population (%)		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
1998	21.4	19.5	24.7	6.7	6.7	6.7	3.2	2.9	3.7	50.2	48.2	53.1	11.1	12.4	9.7
1999	21.0	19.1	24.4	6.4	6.7	5.8	3.3	2.8	4.2	50.4	47.4	55.1	10.9	12.0	9.6
2000	24.2	22.1	27.9	7.2	7.4	6.7	3.4	3.0	4.2	51.1	48.2	55.6	12.1	13.3	10.8
2001	23.3	20.8	27.4	7.3	7.6	6.9	3.2	2.7	4.0	49.8	46.9	54.2	12.2	13.0	11.4
2002	24.2	21.8	28.0	7.5	7.8	7.2	3.2	2.8	3.9	49.5	47.1	53.1	12.6	13.5	11.7

Source of basic data: National Statistics Office, Labor Force Survey (LFS)/Public Use Files (PUF).