

Loss of one million jobs reveals instability of Philippine economy

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A Gmanews.tv report revealed that a million jobs were lost from 2011-2012. The report cited data from the Department of Labor and Employment showing that the number of employed Filipinos went down to 37.668 million in October 2012 from 38.55 million in October 2011. It also cited data from the National Statistics Office showing that the number of unemployed Filipinos went up to 2.7 million from 2.6 million during the same period.

Well, the difference may be attributed to the government's definition of unemployment, which refers only to those who are actively seeking work or looked for work within the last six months prior to the survey and are immediately available for work. Those who have given up looking for work are not considered unemployed.

The situation may even be worse because the definition of employment also has some loopholes. Considered as employed are those who have worked even for one hour with pay during the reference period and those who have worked without pay who are classified as unpaid family work. Also considered as employed are "own account workers," which include street hawkers, who, time and again, have to run from the police and demolition crews of the MetroManila Development Authority.

Ibon Foundation estimates the number of unemployed in 2012 to 4.422 million. If we consider the number of underemployed, which is at 7.16 million, then the problem is even far worse than is officially reported.

It is thus, safe to conclude that the loss of one million jobs is even understated. This dampens the boast that the Philippine economy is doing well with its 6.6 percent growth rate in 2012.

Professor Rene Ofreneo of the UP School of Labor and Industrial Relations, who was interviewed by Marc Jayson Cayabyab of gmanews.tv in its report, hit the nail in the head when he pointed out the problem of quality of jobs. "We have to remind them that the industry and agriculture ... are the real sectors. We cannot just rely on services, overseas labor markets, and call centers. We need all the mobilization of the economy," Ofreneo reportedly said.

This is the problem with the GDP growth last year. It is mainly driven by services, specifically construction both public and private. Construction is seasonal. The construction industry is vibrant today because of pump priming by the government and the boom in the construction of condominiums and office spaces in anticipation of a continuously increasing demand from business process outsourcing (BPO) companies and their employees and overseas Filipino workers. SMDC alone seems to be building condominiums everywhere. But this is temporary because once the sales and occupancy rates of condominiums and office spaces begin to decline because of market saturation, so will the construction industry. This is why the Aquino government is banking on public-private partnership projects. But even these have their limits.

Likewise, the retail industry is also seasonal. Demand fluctuates according to the months of the year and is dependent on the purchasing power of the people, which is mainly being propped up also by

remittances of OFWs, the shrinking middle class and BPOs.

The business process outsourcing (BPO), the so-called sunshine industry of the Aquino administration and its predecessor, is also very unstable. It is based on contracts from companies abroad secured by locally-operating BPO companies. Employment in these companies is also, therefore, based on contracts.

Large-scale mining for export, another industry being courted by the Aquino government, is heavily dependent on foreign capital and on the demands in the world market. In this period of crisis, the demand for minerals that are necessary for production is expectedly low. And open pit mining, which most big mining companies use, is not as labor intensive as tunnel or underground mining, and therefore employs less workers – aside from the fact that it leaves a permanent damage on the environment.

Industry and agriculture are indeed the real sectors. These provide the stable foundation for the economy. A national industry and agriculture that are geared toward, first and foremost, providing for the needs of the domestic economy – and not mainly for export, which goes up and down according to the boom and bust of the world economy – could create stability in the economy while providing long-term, stable employment. To complement these, secure jobs with living wages should be generated and a genuine agrarian reform program should be implemented to increase the purchasing power of the Filipino people. In these times when the world economic crisis is becoming increasingly more virulent, this may be the only way for the economy to move forward.

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<http://bulatlat.com/main/2013/02/22/loss-of-one-million-jobs-reveals-instability-of-philippine-economy/>