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SENATE

P. S. Res. No. 36

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

A RESOLUTION

DIRECTING THE SENATE COMMITTEES ON LABOR, EMPLOYMENT AND HUMAN RESOURCE DEVELOPMENT AND ON ECONOMIC AFFAIRS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE JOB GENERATION PROGRAM OF THE GOVERNMENT IN THE FACE OF THE HIGH UNDEREMPLOYMENT RATE AND PERVASIVE IN-WORK POVERTY DESPITE THE STRONG GROSS DOMESTIC PRODUCT GROWTH IN THE LAST TEN YEARS

WHEREAS, the Constitution provides that the goals of the national economy are a more equitable distribution of opportunities, income, and wealth; a sustained increase in the amount of goods and services produced by the nation for the benefit of the people; and an expanding productivity as the key to raising the quality of life for all, especially the underprivileged;

WHEREAS, the State is also mandated to promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets;

WHEREAS, economic growth during the last decade created jobs to absorb the growing labor force but failed to improve the quality of jobs¹;

WHEREAS, the strong economic performance of the country has not escaped notice of global credit watchdogs;

WHEREAS, the World Bank in its June 2016 report noted that unemployment rate in April 2016 declined to 6.1% from 6.4% registered in April 2015, but the underemployment rate climbed to 18.4% from 17.8%;

WHEREAS, despite the economic growth, most workers have not benefitted in terms of higher real wages²;

WHEREAS, this is in sharp contrast to developments in other Asian countries which saw a considerable increase in real wages while the purchasing power of Filipino workers is falling behind that of their peers in other countries³;

WHEREAS, among the employed, one person in five is underemployed⁴;

WHEREAS, economic growth failed to improve the relative status of low-paid workers and hardly reduced the incidence of low-pay;

1 - National Accounts, Philippine Statistics Authority (various years); Yearbook of Labor Statistics (various years), Current Labor Statistics, Bureau of Labor and Employment Statistics; Global Wage Report 2014-2015, International Labor Organization; World Development Indicators, World Bank. Note: 2014 real wage data is average of January and April 2014.

2- Growth Trends :National Accounts, Philippine Statistics Authority (various years); Yearbook of Labor Statistics, Current Labor Statistics, Bureau of Labor and Employment Statistics (various years)

3 -Real monthly earnings: Global Wage Report 2014-2015, International Labor Organization, World Development Indicators, World Bank

4- Sources: Labor Force Survey 2013; World Bank staff calculations

WHEREAS, the incidence of low-pay is high since as many as 30% of all wage workers earn less than two-thirds of the median wage which is a standard low-wage threshold;

WHEREAS, the incidence of low-pay is particularly high in the informal sector with 56% of workers considered low-paid compared to the 7% in the formal sector;

WHEREAS, low-paid employment is almost tantamount to informal employment and about 90% of all low-paid jobs are informal;

WHEREAS, workers employed in low-productivity jobs run a higher risk of poverty than the unemployed;

WHEREAS, the prevalence of low-productivity jobs means that the earning capacity of many households is low which is the primary cause of poverty in the Philippines;


WHEREAS, as the World Bank explained, "people are poor in the Philippines because they earn little not because they do not work, having a job does not provide a pathway out of poverty, it is the quality of a job that matters";

WHEREAS, the reduction of poverty in the Philippines hinges on increasing the earning capacity of the poor by investing in their education and by improving their access to productive jobs;

WHEREAS, in support of the job generation program of the government, the inquiry should determine if the government has a sound employment roadmap which should be synchronized with all the efforts of agencies concerned;

NOW THEREFORE, BE IT RESOLVED, by the Philippine Senate, to direct the Senate Committees on Labor, Employment and Human Resource Development and on Economic Affairs to conduct an inquiry, in aid of legislation, on the job generation program of the government in the face of the high underemployment rate and pervasive in-work poverty despite the strong Gross Domestic Product growth in the last ten years.

Adopted,


RALPH G. RECTO