**SUBJECT:**  CURRENT ECONOMIC ISSUE

WEEK 3

LESSON : UNEMPLOYMENT AND LABOR MARKET CHALLENGES

LEARNING OUTCOME:

1. To identify the different types of unemployment and its meaning.
2. To provide possible policy solutions to cater the problem of unemployment.

LECTURE:

UNEMPLOYMENT - is a condition in which people are willing and able to work are unable to find suitable employment. It is usually measured as a percentage of the labor force ( called **unemployment rate** ).

SEVERAL TYPES OF UNEMPLOYMENT

1. FRICTIONAL UNEMPLOYMENT

refers to the short term period of unemploymment that can occur when someone leaves their current job.

- a type of short-term, voluntary unemployment that occurs when people are between jobs or entering the workforce for the first time.

(example- a recent graduate looking for a first-time job, or someone left a job seek a better one)

1. CYCLICAL UNEMPLOYMENT

-the component of overall unemployment that results directly from cycles of economic upturn and downturn. Typically rises during recessions and declines during expansions.

(example- factory worker who are laid off during recession)

1. SEASONAL UNEMPLOYMENT

-when people who work in seasonal jobs become unemployed when demand for labor decrease. Unemployment linked to seasonal work or industries that only operate during certain times of the year.

(example; workers work only during holidays ordue to weather changes)

1. CLASSICAL UNEMPLOYMENT/ REAL-WAGE UNEMPLOYMENT

- occurs when too high for employers to profitability and will hire additional workers.

this occurence happened when ther is a high demand for a product in a certain time.

(example: worker who are hired for a additional work force to meet the expected output of a product)

1. TECHNOLOGICAL UNEMPLOYMENT

- caused by technological advancements that replace human labor with machines or automated processes. As technology to evolve, some jobs may become obsolete leading to job losses in certain sectors.

(example: Cashiers replaced by self-checkout machines)

**GOVERNMENT POLICY SOLUTIONS TO ADHERE THE UNEMPLOYMENT PROBLEM**

The Philippines' approach to addressing unemployment is anchored in the **Trabaho Para sa Bayan Act (Republic Act No. 11962**), which serves as a national master plan for employment generation and recovery. While this is the overarching law, several other key programs and institutions work together to implement its policies, aligning directly with the principles of "Education and Training" and "Job Matching Services."

Key Laws and Programs in the Philippines

1. **The Trabaho Para sa Bayan Act (Republic Act No. 11962**)This is the primary law establishing the State's master plan for employment. Its main objectives are to stimulate economic growth and promote the employability of workers. The act mandates the creation of a master plan with short, medium, and long-term goals to address unemployment and underemployment.How it aligns with the policies: The law's core principle is to promote "skilling, upskilling, and reskilling" of the workforce and to incentivize employers who provide training, which is a direct parallel to the Education and Training policy.
2. **The JobStart Philippines Program (Republic Act No. 10869) Institutionalized by the Department of Labor and Employment (DOLE),** this program specifically targets young Filipinos to prepare them for employment. It provides a comprehensive set of services to help youth transition from school to work.How it aligns with the policies:Education and Training: The program offers a 10-day "Life Skills Training" and up to three months of technical training.Job Matching Services: It provides career guidance, one-on-one coaching, job matching, and a three-month internship program with partner employers, ensuring a smooth transition into the workplace.
3. **The Tulong-Trabaho Act (Republic Act No. 11230)This law establishes the "Tulong- Trabaho Fund**" to provide free access to quality technical-vocational education and training (TVET) programs. It's designed to democratize skills acquisition for unemployed individuals, out-of-school youth, and even employed workers who want to upskill.How it aligns with the policies:Education and Training: The act directly funds training programs through a voucher system, removing financial barriers for beneficiaries. This is a very similar concept to the WIOA's Individual Training Accounts (ITAs).
4. **The Public Employment Service Office (PESO**)The PESO is a network of multi-service facilities run by local government units (LGUs) in partnership with DOLE. These centers act as a one-stop-shop for job seekers.How it aligns with the policies:Job Matching Services: The PESO functions as the Philippine equivalent of the WIOA's American Job Centers. It provides job search assistance, career counseling, and labor market information to help match job seekers with available opportunities.

The PhilJobNet system, an online job portal, is also integrated with the PESO network to facilitate this matching process.SummaryThe Philippine framework, led by the Trabaho Para sa Bayan Act, combines national planning with targeted programs like JobStart and Tulong-Trabaho to provide both training and financial support. These initiatives are brought to the local level through the PESO network, creating a comprehensive system that actively supports job seekers and aligns with the national goal of full and productive employment.