Economic and Social Context of Decent Work in the Philippine Setting*

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ABSTRACT

This paper attempts to capture the key characteristics of decent work within the context of economic and social aspects and their applicability in the Philippine setting. It tries to make more precise in operational terms through statistical indicators, the socio-economic aspects of decent work in the country. Statistical data are derived from various sources, in particular the National Statistics Office, National Statistical Coordination Board, International Labor Organization and the United Nations Development Programme, among others. Overall, the paper contributes to the debate on possible policies and programs that government, employers' and workers' organisations need to implement to make decent work a greater reality among the working population.

INTRODUCTION

Recently, there is a growing awareness that something needs to be done about the pattern and direction of the development of the global economy. Although globalization has generated economic growth, new vistas of wealth creation, new technologies, new methods of work in a global setting, its benefits do not reach enough people and therefore do not pass the test of social justice and simple human decency.

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As such, the greatest challenge in the new millennium is to find and agree on ways to manage the global economy so that more and more people will benefit from it - how to make it work for the many and not just the few. It is in this light that the concept of decent work has gradually evolved. The International Labor Organization (ILO) wishes to show that both economic efficiency and social efficiency can go together through ensuring a decent work for all.

Decent work reflects the universal aspiration of women and men everywhere to obtain productive work in conditions of freedom, equity, security and human dignity.[1] It is also an important contributor to sustainable development. Hence, the promotion of decent work for all women and men everywhere is the central objective of the ILO. Based on the ILO concept, decent work encompasses six dimensions as follows: (1) opportunities for work; (2) work in conditions of freedom; (3) productive work; (4) equity in work; (5) security at work; and (6) dignity at work. Aside from these dimensions, the ILO also deemed it important to consider the economic and social context within which decent work occurs.

Current efforts are now directed at the measurement of decent work in terms of these six dimensions.

SOME THEORETICAL CONSIDERATIONS AND PERSPECTIVES

As earlier mentioned, in addition to the six dimensions of decent work, the macro socio-economic context is important since this helps determine what constitutes decency in societies as well as the extent to which the achievement of decent work enhances national, economic, social and labor market performance.

In this respect, the ILO accordingly identified three aspects of the socio-economic context to be considered: (1) socio-economic context which may condition or affect the sustainability of decent work; (2) socio-economic performance that the achievement of decent work may affect; and (3) aspects of employment composition that are needed to measure some decent work indicators.[2]

To operationalize these notions within the Philippine setting, we need to gauge what they mean in terms of economic and social indicators. It is equally important to consider however that we translate these notions into easily understandable and measurable characteristics and generally should measure actual outcomes and conditions as well as changes over time. In other words, this final group of indicators (outside the six dimensions) should describe characteristics of the economy and population

that form the context for determining levels, patterns and sustainability of decent work.

Economic and social policies are both development policies and so is decent work. They are all directed at common purpose which is improving people's economic and social well-being through economic development. As ILO puts it, decent work may help achieve what the development objective is.

So, how do we assess the effects of economic growth in today's world? Gary Fields in his paper on "Decent Work and Development Policies"[3] presents two contradictory hypotheses:

(1) Some contend that economic growth creates more jobs and improve conditions for those already employed. On this first view, economic growth and improved employment go hand in hand.

(2) Others though, contend just the opposite: that in today's globalized world, wages and other labor costs must be held down in order to obtain existing markets and penetrate new ones. On this second view, growth and decent work are competing objectives.

In analysing economic and social objectives and policies, Fields suggested adopting a welfare economics approach as this deals with the social well-being of individuals. Hence, social conditions judged to be good need to be raised while those judged to be bad should be diminished. The common criteria variables that were looked at include: GDP growth, unemployment, inequality and poverty. It will be good for example to raise GDP growth while lowering unemployment, inequality and poverty.

Along the first perspective, "the growth optimists presume a healthy complementarity between macro-economic growth and improved employment conditions. According to this line of thinking, economic growth drives up the demand for labor which increases employment and raises real wages. In turn, when labor is reallocated to areas of greatest need, productivity is increased and output raised. Workers benefit by participating in an ever richer economy".[4]

The pessimists on the other hand, expressed skepticism concerning the potentials for economic growth to contribute to its attainment. Their line of argument states that "in today's highly competitive global economy, the drive to retain existing markets and penetrate new ones is hampered by existing labor costs. Thus, they say, economic growth can take place only if and only if labor costs are held down."[5] With this view, economic growth is incompatible to improvements in labor market conditions. "One can come only at the expense of the other."[6]

What is the truth behind these various hypotheses? The ILO researcher's reports advised that initial findings call for further

research. We may be able to know the answers through time as more studies are conducted. Initial results, however, as supported by data gathered for several countries (though how limited) points conclusively in the direction of complementarity. That is, economic growth causes fuller employment and higher earning levels.[7]

SUGGESTED SOCIO-ECONOMIC INDICATORS

International Indicators

The ILO suggested the following indicators helpful in describing how the economic and social aspects occur or are affected by decent work. This group of indicators is intended to describe the socio-economic characteristics of decent work:

- Output per employed person
- Growth of output per employed person (total and manufacturing)
- Inflation (Consumer prices where available)
- Education of adult population (adult literacy rate, adult secondary school graduation rate)
- Composition of employment by economic sector (agriculture, industry, services)
- Income inequality (ratio of top 10 percent to bottom 10 percent, income or consumption)
- Poverty (percent of population subsisting at less than US$1/day or less than 2 US$/day)
- Informal sector economy employment (percent of non-agricultural or urban employment)

Criteria in the Selection of Indicators

The following are the recommended criteria in the selection of indicators:

- Simplicity — a good indicator must be easy to understand and interpret. There should be no room for misinterpretation or misunderstanding what the indicator intends to portray.
- Objectivity — a good indicator must not be biased. It should be capable of definitely measuring a specific attribute or characteristic for purposes of determining the extent to which an objective has been attained.

Furthermore, it should be easily verifiable, factual, accurate and valid.

- Measurability — a good indicator must be capable of being expressed in quantifiable form using prevailing standard unit so that it could be duplicated.
- Comprehensiveness — a good indicator should cover a wide range of interrelated socio-economic-demographic factors.
- Relevance — a good indicator must be responsive and relevant to the area of interest or for the purpose by which it is used to monitor existing objectives.
- Sensitivity — a good indicator should be sensitive to reflect actual changes in absolute levels or trends related to the aspects of conditions implicit in the goals or areas of concern.

Availability of ILO Suggested Indicators in the Philippine Setting

Table 1 presents availability of the suggested ILO indicators by source agency and frequency of generation:

Other Possible Indicators

Table 1 Availability of ILO Suggested Indicators of Decent Work

Indicators	Availability	Source	Frequency
Output per employed person	available	NSCB, NWPC	annual, quarterly
Growth of output per employed person (total & manufacturing)	available	NSCB, NSO	annual
Inflation	available	NSO	monthly
Education (adult population)	available	DepEd/ CHED	annual
Composition of employment by economic sector	available	NSO	quarterly
Income inequality	available	NSO	every 3 years
Poverty	available	NSCB	every 3 years
Informal sector economy employment	available	DOLE, NSCB	quarterly

Other possible indicators that may be considered in describing decent work are indicated in table 2. This include the Human Development Index (HDI), life expectancy, functional literacy rate, etc. Aside from the HDI, life expectancy, empirically may be considered as outcome indicators for security. Researchers claim that these indicators are definitely linked to national income measures. The availability of these indicators is likewise shown:

WHAT OUR DATA TELL US

Table 2 Availability of Other Possible Indicators of Decent Work

Indicators	Availability	Source	Frequency	Disaggregation
HDI	available	NSCB	every 3 years	national/ provincial
Life expectancy	available	NSO	periodic	national by sex
Functional literacy rate	available	NSO	periodic	national/ regional by sex
Completion rate in the secondary level	available	DepEd	annual	national/ regional

In the economic context, the questions we need to answer here include: Has the Philippine economy been growing or declining? At what rate ? What are the key sectors in which changes have taken place? The subsequent discussion of available data in the country should be able to tell us.

Our next question now is how have labor market conditions changed economy-wide and for particular groups? To be able to answer this, we need to measure the variables on employment and unemployment. How many people are working ? Has unemployment gone down? What kind of industry are the people working on? Are they in manufacturing, in services?

GNP and Employment Trends

As ILO Director General Juan Somavia pointed out, there is no overstating the priority of job creation. Access to work is the surest way out of poverty and there are no workers' rights without work.

As cited earlier, according to the growth optimist's line of thinking, economic growth drives up the demand for labor which increases employment and raises real wages. In turn, when labor is reallocated to areas of greatest need, productivity is increased and output raised. Workers benefit by participating in an ever richer economy"

From 1993 to 2002, the country's Gross National Product (at constant prices) was consistently on the uptrend from Php746,921 million in 1993 to Php1,121,039 million in 2002. This was matched by a generally increasing levels of employment for the past decade (based on 4 quarter Labor Force Survey results) which grew by 2.4 percent per annum. Hence GNP grew faster than employment during the past decade.

While GNP had consistently been on the uptrend, the GDP and gross value added by industry varied among sectors during the decade as a result of industry restructuring which also affected employment. Specifically, it can be noted that Gross Domestic Product already declined in 1998 but the drop in employment became prominent in 2000 perhaps due to some factors: economic and political situation, etc.

From 2000 to 2002, the service industry absorbed the biggest share of workers followed by the agriculture industry. (See tables 3-5)

Labour Productivity

On the other hand, labour productivity measured as output (GDP) per employed person summarizes the overall ability of an economy to generate value from labour inputs. Its growth rate can be thought of as measuring economic growth deriving from the growth of labour force (labour input).[8] From the economists' viewpoint, low or declining labour productivity is a signal of broad economic difficulties.

As observed in various studies in a cross-section of economies, much of the variation in labour productivity reflects different levels of capital accumulation and is therefore closely correlated with the level of economic development. In presenting productivity as labor productivity, we cannot assume however that the gains in productivity indicated in the measurement is achieved solely by labor. The labor productivity ratios incorporate gains achieved by increased technology, capital, better interest rates and other factors. However, labour productivity is most commonly used because it is easily measured and involves work which is the major source of achieving output.

"Labour productivity" generally means output per hour worked. When appropriate measurements of the number of hours are not available, output per employed person is used since it

Table 3 Gross National Product. Gross Domestic Product, Employment and Unemployment, Philippines: 1993 to 2002

Year	GNP	GDP	Employment	Unemployment
1993	746,921	734,156	24,443	2,379
1994	786,136	766,368	25,166	2,317
1995	824,525	802,224	25,698	2,342
1996	884,226	849,121	27,442	2,195
1997	930,658	893,151	27,888	2,377
1998	934,481	888,000	28,262	3,016
1999	969,334	918,160	29,003	2,997
2000	1,036,392	972,960	27,775	3,133
2001	1,073,066	1,001,715	30,085	3,269
2002	1,121,039	1,046,083	30,251	3,423

Source: National Statistical Coordination Board (NSCB), National Statistics Office NSO)

Table 4 Gross Domestic Product & Gross Value Added by Major Economic Sector, Philippines: 1993 to 2002

	Gross Value Added (Constant)			
Year	agriculture, fishery & forestry	industry sector	services sector	Total GDP
1993	167,053	251,459	315,644	734,156
1994	171,390	265,972	329,006	766,368
1995	172,848	283,858	345,518	802,224
1996	179,451	302,126	367,544	849,121
1997	184,713	320,689	387,458	893,151
1998	173,201	313,881	400,918	888,000
1999	184,464	316,650	417,046	918,160
2000	190,691	332,258	435,462	958,411
2001	197,737	336,697	454,824	1,001,715
2002	204,733	350,361	479,289	1,046,083

Source: NSCB

Table 5 Employment Distribution by Major Economic Sector, Philippines: 2000 to 2002

Year	Agriculture	%	Industry	%	Services	%	Total
2000	10,181	37.1	4,454	16.2	12,811	46.7	27,446
2001	10,850	37.2	4,712	16.2	13,592	46.6	29,154
2002	11,121	37.0	4,694	15.6	14,245	47.4	30,060

Source: NSO Labor Force Survey

Table 6 *Labor Productivity in the Philippines by Major Economic Sector, Philippines: 2000 to 2002*

Major Economic Sector	2000		2001		2002	
	peso/ hour	peso/ employee	peso/ hour	peso/ employee	peso/ hour	peso/ employee
Agriculture, Fishery & Forestry	10.28	18,334	10.42	17,735	10.53	18,227
Industry Sector	32.14	74,766	33.10	74,362	34.76	78,754
Services Sector	13.59	33,691	13.71	32,081	13.84	33,353
Total	**15.73**	**34,506**	**15.95**	**3,296**	**16.20**	**34,579**

Source: NSCB

tracks changes in output per hour as long as average hours does not change significantly.

The Philippines posted an increasing labour productivity per employee from Php33,296 in 2001 to Php34,580 in 2002. Prior to this period, however, labour productivity per employee declined from Php34,506 in 2000 to Php33,296 in 2001. Low or declining labor productivity is a signal of broad economic difficulties. The low productivity in 2001 may be due to the uprising of the militant groups and the political instability during the period.

Among the three major industry group, the industry sector contributed the highest labor productivity of Php74,766 in 2000, Php74,362 in 2001 and Php78,754 in 2002 per employee. (Table 6)

Inflation

The presence of high inflation, regardless of its cause, is a signal that implementation of policies to improve decent work is likely to face an uphill struggle. A country's inflation rate bears on decent work in several ways. First, because of contractual, legal and customary considerations, the monetary value of wages is often fixed for a specific or indefinite period. The consequence of these varying periods of rigidity is that inflation — a fundamentally macroeconomic phenomenon — can arbitrarily change a worker's wage relative to other workers and relative to the prices of food, housing and other essentials. A similar problem affects self-employed workers. It may be difficult to adjust the prices of the

goods or services they sell, even though the prices of inputs and consumer items are increasing.[9]

Another reason inflation has a bearing on decent work has to do with the root causes and social consequences of inflation. The inflation rate is often a kind of early warning signal/device with respect to the political economy of a country, predicting when a government fiscal position is unsustainable. Based on country experience, when a national government chooses or is forced to pay for expenditures by issuing money (or monetizing its debt), the result will be inflation. Likewise, based on historical facts, an unsustainable fiscal position is often resolved largely by reducing social protection.

The preferred measure for inflation rate as recommended by ILO is the consumer price index, which is used widely as a price deflator to obtain real prices, wages, and incomes. An alternative, a GDP-related price index (the traditional deflator or a chain-

Table 7 *Monthly Inflation Rate, Philippines: 2000 to 2003*

Period	2000	2001	2002	2003
January	2.6	6.9	3.8	2.7
February	3.0	6.7	3.4	3.1
March	3.4	6.7	3.6	2.9
April	3.7	6.7	3.6	2.8
May	4.2	6.5	3.6	-
June	3.9	6.7	3.0	-
July	4.3	6.8	2.6	-
August	4.6	6.3	2.9	-
September	4.6	6.1	2.9	-
October	4.9	5.4	2.7	-
November	6.0	4.4	2.5	-
December	6.6	4.1	2.6	-
Average	**4.3**	**6.1**	**3.1**	**2.9**

Source: NSO

price index) offers broader coverage of the economy, but is often less timely.

Based on official statistics from the National Statistics Office (Table 7), the annual average inflation rate in the country increased from 4.3 percent in 2000 to 6.l percent in 2001. It declined to 3.l percent in 2002 which was attributed to the slower increases of

prices of goods and services. In 2003, the first four-month period reflected an average of 2.9 percent inflation rate. The highest inflation rate was registered at 6.9 percent in January 2001 while the lowest was noted in November 2002 at 2.5 percent.

Income Inequality

Some quarters claim that redistribution in favor of the poor will automatically reduce savings, workers incentives and impair the rate of growth. However, there is no real evidence of a general conflict between growth and equity.

According to ILO, decent work is intimately intertwined with income distribution and inequity. Further, decent work is unlikely to be viable where the distribution of economic rewards is grossly unequal, and great inequality can be taken as a sign of socio-political resistance to decent work. Hence, the distribution of economic rewards is unlikely to be grossly unequal where decent work prevails and decent work policies are delivered to help reduce inequality. This situation is best captured in an index of inequality. (Table 8)

Table 8 Mean Family Income by Income Decile, Philippines: 2000

Income Decile	Mean Income	Actual Income	Percent
Philippines	1,451,202	2,187,250,217	100.0
First decile	24,506	54,366,855	2.5
Second decile	39,620	72,757,054	3.3
Third decile	51,250	88,403,699	4.0
Fourth decile	64,231	107,356,548	4.9
Fifth decile	80,247	132,324,919	6.0
Sixth decile	100,549	163,330,637	7.5
Seventh decile	128,203	202,399,828	9.3
Eighth decile	169,290	255,766,580	11.7
Ninth decile	237,029	354,506,882	16.2
Tenth decile	556,277	756,037,213	34.6
Ratio of Top 10% to Bottom 10%	**22.7**		

Source: NSO 2000 Family Income & Expenditure Survey

In 2000, for instance, the ratio of income of families belonging to the top 10 percent to the income of the bottom 10 percent of families is almost 23 times which indicates the extent of inequality in

income among families. The top 10 percent families claim the biggest income share at 34.6 percent.

Decent Work and Poverty

ILO Director General Juan Somavia, a passionate advocate of decent work in the world, stated that "access to work is the surest way out of poverty, and there are no workers' rights without work".[10] He likewise added that in the most extreme situations, decent work is about moving from subsistence to existence. For many, work is the primary route out of poverty.

Our latest official statistics revealed that 28.4 percent of Filipino families or 34.0 percent of the country's population in 2000 were unable to earn enough to meet the basic minimum food and non-food requirements. Likewise about 13.1 percent of the Filipino families does not even earn enough to get their families over the food threshold line of P7,829. These are the families living below the subsistence level. These are the people we want to lift up, the poorest of the poor.

I know that you and I will agree that priority for decent work must be to help the poorest workers of the country. Efforts are required to help those whose economic and social being are lowest and therefore have the greatest need. In the country, our poorest are located in the provinces of Sulu, Masbate, Tawi-tawi, Ifugao and Romblon.

Table 9 *Poorest Ten Provinces and Ranking, Philippines: 2000*

Province	Poverty Incidence	
	percent	rank
Sulu	63.24	1
Masbate	62.81	2
Tawi-tawi	56.45	3
Ifugao	55.57	4
Romblon	55.16	5
Maguindanao	55.14	6
Lanao del Sur	54.96	7
Sultan Kudarat	54.28	8
Camiguin	53.14	9
Camarines Norte	52.68	10

Source: NSCB

Informal Economy Employment

Nomaan Majid in his paper "Economic Growth, Social Policy and Decent Work" concludes that the incidence of formal employment is an indicator of employment quality for a good reason.[11] He opined that most formal jobs have some degree of protection associated with them with wages set well above the poverty line. Studies done in several countries indicated that on notion of formal employment, we can expect higher employment levels with higher levels and growth of national income. We are however concerned not only with those who enjoy decent employment as well as those who do not enjoy decent employment and those who work but may not be counted as employed and whose conditions of work is little known. Informal economy employment is often associated with the absence of various characteristics of decent work such as low pay and absence of social protection. The category informal sector employment is oftentimes based on a left-over or residual definitions.

Considering the importance of monitoring the informal sector, the NSCB Executive Board approved an operational definition of the informal sector last year through NSCB Board Resolution No. 12, series of 2002. The official definition as follows is undergoing further refinements, particularly the scope or the cases for exclusion/inclusion:

> "The informal sector consists of 'units' engaged in the production of goods and services with the primary objective of generating employment and incomes to the persons concerned in order to earn a living.
>
> These units typically operate at a low level of organization, with little or no division between labour and capital as factors of production. It consists of household unincorporated enterprises that are market and non-market producers of goods as well as market producers of services.
>
> Labor relations, where they exist, are based on casual employment, kinship or personal and social relations rather than formal or contractual arrangements."[12]

Education of Adult Population

Education provides entrée to more desirable jobs. It also significantly affects labor productivity and therefore economic growth. Since reading is usually learned and schooling completed before labor market entry, educational attainment does not measure decent work per se but is a critical part of the backdrop for

decent work and the sustainability of progress for decent work. Relatedly, ILO recommends that we look at some outcome indicators of insecurity that affect those who work. From the point of view of work, a lack of basic education fundamentally damages a person's ability to learn and therefore adjust to changes in the labour market. Basic illiteracy not only puts limit on many ways of enhancing labour productivity. It also leads to insecurities both at a group and societal level as well as at the level of the individual.

The suggested indicators here are the percentages of adult women and men who are literate and the percentages of women who have completed secondary education.

In the Philippines, the available indicators on educational literacy include: simple literacy and functional literacy. Simple literacy as defined in the Philippines is the ability of a person to read and write with understanding a simple message in any language or dialect. In 2000, about 92.3 percent of Filipinos aged 10 years old and over or roughly 9 out 10 can read and write with understanding a simple message in any language or dialect. Slightly more females are literate at 92.5 percent compared to males at 92.1 percent. Functional literacy, on the other hand is a significantly higher level of literacy as it includes not only reading and writing but also numeracy skills. Those skills must be sufficiently advanced to enable the individual to participate fully and effectively in the activities of daily life which require a fair capability of communicating by written language. Based on the latest survey conducted in 1994, approximately 40.2 million or 83.8 percent of the population 10 to 64 years old were found to be functionally literate. Functional literacy rate for females is higher at 85.9 percent compared to the men's functional literacy rate at 81.7 percent. (Table 10)

Table 10 *Literacy Indicators by Type & Sex, Philippines: 2000*

Literacy Indicators	Total	Female	Male
Simple Literacy*	92.3	92.5	92.1
Functional Literacy**	83.8	85.9	81.7

** 2000 Census of Population and Housing*
*** 1994 Functional Literacy, Education & Mass Media Survey*
Source: NSO and DepEd

Composition of Employment By Economic Sector

As ILO puts it, the observed prevalence of decent work in a country is determined in part by the structure of its economy. Certain industries are, by nature, safer, more likely to be unionized

and provide higher than average compensation. The recommended indicators selected to represent a country's economic structure are the shares of employment in agriculture, industry and services. Based on observed trends in countries: (1) workers in agriculture tend to work in family-owned farms and have relatively low incomes; (2) industrial workers are often paid relatively well and are more likely to be union workers; and (3) labor statistics are likely to be most complete for the industrial sector.

NSO data also showed that of the total 30 million employed persons (based on October 2002 round of the Labor Force Survey), 37.4 percent are employed in agriculture, 15.4 percent are in industry while 47.2 percent are employed in the service sectors. As expected, the agriculture sector is dominated by workers engaged as own-account workers at 51.3 percent, followed by unpaid family workers at 26.2 percent and lastly by wage and salary workers at 22.5 percent (Table 11). On the other hand, where decent work may be present in terms of organized labor, 78.3 percent of people working in the industrial sector are mostly engaged as wage and salary workers. Likewise, employed persons under services are mostly engaged as wage and salary workers at 59.0 percent.

Other Suggested Indicators

(1) Human Development Index (HDI)
(education, life expectancy & income index)

Human development, is a process of enlarging people's choices, most critical of which are to lead a long and healthy life, to be educated and to enjoy a decent standard of living (United Nations Development Programme (UNDP), Human Development Report 1990). The HDI conceptualized by the UNDP in 1990 attempts to measure human development. Recognizing the complexity of human development, the HDI may not be that comprehensive to be able to capture all the facets of human development. The UNDP, however, stressed that a simple composite measure of human development can already draw attention to the issues quite effectively.

In 2000, the country's HDI was estimated at 0.656, or 0.027 points higher than the 1997 computed index (Table 12). This was a significant improvement compared with the slight 0.002 points increase recorded from the 1994 to 1997 HDI but still a "medium" rate of development based on the United Nations Development Programme (UNDP) classification.

All component indices grew in 2000 but the most remarkable progress was noted in the income index, which increased by 0.058 points. The education index slightly improved by 0.005 points while life expectancy index posted a modest increase of 0.015.

Table 11 Employed Persons by Class of Worker by Major Economic Sector, Philippines: October 2002
(numbers in thousands)

Class of Worker	Agriculture		Industry		Services		Total	
	no.	%	no.	%	no.	%	no.	%
Wage & Salary	2,542	22.5	3,652	78.3	8,428	59.0	14,620	48.3
Own Account	5,807	51.3	854	18.3	4,985	34.9	11,647	38.5
Unpaid	2,963	26.2	161	3.4	861	6.0	3,984	13.2
Total	11,312	100	4,667	100	14,274	100	30,252	100

Note: Details do not add up to totals due to rounding.
Source: NSO

In 2000, Bulacan enjoyed the highest HDI at 0.760; followed by Bataan, 0.746; and Cavite, 0.735. Table 13 shows the top ranking provinces in 2000 along with their ranks in 1997 and 1994.

Bulacan rose to the top rank in 2000 from ranking fourth in 1994 and 1997. Aside from Bulacan, the provinces that improved their rankings in 2000 over the 1997 rankings were Rizal, Laguna and Ilocos Norte. Bulacan still recorded the biggest growth from 1997 to 2000 at 8.3 percent; followed by Rizal and Ilocos Norte, both at 5.8 percent. Only Batangas posted a drop, though slightly at -0.1 percent. In 2000, its income index decreased by 4.8 percent over its 1997 index of 0.377.

However, six of the ten leading provinces in 2000 posted significant declines in the 1997 HDI compared with their estimated index in 1994. These were Bulacan, Cavite, Rizal, Batanes, Laguna and Pampanga. The drop was mainly due to the decline in their income indices.

(2) Life Expectancy

The state of health is reflected by the life expectancy indicator, which measures the number of years a person is expected to live from birth. This indicator basically reflects composite information on physical safety, nutritional levels, efficacy of health interventions, and other indicators.

A steady increase in life expectancy was observed from 1994 to 2000. The average life expectancy for the Philippines was estimated at 67.4, 68 and 68.9 years for 1994, 1997 and 2000 respectively, with an average growth rate of 1.1 percent every year.

Table 12 Philippine Human Development Index (HDI), Life Expectancy Index (LEI), Education Index (EI) & Income Index (II): 1994, 1997 & 2000

Index	2000	1997	1994	Difference		% Gap Improvement	
				2000-1997	1997-1994	2000	1997
HDI	0.656	0.629	0.627	0.027	0.002	7.3	0.5
LEI	0.732	0.717	0.707	0.015	0.010	5.3	3.4
EI	0.840	0.835	0.812	0.005	0.023	3.0	12.2
II	0.394	0.336	0.361	0.058	(0.025)	8.7	(3.9)

Source: NSCB

(3) Secondary Completion Rate

Secondary completion rate (Table 14) is the percentage of first year entrants at the secondary level who complete/finish the level in accordance with the required number of years of study. A slight improvement in completion rate for school year 2001-2002 was noted at 71% from a rate of 70.6% in school year 2000- 2001.

FUTURE DIRECTIONS

Measuring decent work offers both challenges and opportunities for us statisticians in the Philippine Statistical System (PSS). Given the vast information that we have in the PSS, we tried to translate and operationalize the concept of decent work into easily understood characteristics of work as well as identified the indicators within the social and economic contexts. Based on our assessment, it can be done.

Some indicators are readily available based on approved concepts, e.g. poverty in the Philippines while others need to be improved as far as disaggregation is concerned. However, a few indicators, for example informal sector employment, still have to be generated based on officially approved definitions. The use of proxy indicators can likewise be explored such as completion rates in the secondary level of education, the HDI and life expectancy. Please note, however, that the PSS at present operates in an environment constrained by limited resources, thus setting of priorities in data production/generation analysis and dissemination is very important.

It may be likewise noted that in this paper, I did not attempt to recommend a core set of indicators. What was presented was

Table 13 *Top Ten Provinces in Human Development Index, Philippines: 1994, 1997 & 2000*

Province	2000		1997		1994		Percent Change	
	HDI	rank	HDI	rank	HDI	rank	2000-1997	1997-1994
Bulacan	0.760	1	0.702	4	0.727	4	8.3	(3.4)
Bataan	0.746	2	0.727	1	0.653	8	2.6	11.3
Cavite	0.735	3	0.724	2	0.782	1	1.5	(7.4)
Rizal	0.733	4	0.693	5	0.730	3	5.8	(5.1)
Batanes	0.717	5	0.713	3	0.760	2	0.5	(6.2)
Laguna	0.709	6	0.676	7	0.721	5	4.8	(6.2)
Ilocos Norte	0.684	7	0.646	9	0.623	12	5.8	3.7
Batangas	0.683	8	0.684	6	0.672	6	(0.1)	1.8
Pampanga	0.665	9	0.648	8	0.664	7	2.6	(2.4)
Isabela	0.649	10	0.626	10	0.624	10	3.6	0.3

Source: NSCB

Table 14 *Completion Rate in the Secondary Level, Philippines: 2000*

Area	Based on Grade 1		%	Based on First Year	
	SY 2000-2001	SY 2001-2002		SY 2000-2001	SY 2000-2001
Philippines	48.1%	48.4%	0.3	70.6%	71.6%

a basket of indicators that may be considered. Because in the final selection, further assessment needs to be done and should satisfy the criteria set forth in coming up with a core set of indicators.

From a personal point of view, considering my limited exposure on the subject, I would like to consider measurement of output per employed person or labour productivity as one good summary measure that puts into context the economic and social aspects of decent work. My second choice is poverty incidence.

On another note, as part of the PSS, we would like to advocate and develop the culture of information sharing to maximise the use of statistical data generated by the system. Information sharing can be installed within the system among the various producers of the indicators within the concept of decent work. This can be lodged at the Department of Labor and Employment as the primary users of these statistics. Collaboration between

the users and producers of these indicators will strengthen the link to improve the quality and usefulness of statistics. The appropriate mechanisms will have to be put in place to track and monitor the achievement of decent work in the country. We, in the PSS support this endeavor.

ENDNOTES

[1] ILO, Decent Work: Report of the Director General, International Labour Conference, 87th Session.

[2] Anker, Richard, et al., Measuring Decent Work with Statistical Indicators, ILO Working paper No. 2.

[3] Gary Fields, "Decent Work and Development Policies", Revised Version of Essay Commissioned by the ILO. September 2001

[4] Ibid.

[5] Gary Fields, September 2001.

[6] Ibid

[7] Ibid

[8] ILO Employment Paper on Decent Work.

[9] "Measuring Decent Work with Statistical Indicators by Richard Anker et al, ILO Working Paper.

[10] Juan Somavia, ILO Director General's Inaugural Address to the 13th Asian Regional Meeting, August 2001, ILO ,Geneva.

[11] Nomaan Majid, Econonomic Growth, Social Policy and Decent Work, ILO Employment Paper, 2001.

[12] NSCB Resolution No. 12, Series of 2002

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