

ILO Asia-Pacific Working Paper Series

Local economic development and
youth employment in the Philippines:
the case of Marikina City

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Subregional Office for South-East Asia and the Pacific
Manila

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Foreword

Youth unemployment and the difficulty of transiting from school to work has been a persistent and significant problem not just in the Philippines, but throughout the Southeast Asia and Pacific region. A number of policy and programme initiatives have been introduced to address youth unemployment problems including provision of labour market information, skills training and upgrading, online job-matching, nurturing of entrepreneurship skills, etc. All these initiatives benefit from the political will of different stakeholders and often require both large sum of money (usually taken from national budget appropriations where they have to compete against other urgent priorities) as well as human resources and the energy to sustain each initiative. Despite all these programmes, the problem of youth unemployment persists. This might lead one to pose questions such as: “are we doing the right thing?”, “what types of youth-oriented and labour market initiatives would lead to employment creation?” and so forth.

In order to ensure these initiatives and reforms impact on young people and their lives in a positive and tangible manner, there is a need for a greater understanding of the nature of the environment that such initiatives are designed to address. As well as understanding the dynamics of the labour market, an important first step is to know the current profile of young people entering the workforce for the first time. This study is a response to that need and was commissioned by the International Labour Organization (ILO) through the *Promoting Youth Employment in the Philippines (PYEP): Policy and Action Project* to assist policy makers (especially those operating within local government units who interact most often with young people needing work) in analyzing the real situation of the youth today in their locality: their needs, aspirations, and constraints, etc. so that officials and social workers can target and prioritize particular youth groups in greatest need, better address the problems they face and craft value-for-money solutions, measures, and/or youth investment options.

As always, we at the ILO Office hope that this initiative can be used by other local government units (LGUs) towards better understanding of the youth and employment challenges in their locality for them to craft effective and efficient measures to address youth unemployment.

Linda Wirth-Dominice
Director, ILO-SRO Manila

Preface

The Philippines was one of four countries selected for an initial three-year phase of the ILO's Action Programme for Decent Work under an agreement signed in 2002 between the local tripartite partners.¹ Promoting youth employment is one target outcome under this Decent Work Country Programme (DWCP) specifically under Pillar 2: "creating employment opportunities for men and women."²

The Canadian International Development Agency (CIDA) Philippines through its Private Sector Development Fund provided a grant to pilot-test the youth employment project in the Philippines. The PYEP project aimed at capacitating relevant stakeholder institutions to assess the state of the labour markets at both the national and local levels, identifying employment growth areas that would provide opportunities for current and future youth, and its various segments. These segments were identified as: (i) students; (ii) the employed youth (including those that were self-employed); (iii) the unemployed job seekers; and (iv) those not in the workforce.

Finally, armed with the knowledge of current and potential future opportunities, the project sought to foster the necessary conditions to realize these opportunities. An important component of this was recognition of the need to promote entrepreneurialism among the youth and a series of training modules were introduced and piloted in specific localities designed to encourage youth to think of themselves as micro entrepreneurs.

Importantly, the project disaggregated the factors and conditions surrounding youth unemployment from the more general unemployment and underemployment problem facing the Philippines and fostered the realization among stakeholders that this was indeed a separable problem that required its own specific set of interventions in order to resolve. Unemployment during a person's early working years can discourage a person and reduce self-esteem. This often leads to a lifetime of unemployment or underemployment and wasted potential for the country.

To make the programme implementable and measurable, the project management team dovetailed its project strategy with the ongoing effort of the ILO Manila to promote local development and decent work in other areas.

Thus there were a number of activities funded under the youth employment project that were carried out to address broader targets of the DWCP and which were co-funded through other allocations: for instance promoting local development and decent work (such as developing the studies linking youth employment to local economic development strategies) and also funds allocated for promoting gender equality in employment.

Eight pilot locations were selected partly on the basis of recommendations of the Department of Labor and Employment –Bureau of Rural Workers (DOLE-BRW) which the DOLE assessed as showing already some level of success based on implementation of other national flagship programmes including those on poverty reduction. The final decision was also made on the basis of an assessment of the ILO Manila as to the openness of the local LGU leadership to work with the ILO in this regard.

¹ See for example http://www.unwire.org/unwire/20020514/26368_story.asp (accessed 21 November 2009).

² See for example ILO, 2006 *From Pilot to Decent Work Pilot Programme*, Geneva; available online at <http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_079471.pdf> (accessed 23 November 2009).

Policy research was undertaken which led to consequent technical discussion and advocacy activities conducted to harness multi-sector support for a policy and action agenda that would complement, replicate, disseminate, and scale up the delivery of tried and tested employment support services for youth throughout the country. These policy research papers are integrated into this set of working papers.

National and local partners participated in a series of ILO-organized advocacy and learning forums and were oriented in the ILO entrepreneurship tools (KAB, GYB/SYB, and GET AHEAD) which were pilot tested in 48 secondary schools throughout the country as well as in Technical Education and Skills Development Authority (TESDA)-administered schools.

Knowledge materials were produced to assist both institutional partners and target youth beneficiaries during and after the project period while documentation of the supported demonstration projects helped in disseminating lessons and facilitated replication of good practices by other parties.

Finally and at the local level, ILO-CIDA-PYEP supported research into youth unemployment in each pilot location through a youth employability survey. This was followed by a multi-stakeholder consultation, the outcome of which provided the basis for development of a local youth employment strategy.

Location-specific projects were developed to create immediate and limited scale demonstration effect on jobs, incomes, and decent work status of target youth segments. These were piloted in the eight localities using ILO tools and expertise and generated results favourable to intermediary local institutions and target youth beneficiaries. These demonstration projects were useful for improvement, replication, and scaling up. These particularly covered:

1. Angono – five demonstration projects anchored on art tourism including: (i) arts exhibits; (ii) traditional animation and artistic training; (iii) souvenir items development and culinary arts; (iv) souvenir items development using recycled materials; and (v) tour guide training and transport-aided tourism promotion that directly enhanced skills. These were translated into jobs and income opportunities initially for 110 young artistically inclined youth.
2. Concepcion – one project anchored on eco-tourism titled “LGU and Youth Employment Generation Capacity on Tourism Development” that enabled 20 youth direct beneficiaries duly screened and selected, from the different barangays of the town to acquire through structured learning opportunities necessary attitude, exposure and skills to start, grow and sustain in a business-like manner the operations of an LGU tourism services shop, This will indirectly benefit 400 local potential and existing artisans and entrepreneurs by providing new outlets for their products.
3. Cotabato City – one demonstration project focused on enabling a Muslim youth-run organization to prepare and expand its social enterprise service lines to include blueprinting services on top of established computer and photocopying services; in effect creating additional opportunities for the organization’s target out-of-school-youth; and enabling employed out-of-school-youth to earn incomes sufficient to cover for their needs and for costs in pursuing a short vocational/technical training course of their choice.
4. Davao City – one project involving various stakeholders in enhancing the employability factor of targeted disadvantaged youth in the city such as the out-of-school-youth and the job

seeking unemployed youth technically inclined to engage in jobs in the hotel and restaurant industry, building electrical wiring trade and metal arc welding trade. The programme provided for skills training, testing and certification; entrepreneurship orientation, personality development, post-training employment services, and a mechanism for employers' feedback on programme participants.

5. Dumaguete – one demonstration project involving various stakeholders in enhancing values, industry/trade skills and entrepreneurship base of local unemployed graduates. As an adjunct to this, the city provided two tracks of post-training employment facilities services for the youth. One track is geared towards getting trainees employed in the labour-short but high-paying business process outsourcing-information and communication technologies (BPO-ICT) sector as well as in hospitality and automotives sectors. Another track was geared towards enabling these young people to start-up their own service shops.
6. Guimaras Province – two different projects with the first one supporting employability and actual employment of 50 local youth for housing sector jobs implemented prior to employment strategy planning as an emergency response to the oil spill disaster that affected local livelihoods and incomes of affected communities in the province in 2006 and the second one complementing resources mobilized by the provincial government to implement an integrated set of employment interventions based on identified gaps and action points from the youth employment planning workshop.
7. La Castellana – one demonstration project affording young people and their parents in comprehensive agrarian reform programme (CARP) whose long pending land disputes case have been finally settled and thus ready to respectively invest in the development of their respective lands, with entrepreneurship orientation, training, and post-training advisory services.
8. Marikina City – in addition to the survey and youth planning forums, the ILO provided the city with technical (e.g. feasibility studies, trainings, forum facilitation, and advisory services) and brokering (e.g. between BPO firms and Marikina LGU) services to complement the overall efforts of the LGU to organize a fully functioning one-stop-shop labour market center capable of delivering a comprehensive set of employment services for the city with a special focus on the more disadvantaged youth segments.

These projects served as a deciding point for LGUs and stakeholders to mainstream youth employment policy and action points in local development planning, budget, and administration processes.

This second set of papers in this series provides the case studies that highlight how these ILO-sponsored interventions complemented local economic development initiatives in each of these eight areas and the result obtained.

As noted in the independent evaluation report,³ PYEP is clearly just a beginning. Nevertheless, it has managed to establish momentum that can be carried on by the project partners with or without further project support.

It underscored the challenges facing all the partners involved: the local governments, the partner non-governmental organizations (NGOs), the schools and training institutions, the employer groups, trade

³ Working Paper No. 7 of the Youth Employability series.

unions, national government agencies, and the international development institutions involved (ILO and CIDA), that is to do what is necessary to ensure that such momentum is not dissipated.

This current series of working papers provides a useful benchmark of the various youth employability outcomes against the backdrop of local economic development strategies. From this, it is possible to assess the longevity and achievements of the various projects undertaken as well as the concepts and lessons that can be carried over into other localities concerned with building youth employability into their development programmes. For more detailed information, readers are referred to the Terminal Report, produced by ILO Manila.

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List of acronyms

| | |
|---------|---|
| ACPI | : Animation Council of the Philippines Inc. |
| BPO | : Business Process Outsourcing |
| CARP | : Comprehensive Agrarian Reform Programme |
| CENTREX | : Center for Excellence |
| CIDA | : Canadian International Development Agency |
| DepEd | : Department of Education |
| DOLE | : Department of Labor and Employment |
| DSWD | : Department of Social Welfare and Development |
| DWCP | : Decent Work Country Programme |
| DTI | : Department of Trade and Industry |
| FGD | : Focus Group Discussion |
| GYBi | : Generate Your Business Ideas |
| ILO | : International Labour Organization |
| KAB | : Know About Business |
| LDDW | : Local Development and Decent Work |
| LED | : Local Economic Development |
| LGU | : Local Government Unit |
| MAO | : Market Administration Office |
| MCTTIPO | : Marikina Cultural Tourism, Trade, and Investment Promotion Office |
| MIB | : Marikina Investment Board |
| MOU | : Memorandum of Understanding |
| MSO | : Marikina Settlements Office |
| MTIC | : Marikina Tripartite Industrial Council |
| NEDA | : National Economic Development Authority |
| NCR | : National Capital Region |
| NHMFC | : National Home Mortgage Finance Corporation |
| NSO | : National Statistics Office |
| OJT | : On-the-job-training |
| PESO | : Public Employment Service Office |
| PYEP | : Promoting Youth Employment in the Philippines |
| RA | : Republic Act |
| SME | : Small and Medium Enterprises |
| SYB | : Start Your Business |
| TESDA | : Technical Education and Skills Development Authority |

TLRC : Technology and Livelihood Resource Center
TNS : Taylor Nelson and Sofres
WAO : Workers Affairs Office

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Acknowledgement also to all assisting researchers and local stakeholders from the government and the private sector who assisted and contributed in the various stages of developing and updating the case studies for each of the pilot sites, from 2005 to 2009 and to the ILO-PYEP, Employment, and Publication teams for the overall efforts in delivering this knowledge product and especially Ms Maria Asuncion Ortiz who coordinated the research, writing, and compilation of these case studies.

A note on spelling and other conventions

In accordance with the practice of the International Labour Organization (ILO) this document follows the general spelling conventions as laid out in the Oxford Dictionary. Where two or more alternative spellings are allowed, we normally apply the first such spelling.

Exceptions are made for proper names. Thus we use the general term of "labour market" and "labour scenarios" but "Department of Labor and Employment" and "Labor Code of the Philippines".

The Philippine *Youth in Nation Building Act of 1997* defines youth as those within the age group of 15–30 years while the Department of Statistics uses the cohort 15–29 years. Both are used in this group of studies depending on the source of information.

Glossary of terms

| | | |
|--------------------------|---|---|
| Barangay | : | The smallest administrative district of government in the Philippines; also “barrio” from the Spanish |
| Liga ng mga Barangay | : | League of Barangays |
| Plantilla | : | The approved organizational establishment against which individual positions can be filled; from the Spanish meaning <i>template</i> |
| Poblacion | : | The center of a town or municipality, usually the administrative district |
| RA 7160 | : | The Local Government Code of the Philippines (1991), Republic Act 7160 |
| Sangguniang Bayan | : | The local legislative body of a municipality |
| Sangguniang Kabataan | : | Youth Council; the governing body of the <i>Katipunana ng Kabataan</i> (Youth Federation) in each barangay; this body replaced the <i>Kabataang Barangay</i> (Village Youth) abolished in 1991 with enactment of the Local Government Code. |
| Sangguniang Panlalawigan | : | The legislative board of a province under the chairmanship of the vice governor |
| Sangguniang Panlungsod | : | The legislative branch of a city government |
| Sari-sari store | : | The Filipino equivalent of a “mom-and-pop” store that sells to local communities |

Figure 1: The eight pilot areas



Local economic development and youth employment in the Philippines: the case of Marikina City

1 Introduction

Marikina, a component city of Metro Manila, was the sixth pilot area for ILO employment promotion initiatives in the Philippines in regard to the development of the Local Development and Decent Work (LDDW) toolkit, subsequently dovetailing with the implementation of the CIDA-funded Promoting Youth Employment in the Philippines (PYEP) Project.

A preliminary socio-economic profiling on Marikina was commissioned in 2005 by ILO (Pedro, 2005). This became the basis for an ILO case study (Ofreneo, Marasigan, and Basa, 2005) with the Philippine Labor Code and Tripartite Industrial Relations as the principal study frameworks. This case study focused on local efforts and good practices of stabilizing local labour-management relations towards employment promotion. A complementary study was subsequently commissioned by ILO with the Local Government Code of 1991 as well as employment promotion as study frameworks.⁴ This latter study focused on local efforts and good practices on attracting investments towards stimulating economic activities and creation of new jobs, supporting development of local enterprises and of local human resources for employment creation purposes. As a side benefit, the latter was intended to identify existing local efforts on addressing youth unemployment.

Follow-up interviews and data gathering activities were conducted by this writer in 2007, 2008, and 2009) on assessing and documenting post-project development and results of the ILO-CIDA supported local youth employment promotion activities⁵ as it dovetailed with other local economic development, employment promotion, and youth employability efforts in the city.

This first part of the case study report provides an overview of Marikina City in terms of its development outlook, area, population, and unique advantages. It outlines the key challenges that the municipal stakeholders aimed to tackle to create more and better jobs and incomes using youth employment and LED strategies and the results thus far achieved for the town.

1.1 An overview of Marikina City

From a municipality suffering from floods, garbage problems, high incidence of industrial strikes, and serious crime incidence, Marikina today has been transformed—physically rehabilitated, well-managed, clean, orderly, safe, liveable, and business-conducive.

Despite the loss of much of the traditional manufacturing industry that previously sustained the locality, the change has made Marikina a more desirable place in which to live, work, and do business, enhancing the value of the city resources, and way of life.

⁴ See interview notes of Marasigan (2005) and Ortiz (2005, 2007, 2008, 2009, and 2010).

⁵ Initiatives and responses of city stakeholders implemented with external advisory, facilitation and documentation services of Eugene Gonzales and additional documentation support from Angel Tatlonghari-Mateo for survey-based sensitizing, strategy planning, LED stakeholder forum building activities held in 2006 and 2007 and Yvette Barredo-Sonza in regard to LGU-BPO joint recruitment activities at its various stages with fund support from CIDA and ILO.

The dramatic transformation has garnered for the city a number of awards, instilling a sense of pride among Marikenaños for the development that has taken place in their hometown, making it a suitable learning model for other localities and a preferred destination for investors in the country.

More than its territorial advantages, the city considers its local human resources and its evolving development support infrastructure as its primary local development assets. These have led to an increasing inflow and new forms of investments. Evidently, business process outsourcing facilities have relocated into the city in more recent years and the establishment of research and technology facilities for harnessing green jobs, products, and services are in the works at the time of writing (Table 1-1).⁶

Table 1-1: Some indicators of Marikina’s basic resources and development facilities

| Indicators | Data as of 2008 |
|------------------------------------|--|
| Land area | 2,150 ha. or 21.50 sq kms |
| Population | 490,612 (estimated population for CY-2008) |
| Population density | 22,819 persons/hectares |
| Population growth rate | 1.14 per cent |
| Households | 104,164 |
| Average family size | 4.76 |
| Annual income | 1.4B |
| Founded | 16 April 1630 |
| Converted into a city | 8 December 1996 |
| District (Congressional) | 2 |
| Number of barangays | 16 |
| Hospital beds | 537 |
| Mortality rates | 5 per cent |
| School facilities | 198 public and private pre-school, elementary, secondary, tertiary schools |
| Public Investment Promotion Center | Marikina Cultural, Tourism, Trade, and Investment Promotion Office |
| Public Training Centers | Center for Excellence, City Women’s Training Center, and Manpower House |
| Public Employment Center | Labour Relations and Public Employment Center |

Source: Revised Urban Karte 2009, CPDO, City Government of Marikina

1.1.1 The development outlook

The local government of Marikina City promotes a modern, professional, and dynamic approach to local governance as it organizes its bureaucracy, motivates its workforce towards service excellence, strengthens revenue building capacities to support local development initiatives, institutionalizes mechanisms for engaging various socio-economic interest groups in local governance and markets the city’s traditions, advantages, and potential.

Marikina is seeking to emulate the experience of Singapore that invested in the development of its local human resources and requisite institutional support to achieve worker, business, and overall city

⁶ Temporarily interrupted in 2009 by the debilitating effects of the strong rains and floods brought by Typhoon Ondoy into the city.

competitiveness. This at least is the vision espoused by Mayor Marides Fernando (2001–present), the wife of the former Mayor Bayani Fernando (1992–2001) who earlier made headway in transforming the city’s physical, culture, and political environment—essential prerequisites to recent and future efforts to achieve this vision.⁷

Faced with a decline of its traditional industry base and particularly its shoe and other manufacturing sub-sectors, Marikina has risen to the challenge of self-transformation and has launched into new economic and job growth areas such as the ICT-BPO sector by matching the sector’s specific requirements with its own human resources and territorial advantages and potentials.

Despite territorial limitations (i.e. lot sizes, availability of preferred location within, and anticipated adjustments in land use plan given new physical environmental conditions⁸) in attracting external business investments, the city government remains fastened to its own policies and sees no need to deviate. Yet, Marikina remains attractive to investors with goals compatible with established city investment policies and priorities. Investors would claim the clear cut investment policies of the city and the incentives that go with them, specifically the simplified business transaction requirements and procedures as well as available employment facilitation support, are critical to pursuing investments in the city.⁹

The city government has progressively invested in the employability potential of Marikeños, especially the youth segments, in order to tool, connect, and productively engaged them in existing and emerging types of investment and job opportunities in the city and beyond. This direction also goes with the hope of reinvesting and circulating the fruits of their labour back into the local economy and away from a fate that would have seen it become a mere ‘bedroom community’ of Metropolitan Manila.¹⁰

The city has been cited no less than nine times by the Galing Pook Foundation, part of an international network that promotes good governance and has been inducted into its Hall of Fame. The Philippine Center for Investigative Journalism in a 2007 article posted on its website claimed that while Marikina’s makeover may be less than perfect, local residents appeared to be very satisfied with their local government.¹¹

1.1.2 Territorial profile

Marikina City is one of the 16 cities and one municipality that make up Metropolitan Manila or the National Capital Region (NCR). Marikina City is located along the eastern border of Metro Manila (Figure 2). The city is bordered on the west by Quezon City, to the south by Pasig City and Cainta,

⁷ Former Mayor Bayani Fernando became the Chair person of the Metropolitan Development Authority. As of this writing, Mayor BF is no longer the MMDA Chairperson as he is running for a national political position.

⁸ These limitations are seen as opportunities for innovations and attracting social and environmental investments from business, social, and international development agencies which are still within their investment policy parameters as these are indeed futuristic in design.

⁹ Interview with Maria Lea Astrud Santiago, Head of MCTTIPO Marikina City, December 8, 2009.

¹⁰ Marikina according to the City’s Urban Karte (revised 2009) and Comprehensive Urban Land Use Plan document is basically a “*bedroom community*” wherein a considerable number of people work outside of the city. Population is reduced during weekdays and especially during the daytime. A substantial number of its working population go to Makati City and other cities of the NCR for work and do their shopping for household and personal needs before they head back to their own city in time for dinner or sleeping time. With the expected influx of new industrial locators and emergence of new commercial establishments, this trend is likely to change within the next 10-15 years.

¹¹ See *Marikina’s (not so perfect) makeover*, Friday, January 12, 2007 available at <http://pcij.org/stories/marikinas-not-so-perfect-makeover/> (accessed 20 November 2009).

Figure 2: Location of Marikina City



Rizal, to the east by Antipolo City (the capital of Rizal province), and to the north by San Mateo (also in Rizal). It is approximately 21 km away from Manila proper.¹²

The city covers a land area of approximately 2,150 hectares (ha) or 215 km² and represents around 3.4 per cent of the total land area of Metropolitan Manila. It is made up of 16 barangays of which Barangay Fortune is the largest, followed by Concepcion Uno, Marikina Heights, Concepcion Dos, and Nangka. In terms of land area, these five already constitute more than half (55 per cent) of the total area. Santa Elena, the site of the City Hall, is the smallest barangay.

Primarily a valley nestled amid mountain ranges and rolling hills, the topography of Marikina is generally level, with only a portion mildly sloping and which is particularly evident in the eastern section of the city. The western and central sections of the city representing 73 per cent of the city area are classified topographically as Type A (0–2.5 per cent slope), a land type considered highly suitable and tolerant to mechanized farming and urban development. The north-eastern and south-eastern sections have Types B and C (2.5–10 per cent slope) which is still fairly tolerant to development, but where excessive removal of ground cover can cause erosion and land slippage. The city is also located on the Valley Fault System, one of the active faults in the Philippines.

The Marikina River traverses the city and accounts for 220 hectares. The river serves as the city's principal drainage system. It emerges from the foothills of the Sierra Madre (the longest mountain range in the country) and flows southwards through the Marikina Valley until it joins the Pasig River and discharges into Manila Bay. During the rainy season, when typhoons and heavy rains hit the area, the river overflows and jumps the bank flooding the low-lying areas of the city. The Nangka River which serves as the boundary of Marikina and San Mateo also drains a sizeable area of the city, particularly the eastern portion.

Land area of the city is largely allocated and utilized for residential, road networks, industrial, and commercial purposes. Table 1-2 presents further details on the city's land use status.

¹² See <http://en.wikipedia.org/wiki/Marikina> for further and updated details on Marikina.

Table 1-2: Marikina' City's existing and approved land use

| Barangay | Existing land use | | Approved land use | |
|-------------------------------|-------------------|----------|-------------------|----------|
| | Area | Per cent | Area | Per cent |
| Residential | 813.06 | 37.82 | 801.45 | 37.28 |
| Commercial | 132.82 | 6.17 | 243.81 | 11.43 |
| Industrial | 280.57 | 13.05 | 295.65 | 13.75 |
| Institutional | 72.60 | 3.38 | 95.23 | 4.43 |
| Parks/Open spaces/Recreation | 61.91 | 2.88 | 50.08 | 2.33 |
| Mixed use zone | 155.22 | 7.22 | 0.00 | 0.00 |
| Cemeteries | 37.89 | 1.76 | 37.89 | 1.76 |
| Cultural heritage | 0.25 | 0.01 | 0.25 | 0.01 |
| Area for priority development | 179.02 | 8.33 | 179.02 | 8.33 |
| Socialized housing | 40.96 | 1.90 | 41.28 | 1.92 |
| Agricultural | 1.90 | 0.09 | 1.90 | 0.09 |
| Roads | 373.80 | 17.39 | 403.44 | 18.76 |
| Total | 2 150.00 | 100.00 | 2 150.00 | 100.00 |

Source: Revised Urban Karte 2009, CPDO, City Government of Marikina

Based on the City's Revised Urban Karte,¹³ a local development status and planning document prepared by the Marikina Valley Development Authority-City Planning and Development Office (CPDO):¹⁴

- **Residential areas comprised the single largest land use in Marikina City**, accounting for 813.06 ha (37.82 per cent) of the total land area. The residential houses in the existing and approved subdivisions can no longer be further subdivided where the resultant lot size would be less than 100 sq metres. A minimum of 100 sq metres is set for a townhouse unit and 24 sq m for a dwelling unit in the city's *socialized housing areas*.¹⁵ These density limits are aimed at preventing the deterioration of these areas into depressed communities and thereby, preserve the city's liveability.¹⁶
- **The road network occupies the second largest area** or 373.80 ha (17.39 per cent) of the city's land area facilitating internal mobility and accessibility with the city. Industrial, area for priority development, mixed use zone and commercial zones rank next at 13.05 per cent, 8.33 per cent, 7.22 per cent, and 6.17 per cent, respectively. The rest of the city's land area is

¹³ The main purpose of the Urban Karte is to provide a diagnosis of sustainable development for cities. The city government believes if it is to promote the welfare of residents and of the nation's citizens, it must be sustainable and functional in four respects: *livability, competitiveness, governance, and bankability*.

¹⁴ The City Planning Office maintains a very small team of support staff on *plantilla* which focuses on conducting household surveys, consolidation of plans and budgets, monitoring of progress, consolidation of reports from across departments. Its head also heads the Marikina Development Authority which focuses more on the development of architectural and engineering proposed plans for city government legislative and executive approval and here personnel are not necessarily on *plantilla*.

¹⁵ Same term referring to the city settlement areas.

¹⁶ Livability as defined in the City Revised Urban Karte 2008 is the local governance criterion used to understand the living environment.

spread across the following uses: (i) socialized housing and institutional; (ii) open spaces/parks/recreation; (iii) cemetery; and (iv) cultural heritage.

- **Industrial establishments** occupy about 280.57 ha (13.05 per cent) of the land area of Marikina. The majority of these can be found in the northern portion of the city where large industrial firms are located. Small-scale and household based industrial firms such as shoe shops are prominent in almost every barangay. Historically, this makes the city largely an industrial town.
- **Commercial establishments for trading, business, household, and personal service** purposes cover around 132.82 ha (6.17 per cent), found mostly around the public market area and the public market zone located in Barangay Sta. Elena, the site of the city government complex. Commercial strip development is also very notable in the city especially along major thoroughfares. Patches of small commercial establishments such as *sari-sari stores* and apartments can be found throughout the city.
- **The city declared business, food, finance, and commercial triangle**, or the Riverbanks Center (situated at the formerly known UTEX industrial site) is located along A. Bonifacio Avenue, Barangay Barangka is a 14-ha land suitable for commercial and industrial development.
- **Areas for institutional support services establishments** comprise about 3.38 per cent of Marikina. All but one of the 16 barangays of the city has their own public schools. The city also has a Boystown Complex in Barangay Parang. This lot is owned by the city government of Manila.
- **Around 61.91 hectares are devoted to parks, open spaces, and recreation** including the Marikina River Park, this area is considered as one of the biggest sports and recreational park in the country.
- **Marikina has one public and three private cemeteries** comprising a total land area of 37.89 ha (1.76 per cent) of the city's land area. These include the Loyola Memorial Park located in Barangay Tañong, considered in the earlier times as one of the biggest and most modern memorial parks in the country.

Having in place policies to support every healthy human development living purpose makes Marikina City a desirable place in which to live. The city government believes that a "liveable place" means ensuring a decent quality of life and equal opportunity for all its residents. To achieve this, the city must be productive and competitive, well-governed and managed, and financially sustainable or "bankable".¹⁷ The succeeding sections of this paper will tell the story of how the city evolved to achieve this using its own resources. We will do so by looking at selected aspects of local development.

Marikina started with only one political district and has recently been divided into two political districts. District 1 consists of nine barangays with a total land area of 799.87 ha representing 37.2 per cent of the total land area of Marikina. District 2 is comprised of seven barangays with a total land area of 1,350.13 ha representing 62.8 per cent of the city's total land area. Each local district has one legislative representative to the Lower House of the National Congress of the Philippines.

¹⁷ As defined in the City Revised Urban Karte, 2008.

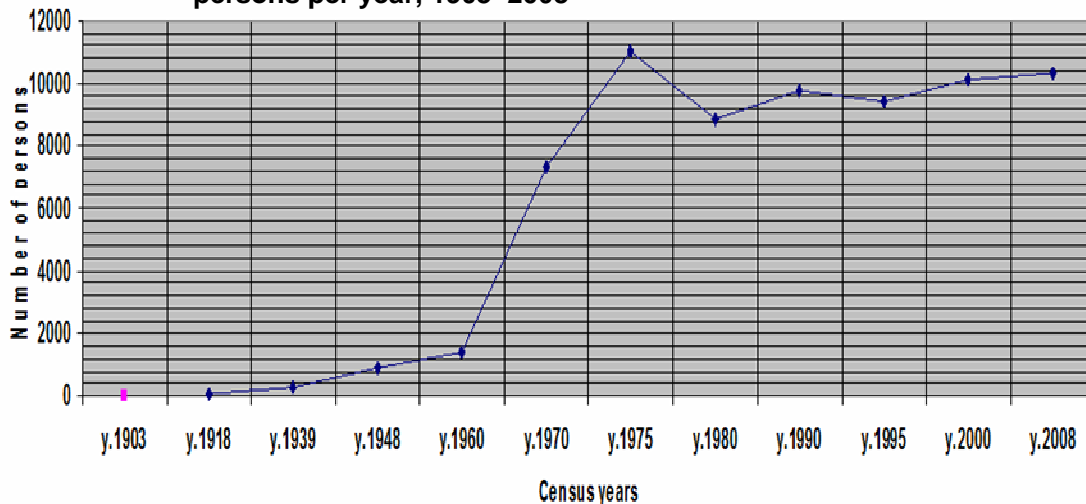
1.1.3 Population profile

Marikina City has been one of the more populated towns in Metro Manila and in the country. By 2008, the city had reached a total population of 490,612, but at a decelerated growth rate of 1.14 per cent compared to earlier years. In that year it had a density of 22,819 persons per hectare, a total number of households of 104,164 and an average household size of 4.76 persons.

Marikina's resident population growth rates in the last two–three decades have been stabilizing due to the combined effects of the city's declining fertility and birth rates as well as the implementation of population management and squatter-free programmes since 1993. It is also attributable to the labour out-migration patterns of its residents to other towns and abroad in search of better living environments and in pursuit of their trades and professions. This latter trend is particularly evident among its skilled, highly knowledgeable and scholarly citizenry e.g. nurses, doctors, tradesmen, technologists/scientists/engineers in various disciplines, human resources professionals, lawyers schooled in colleges and universities in Quezon City, the City of Manila and abroad.

Historically, the city's population grew slowly both in terms of absolute number and average annual population growth rates, during the first two quarters of the 20th century and then more rapidly during the second half of the same century until it peaked around 1970¹⁸ as indicated in Table 1-3, Figure 3, and Figure 4.

Figure 3: Marikina City population growth: average increases in number of persons per year, 1903–2008



In terms of average annual growth rates, Figure 4 indicates the city's growth rate recorded in 1903 was 1.02 per cent. Thereafter, it climbed more rapidly and above both the national average of 2.03 per cent as well as the rate of growth of Manila. Growth peaked during the 1960s and thereafter the rate of increase fell back as the community matured. Nevertheless up until the year 2000, the city's growth rates remained above the national growth rates. This was characteristic of an industrial center inducing seasonal movement and permanent settlement of immigrant traders, workers, and new investors into the city.

¹⁸ When the nation was recovering from the Second World War years.

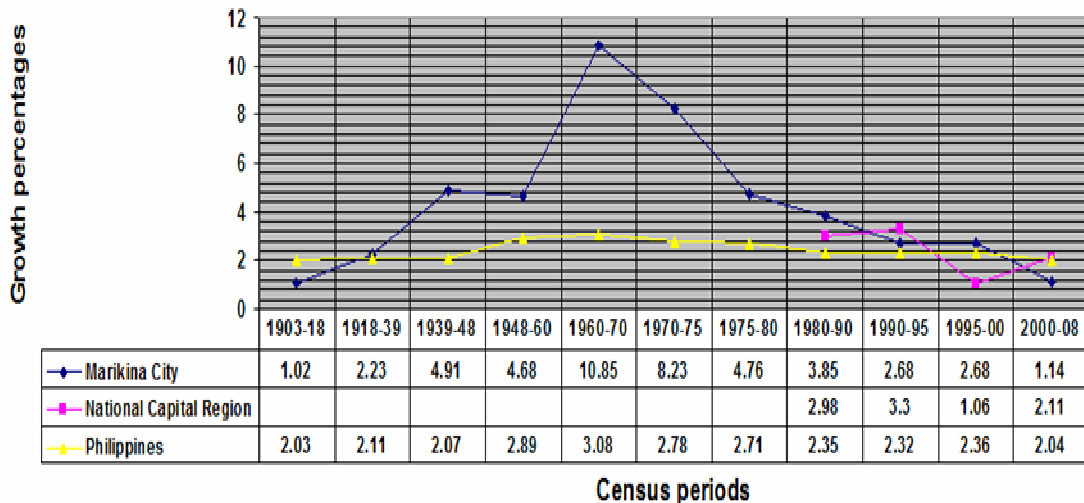
Table 1-3: Historic population and growth in absolute number and rates, 1903-2008

| Year | City population | Absolute increase | City average annual population growth rate (per cent) | National population | National average annual population growth rate (per cent) |
|------|-----------------|-------------------|---|---------------------|---|
| 1903 | 8 187 | - | - | 7 635 426 | 2.87 |
| 1918 | 9 542 | 1 355 | 1.02 | 10 314 310 | 2.03 |
| 1939 | 15 166 | 5 624 | 2.23 | 16 000 303 | 2.11 |
| 1948 | 23 353 | 8 187 | 4.91 | 19 234 182 | 2.07 |
| 1960 | 40 455 | 17 102 | 4.68 | 27 087 685 | 2.89 |
| 1970 | 113 400 | 72 945 | 10.85 | 36 684 486 | 3.08 |
| 1975 | 168 453 | 55 053 | 8.23 | 42 070 660 | 2.78 |
| 1980 | 212 613 | 44 160 | 4.76 | 48 098 460 | 2.71 |
| 1990 | 310 227 | 97 614 | 3.85 | 60 703 206 | 2.35 |
| 1995 | 357 231 | 47 004 | 2.68 | 68 616 536 | 2.32 |
| 2000 | 407 732 | 50 501 | 2.68 | 76 504 077 | 2.36 |
| 2005 | 457 722 | 49 990 | 2.34 | - | - |
| 2007 | - | - | - | 88 574 614 | 2.04 |
| 2008 | 490 612 | 32 890 | 1.14 | 88 574 614 | - |

Note: Results of local survey and NSO survey can be conflicting but the City Planning Office adopts the nationally recorded figures for consistency sake. But in terms of differentiating and interpreting figures for the city's purposes the Marikina City Planning and Office asserts authority in better describing the local population, its historical growth rates and coinciding local circumstances.

Source: National Statistics Office 2000, Marikina City Urban Karte 2009, and NSCB website

Figure 4: Marikina and national population growth rates, average percentage increase per year, 1903–2008



In terms of absolute increase in the city population, Figure 3 indicates a gradual upward trend of annual increases in the population during the first half of the 20th century.

- From a total population of 8,187 recorded in 1903, the number of city residents rose to a total of 9,542 in 1918, resulting in an absolute increase of 1,355 persons in a span of 15 years and an average increase equal or close to 90 persons per year.
- Thereafter, the number of city residents further rose to 15,166 in 1939, resulting in an absolute increase of 5,624 persons in 21 years, and an average increase equal or close to 268 persons per year.
- Finally, the number of city residents further rose to a total count of 23,353 recorded in 1948, resulting in an absolute increase of 8,187 persons in 9 years, and an average increase equal or close to 910 persons per year.

Figure 3 further indicates that a rapid increase in the population occurred during the 1960s and 1970s before stabilizing at a much higher level than in the earlier part of the century.

- From a total population of 23,353 recorded in 1948, the number of city residents jumped up to a total of 40,455 in 1960, resulting in an absolute increase of 17,102 persons in 12 years and an average increase equal or close to 1,425 persons per year.
- Thereafter, the number of city resident substantially increased by four times to a total of 113,400 in 1970, resulting in an absolute increase of 72,945 persons in 10 years and an average increase equal or close to 7,294 persons per year.
- Finally, the number of city residents further increased to a total of 168,453 recorded in 1975, resulting in an absolute increase of 55,053 persons in five years and an average increase equal or close to 11,011 persons per year.

More recently:

- From a total population of 168,453 in 1975, the number of city residents increased to a total of 212, 613 in 1980, resulting in an absolute increase of only 44,160 persons in five years time and an average increase equal or close to 8,832 persons per year.
- Thereafter the number of city residents increased to a total of 310,227 in 1990, resulting in an absolute increase of 97,614 persons over the decade and an average increase equal or close to 9,761 persons per year. The population grew further to a total of 357,231 in 1995 resulting in an absolute increase of 47,004 persons over the preceding five years and at an average increase equal or close to 9,401 persons per year. The population reached a total of 407,732 in 2000 resulting in an absolute increase of 50,501 persons for an average increase of 10,100 persons per year.

From a total population of 407,732 in 2000, the number of city residents increased to an estimated total of 490,612 in 2008. This estimate was derived using 1.14 per cent intercensal local growth rate (Figure 4). This suggests there was an absolute increase of 82,880 persons in the eight years from 2000 for an average increase of 10,360 persons per year.

These observed trends are consistent with the profile of an area that was once rapidly urbanizing but which in recent years has peaked in terms of its capacity for absorbing further population. It suggests that there has been an outflow of some working age residents combined with the effects of the city

government's implementation of the local population management programme and a squatter-free Marikina programme that has been in place since 1993. This declining growth trend may continue in specific confines in the city, triggered by such events as the aftermath of the Typhoon Ondoy (September 2009) that led to the city government's identification of the city's (2009) five danger zones requiring eventual relocation of families from these zones.

Details of the age and gender distribution of the population based on National Statistics Office (NSO) census in 2000 and recomputed in 2008 using NSO 1.14 per cent estimated growth rate are provided in Table 1-4. The median age of the population falls within the 20–24 age bracket. This holds true for 2000 and 2008.

Table 1-4: Population by age and gender, 2000 and 2008

| Age group | 2000 | | | 2008 | | |
|--------------|---------|---------|---------|---------|---------|---------|
| | Male | Female | All | Male | Female | Total |
| Children | 75 331 | 75 372 | 150 703 | 82 636 | 82 679 | 166 315 |
| Under 1 | 6 223 | 6 048 | 12 271 | 6 827 | 6 635 | 13 462 |
| 1–4 | 21 248 | 20 937 | 42 185 | 23 308 | 22 966 | 46 274 |
| 5–9 | 25 326 | 24 891 | 50 217 | 27 782 | 27 304 | 55 086 |
| 10–14 | 22 534 | 23 496 | 46 030 | 24 719 | 25 774 | 51 493 |
| Youth | 66 103 | 78 395 | 144 498 | 72 511 | 85 993 | 158 504 |
| 15–19 | 21 674 | 26 985 | 48 659 | 23 775 | 29 600 | 53 375 |
| 20–24 | 23 395 | 27 682 | 51 077 | 25 662 | 30 365 | 56 027 |
| 25–29 | 21 034 | 23 728 | 44 762 | 23 074 | 26 028 | 49 102 |
| Adults | 65 675 | 69 094 | 134 769 | 72 044 | 75 791 | 147 835 |
| 30–34 | 18 244 | 19 542 | 37 786 | 20 013 | 21 436 | 41 449 |
| 35–39 | 15 239 | 16 051 | 31 290 | 16 716 | 17 607 | 34 323 |
| 40–44 | 12 019 | 12 330 | 24 349 | 13 184 | 13 525 | 26 709 |
| 45–49 | 8 154 | 8 376 | 16 530 | 8 945 | 9 188 | 18 133 |
| 50–54 | 7 083 | 7 444 | 14 527 | 7 771 | 8 165 | 15 936 |
| 55–59 | 4 936 | 5 351 | 10 287 | 5 415 | 5 870 | 11 285 |
| Elderly | 7 517 | 9 769 | 17 286 | 8 242 | 10 716 | 18 958 |
| 60–64 | 3 435 | 3 721 | 7 156 | 3 767 | 4 081 | 7 848 |
| 65–69 | 1 935 | 2 559 | 4 494 | 2 122 | 2 807 | 4 929 |
| 70–74 | 1 073 | 1 396 | 2 469 | 1 177 | 1 532 | 2 709 |
| 75–79 | 644 | 1 163 | 1 807 | 705 | 1 276 | 1 981 |
| 80 and above | 430 | 930 | 1 360 | 471 | 1 020 | 1 491 |
| Total | 214 626 | 232 630 | 447 256 | 235 433 | 255 179 | 490 612 |

Source: 2000 data: Marikina City Facts and Figures 2004, as derived and projected based on data from the NSO 2000 Census of Population and Housing; 2009 data: Marikina City Revised Urban Karte 2009 (based on 1.14 per cent NSO growth rate)

1.1.4 Student population in public and private schools

As of December 2006, the Marikina Business Registry Databank posted a total of 198 public and private schools within the city. Figures provided by the Department of Education (DepEd) (Marikina District Office) on school enrolment and shown in Table 1.5 (from SY 2003–2004, 2004–2005, 2006–2007), indicate there has been a general drift towards public education and an overall decline in school enrolment rates.

This local trend is particularly evident in private and tertiary level (baccalaureate) schools. This is consistent with national trends and suggests that for many parents, the costs of a private education and putting students through a full collegiate course have become too high to bear. To address this concern, the city government has prioritized use of its education and training funds to support high school graduates in pursuing and completing collegiate courses.

Table 1-5: Student population by level and enrolment in public and private schools

| School level | Public | Private | Total | Per cent of total in public education |
|-----------------------------|--------|---------|---------|---------------------------------------|
| School Year 2003-2004 | | | | |
| Pre-school | - | 5 117 | 5 117 | - |
| Elementary | 42 760 | 13 915 | 56 675 | 75.4 |
| Secondary | 22 054 | 8 883 | 30 887 | 71.3 |
| College | 1 200 | 3 601 | 4 801 | 25.0 |
| Vocational/Technical | 3 345 | 876 | 4 221 | 79.2 |
| Total | 69 359 | 32 342 | 101 701 | 68.2 |
| School Year 2004-2005 | | | | |
| Pre-school | 2 139 | 5 283 | 7 422 | 28.8 |
| Elementary | 43 396 | 14 358 | 57 754 | 75.1 |
| Secondary | 23 197 | 8 780 | 31 977 | 72.5 |
| College | 1 468 | 2 498 | 3 966 | 37.0 |
| Vocational/Technical | 3 109 | 282 | 3 391 | 91.7 |
| Total | 73 309 | 31 201 | 104 510 | 70.1 |
| School Year 2006-2007 | | | | |
| Pre-school | 1 838 | 5 155 | 6 993 | 26.3 |
| Elementary | 45 000 | 14 623 | 59 623 | 75.5 |
| Secondary | 24 021 | 8 100 | 32 121 | 74.8 |
| College | 2 136 | 1 529 | 3 665 | 58.3 |
| Vocational/Technical | 4 486 | 336 | 4 822 | 93.0 |
| Total | 77 481 | 29 743 | 107 224 | 72.3 |
| School Year 2008-2009 | | | | |
| Pre-school | 1 402 | 4 459 | 5 861 | 23.9 |
| Elementary | 46 296 | 14 122 | 60 418 | 76.6 |
| Secondary | 26 737 | 8 488 | 35 225 | 75.90 |
| College | 5 570 | 1 176 | 6 746 | 82.57 |
| Vocational/Technical | 1 770 | 1 663 | 3 433 | - |
| Post-Graduates studies | 148 | - | 148 | - |
| Total (excluding post-grad) | 81 775 | 29 908 | 111 683 | 73.2 |
| Total (including post-grad) | 81 923 | 29 908 | 111 831 | 73.3 |

Source: Department of Education – Marikina, Marikina City Planning Office, 2009 percentage author's own computation

Although Marikina appears to be relatively well-provided with a number of education and training institutions including a science high school, and a better student-teacher ratio in comparison to most other localities, local tertiary-level schools are insufficient to accommodate the anticipated increase in secondary school graduates, considering the huge proportion of population groups below the age of 15.

To address this concern, the construction of new school buildings in a new site for the *Pamantasan ng Lungsod ng Marikina*, an LGU-funded local collegiate school¹⁹ has been locally approved and already in the pipeline for implementation. This is considered a solution for high school graduates who cannot afford tertiary schooling in colleges and universities especially those schools located outside of the city. For those even more constrained economically, tertiary scholarships are offered through the MCF education and training funds.

Results from the youth employability survey commissioned by ILO and conducted by Taylor Nelson and Sofres (TNS) for Marikina in 2006 which covered a total sample size of 200 female and male youths provided related observations on the decline in school enrolment rates.²⁰ Comments made during the course of the survey suggested that economic difficulties due to rising costs were mainly responsible. Statistical details and a discussion of the findings are provided later in this study in the context of discussing how tackling youth employment challenges has become part of the local economic development strategy.

1.1.5 Labour force and employment indicators

The labour force as defined by DOLE includes those persons constituting the 15–64 age groups and presumed to be part of the labour supply market who can be tapped to work full or part time as employee or self-employed. The NSO provided city household population data for 2000 as presented in Table 1-4 suggests a total of 286,423 persons or 64.04 per cent of the total city population of 447, 256 constitutes the labour force while the DOLE-Bureau of Labor and Employment Statistics labour force data for the same year suggests there were only a total of 184,000 persons or 41.14 per cent of the total city population constituting the local labour force.

The city government according to its city planning and development coordinator²¹ has yet to allocate resources and tap and pay the services (deemed to be relatively expensive for a local government) of the NSO so that the city can eventually have its local population, labour force, and employment survey that would result in a data set closer to local situation.

Table 1-6: Locally available labour and employment indicators, nationally sourced

| Indicator | 2000 | 2003 |
|---------------------------------|---------------|---------------|
| Labour force | 184 000 | 185 000 |
| Labour force participation rate | 66.2 per cent | 61.8 per cent |
| Number of employed | 145 000 | 153 000 |
| Employment rate | 78.8 per cent | 83.0 per cent |
| Number of unemployed | 39 000 | 31 000 |
| Unemployment rate | 21.2 per cent | 17.0 per cent |

Source: Bureau of Labor and Employment Statistics

¹⁹ This school is capable of financing itself and the LGU offers only scholarships.

²⁰ Especially true for those enrolled in the private schools and thus the shift to public schools.

²¹ Interview with Tomas Aguilar, Jr. December 8, 2009.

1.2 Economic and job growth challenges and opportunities for the city

1.2.1 Data from national and local government

One primary factor that contributes to Marikina's employment generation and local economic growth has been the multi-million peso shoe industry which was traditionally regarded as the city's primary economic base. However, the city is also home to a diverse range of industries including other manufacturing lines, trading and services. With the decline of the shoe industry, the city has recognized that in the future its viability will depend on harnessing the growth potential of these other industries to support local employment and incomes flows.

The more prominent of these established industries as recorded with the city government are enumerated in Table 1-7 below.

Table 1-7: The diverse nature of Marikina business establishments (2008, partial listing)

| Name of establishment | Name of establishment |
|------------------------------------|--|
| 1. Fortune Tobacco Corporation | 14. Arms Corp. of the Philippines |
| 2. Purefoods Hormel Co., Inc. | 15. Honda Cars Marikina |
| 3. Coats Manila Bay, Inc. | 16. Parco Department Store and Supermarket |
| 4. Save More Supermarket | 17. HAVI Foods Service Philippines, Inc. |
| 5. Delfi Marketing, Inc. | 18. Advance Food Concepts Mfg. Inc. |
| 6. Lapu-lapu Packaging Corp. | 19. Riverbanks Development Corp. |
| 7. Parity Packaging Corp. | 20. Architects Metal Systems, Inc. |
| 8. Manila Water Company | 21. EEI Realty Corp. |
| 9. Manila Bay Spinning Mills, Inc. | 22. Rustan's Express Lane, Inc. |
| 10. Basic Holding Corp. | 23. Avon Cosmetics, Inc. |
| 11. Federal Land, Inc. | 24. Premium Tobacco Redrying/Flue Curing Corp. |
| 12. Tower Steel Corp. | 25. WenPhil Corp. |
| 13. Mercury Drug Corp. | 26. Givano Footwear International Corp. |

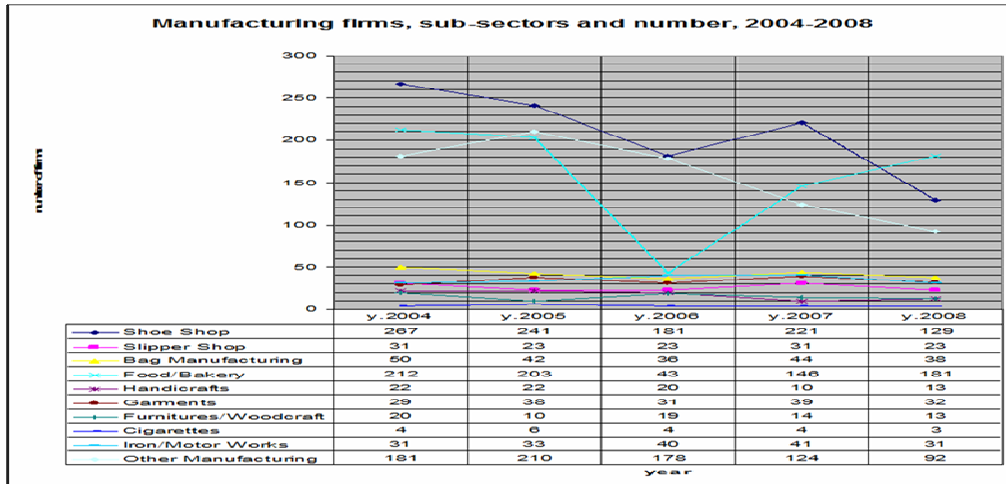
Source: Business Permits and Licensing Office; accessed through data files from Marikina City Trade, Tourism, and Investment Office, December 8, 2009

Overall, as shown by local government records, even prior to the global financial crisis, Marikina was facing a steady decline in the number of establishments within in the local manufacturing industry and this is experienced by most local manufacturing sub-sectors, as indicated in Figure 5.

As noted above, the city government has yet to allocate funds for NSO services to conduct and process labour and employment surveys in the city and to delivering local data and analyses for programme purposes of the city government.

As an alternative, one option for the city government is to continue to support private sector surveys as it did in 2006.

Figure 5: Categories and annual count of manufacturing firms in Marikina City, 2004-2008



Source of Data for Graphs: Business Permit and Licensing Office, Marikina City 2009

1.2.2 Data from the private sector – the City Chamber of Commerce

Data generated from the Marikina Business Registry Databank²² provides a better view of the range of businesses established in the city. As of December 2006, there were a total of 20,111 establishments in the city; 96 per cent of these were micro-enterprises operated as sole proprietorships and accounting for 47,754 formal sector jobs. Within this figure, there were 6,060 sari-sari stores—30 per cent of the total.

The top five industries of the city in terms of number of business establishments and jobs generated are shown in Table 1-8 and Table 1-9. These industries account for 93 per cent of the total businesses (*from micro, small, medium, to large*) registered in the city and 81.9 per cent of local jobs generated in the formal establishments.

Table 1-8: Top five industries of Marikina City by number of firms

| Top local Industries in terms of number | Number of establishments | Per cent of total |
|--|--------------------------|-------------------|
| Whole and retail trade including motor vehicles and sari-sari stores | 11 368 | 57 |
| Real estate, renting, and related activities | 3 345 | 17 |
| Hotel and restaurant including food carts and refreshment stands (more of these are restaurants) | 1 702 | 8 |
| Community, social and personal services including salons and entertainment (billiard) centers | 1 189 | 6 |
| Manufacturing dominated by footwear, luggage, handbag sub-sectors (other manufacturing industries not included here) | 1 106 | 5 |
| The listed constitute 93 per cent of 20,111 enterprises | | |

Source: Marikina Business Registry Databank, data as of December 2006 using software provided by MVCCI in December 2007 and used in 2008

²² A project of the Marikina Valley Chamber of Commerce and Industry with fund support from PROPEL (Promoting Regional Opportunities for Enterprise and Livelihood Development) and the City LGU.

Table 1-9: Top local industries of Marikina City by number of new jobs generated

| Top local Industries | Number of jobs generated | Per cent of total |
|--|--------------------------|-------------------|
| Whole and retail trade | 16 111 | 33.7 |
| Manufacturing footwear, luggage, handbag | 10 452 | 21.9 |
| Real estate and rentals | 5 449 | 11.4 |
| Hotel and restaurant | 4 468 | 9.4 |
| Community, social, and personal services | 2 610 | 5.5 |

Note: 81.9 per cent of 47,754 employed

Source: Marikina Business Registry Databank, data as of December 2006 using software provided by MVCCI in December 2007 and used in 2008

Table 1-10 displays the six major sub-sectors of the local manufacturing industry of the city.

Table 1-10: Leading sub-sectors in manufacturing, 2006

| Manufacturing sub-sectors | Number of establishments | Per cent of total |
|--|--------------------------|-------------------|
| Footwear, luggage, and handbags | 366 | 33 |
| Food products and beverages | 156 | 14 |
| Wearing apparel | 149 | 5 |
| Publishing, printing, and media reproduction | 92 | 8 |
| Fabricated metal products except machinery | 67 | 6 |
| Recycling | 59 | 5 |

Note: 79 per cent of 1,106 manufacturing firms

Source: Marikina Business Registry Databank, data as of December 2006 using software provided by MVCCI in December 2007 and used in 2008

Much of the economic activity taking place, particularly in trading and manufacturing occurs in just four of the city's 16 barangays. These are Parang, Concepcion Uno, Sto. Niño, and Sta. Elena. It follows that it is in these areas where most jobs of the city are concentrated. The same barangays, except for Parang (but including San Roque) also account for 69 per cent or 50 of the city's 72 banking institutions. This suggests that in terms of employment, available jobs are concentrated in relatively few commercial areas and are generated by micro enterprises. Looking at the table below, the Marikina Industrial Valley Complex that was once a haven for manufacturers is now marginal in terms of its contribution to employment.

Table 1-11 below displays by barangay the distribution of businesses and employed persons in the city. The final column shows the average number of employees per business and illustrates the fact that most are micro-enterprises. On average each registered business supports 2.37 workers with only four barangays—Parang, Marikina Heights, Concepcion Dos, and San Roque—showing above average per registered business employment levels. These cover manufacturing, trading, and service types of businesses.

Table 1-11: Business and employment created by barangay, 2006

| Barangay | Businesses | | Employment | | Average employed per business |
|---------------------------|------------|--------------|------------|--------------|-------------------------------|
| | Count | Percentage | Count | Percentage | |
| Concepcion Uno | 2 872 | 14 per cent | 5 826 | 12 per cent | 2.03 |
| Parang | 2 749 | 14 per cent | 6 842 | 14 per cent | 2.49 |
| Sta. Elena | 2 231 | 11 per cent | 3 264 | 7 per cent | 1.46 |
| Sto. Nino | 2 078 | 10 per cent | 4 605 | 10 per cent | 2.22 |
| Barangka | 1 777 | 9 per cent | 3 382 | 9 per cent | 1.90 |
| Fortune | 1 319 | 7 per cent | 3 188 | 7 per cent | 2.42 |
| Marikina Heights | 1 148 | 6 per cent | 5 805 | 12 per cent | 5.06 |
| Malanday | 1 044 | 5 per cent | 2 419 | 5 per cent | 2.32 |
| San Roque | 944 | 5 per cent | 3 113 | 6 per cent | 3.30 |
| Concepcion Dos | 914 | 5 per cent | 2 575 | 5 per cent | 2.82 |
| Nangka | 878 | 4 per cent | 1 783 | 4 per cent | 2.03 |
| Calumpang | 874 | 4 per cent | 2 041 | 4 per cent | 2.34 |
| Industrial Valley Complex | 500 | 2 per cent | 6 84 | 1 per cent | 1.37 |
| Tanong | 438 | 2 per cent | 1 333 | 3 per cent | 3.04 |
| Jesus dela Pena | 345 | 2 per cent | 894 | 2 per cent | 2.59 |
| Tumana-new barangay | NA | NA | NA | NA | |
| Total | 20 111 | 100 per cent | 47 754 | 100 per cent | 2.37 |

Source: Marikina Business Registry Databank, data as of December 2006 using software provided by MVCCI in December 2007 and used in 2008

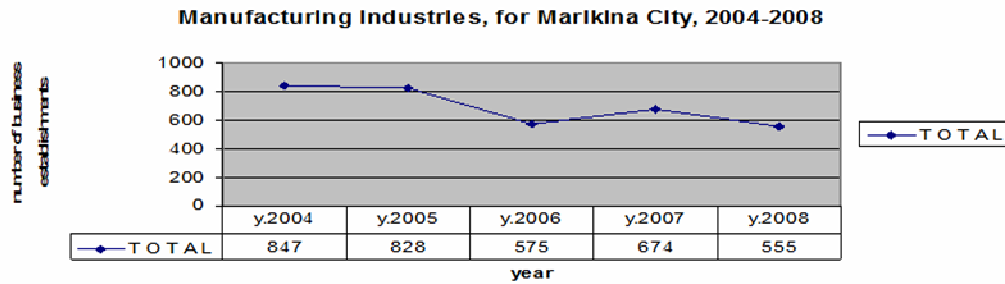
Concepcion Uno, Parang, San Roque, Calumpang, and Marikina Heights account for 59 per cent of the manufacturing firms. The same barangays, except for Parang (including Malanday) account for 78 per cent of the footwear, luggage, and handbag manufacturing. This suggests there are more industries than the shoe industry constituting the base specifically for the footwear sector and related industries. Broadly this provides the opportunity to redevelop the manufacturing industry base to better contribute to local economic growth of the local economy.

1.3 The rise and fall of manufacturing in Marikina

Marikina was once a bustling industrial town, the first to develop an industrial zone,²³ which was inaugurated in 1957. The zone, covering 261 ha in the north-eastern part of Marikina, ushered in a period of steady industrial growth that lasted until the first half of the 1970s, followed in the 1980s by the establishment of a number of export-oriented footwear companies. This proved to be the heyday of local manufacturing which sadly was not sustained beyond this time as shown in Figure 6.

²³ See for example: <http://www.marikina.gov.ph/>

Figure 6: Number of establishment in all manufacturing industries, Marikina, 2004-2008



Source: Business Permit and Licensing Data in Figure 5, December 2009

Aside from its shoe industry, Marikina became home to a number of large manufacturing companies²⁴ including Manila Bay Spinning Mills, a manufacturer of yarns, polyester, rayon, acrylic, etc.; Goya, a producer of chocolate bars and candies; BF Goodrich (which later became Sime Darby), a maker of radial tires; Noritake Porcelana, then the country’s leading producer of porcelain plates, saucers, cups, and drinking glasses; Purefoods, a major producer of canned foods; Fortune Tobacco, the largest manufacturer of cigarettes in the Philippines and ARMSCOR, a gun and munitions manufacturer. It also attracted hat makers from Lucban, Quezon who used Marikina as an export platform to Europe and other countries.

1.3.1 The downturn of manufacturing

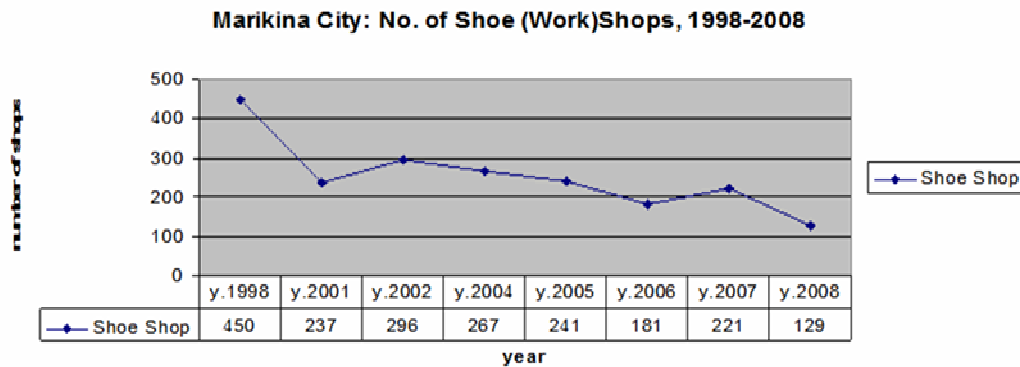
The footwear industry in its entirety—including shoes, sandals, slipper, and related product lines—which for many years was the principal industry of Marikina, experienced a significant decline between 1998 and 2002 in the face of global competition and especially the rise of China as an export manufacturing base.

During this time, the number of manufacturing shops for shoes alone dropped from 450 to 296—down by 34 per cent over a five-year period. There was a further drop in number to 237 in 2001, reaching its lowest point within an 11-year period in 2008.

A similar downturn—both in terms of number of registered businesses as well as available jobs—has been experienced by other industries: garments (47 per cent) decline, furniture (41 per cent), and iron/motor works (53 per cent). Overall, over the same five-year period, Marikina’s manufacturing heart was sliced by almost 24 per cent—from 1,097 firms in 1998 to only 836 in 2002. Similar trends have been observed in other parts of the country, indicating a failure of the Philippines to prepare and to remain competitive in a period of increasing international trade competition.

²⁴ Santos, Cesar; de la Paz, Rodolfo; and Cordevilla, Edwin, 2002, *Marikina: Kapuri-Puri Ka*, Marikina:Marikina City Government, pp. 59-63.

Figure 7: Number of shoe workshops, Marikina, 1998-2008



Source: Business Permit and Licensing Data in Figure 5, December 2009

Unfortunately, Marikina’s industrial growth was not sustained for a number of interrelated reasons:²⁵

1. **The Philippine government industrial dispersal programme pushed locators in the Marikina industrial zone to relocate to the countryside given the incentives to do so.** An industrial dispersal programme of the national government was implemented in the 1970s aimed at encouraging industries to locate in the countryside by giving them maximum investment incentives to relocate while limiting the incentives extended to firms based in urban centers. This policy had the unfortunate consequence of undermining the town’s ability to keep existing and attract new industrial investors since Marikina had been integrated in the ‘new’ NCR or Metropolitan Manila in 1974. The result of this change was that a number of locators in the Marikina industrial zone moved out and relocated elsewhere.²⁶
2. **The Philippine import-substituting industries (ISI)** established and developed in the 1950s–1970s to replace imported finished products by producing them at home under a regime of high tariff protection were unable to adjust under the era of liberalization and globalization that began during the 1980s and which has accelerated since that time. Those industries that were unable to modernize and remain competitive or which had no market niches to exploit easily fell by the wayside when tariffs were brought down and import restrictions were lifted under the World Bank-supervised structural adjustment programme of the 1980s–1990s.
3. **The Philippine debt crisis of the mid nineteen-eighties** further complicated the situation of ISI industries as it triggered a rise in the cost of domestic borrowings, a devaluation of the peso and curtailed the government’s ability to provide efficient and reasonably-priced infrastructure, power, and other utilities. Thus, with the rising costs of doing business, most of the factories that set up in Marikina in the 1950s–1970s, with the exception of only a few

²⁵ Cited in an unpublished ILO paper entitled Arresting stagnation and building a base for the future tripartism in Marikina City (Ofreneo, Marasigan, and Basa), 2005.

²⁶ In 1995, Mayor BF lobbied for the lifting of the locational restrictions with the Board of Investments. He argued that it was counterproductive for government to allow existing urban infrastructures, i.e. factory buildings, to remain underutilized and ignore unemployment and underemployment in the urban areas. As a result, the BOI included in its 1998 Investment Priorities Plan a new category, the “Urban Community Redevelopment” under “Industrial Estates”, an exception to the general rule that development of industrial estates must be outside Metro Manila, Cavite, and Laguna.

large companies, either relocated, downsized, or closed down entirely in the 1980s and 1990s. The biggest casualty was UTex, at the time the country's biggest textile mill.

4. ***The trend in industry shifted from industrial production to trading and retailing and*** this exacerbated the decline. Since its closure in 1993, the UTex complex has been transformed into the Riverside Mall, a reflection of this trend in industry which has shifted from industrial production to trading and retailing as the Philippines has grown its service economy. This holds true not only for businesses in Marikina but in most localities in the country where price has become the ultimate determinant of consumer purchasing decisions and where there were no locally established brands capable of extracting a higher selling price in the volume market.
5. ***The industrial unrest which followed the lifting of martial law*** hit the town in the crisis decade of the 1980s and was another factor that arrested industrial growth. Although not properly chronicled, anecdotally, many in Marikina reminisce that the 1980s was a 'red' decade, when the number of strikes, industrial mass actions and protest rallies in the city (as was the case in many industrial towns in Rizal and Metro Manila) conducted by both moderate and militant unions increased in number and reached record levels when compared across historical periods.

The high level of industrial unrest was cited as a reason why even some export-oriented industrial enterprises such as the export-oriented shoe factories established in the city in the 1980s closed down their operations. These shoe producers, who were not originally from Marikina, relocated their facilities to China, Indonesia, or Vietnam where labour was cheaper and labour unrest deemed less of a problem. These shoe producers were never truly integrated into the century-old Marikina shoe industry complex; however, they may have laid the foundation for a viable export processing industry had they been properly nurtured.

1.3.2 The decline of the shoe industry

Marikina was historically known as the shoe capital in the country due primarily to its handcrafted quality shoes. Shoe-making used to be the main source of jobs and incomes for residents. According to local history, this industry can trace its foundation to one, "Kapitan Moy", a *cabeza de barangay* (barangay chief) who in the 1880s, set-up the first shoe factory in the area.

Moy's shoes—hand-made, durable, comfortable, and crafted to a perfect fit—impressed the Spaniards, who adopted a policy requiring all their military personnel to wear boots made in Marikina. Thus, Moy's shoe enterprise became a town industry and the skills in shoe-making spread rapidly among its residents. As so often happens in the Philippines, one success spawned a multitude of imitations as workers, once having learned the skills, sought to become entrepreneurs themselves. Later, families of shoemakers passed on their skills from one generation to the next. Even today, Marikina is still popular for its handcrafted shoes and still enjoys a loyal following in this market segment.

The demand for handcrafted shoes continued into the 1980s. This demand was so high that students could often find regular apprenticeship work in shoe shops. To cope with the volume of orders coming in, work at the shoe shops continued through the night and other businesses such as bakeries and *panciterias* (noodle canteens) thrived as they kept pace with the workers' schedule. Regular snacks of *pandesal* (bread) and *pansit* (noodles) were provided by employers as an added incentive to those who worked late. It was during those years, recalled one local entrepreneur elected city

councilor in Marikina, that there were no idle workers (*istambay*) in town. Everybody, who wished to do so could find work related to shoe-making.

The local shoe making industry began to decline in the 1990s after cheap imported shoes, particularly from China, found their way into the liberalized local market. A number of the larger international manufacturers relocated to countries where production was cheaper. Some manufacturers left because of the previously costly turbulent labour-management relations situation in Marikina. Those who stayed had to adapt a new cost-effective technology in shoe-making to remain competitive but which undermined the hand-made shoes traditionally produced by Marikina's workers.

Both the domestic and international markets for Marikina shoes shrank simultaneously. From supplying 70 per cent of shoes sold locally at the start of the 1990s, Marikina's share of the local market had declined to only 10 per cent by the end of the decade. As a consequence, local producers shifted from manufacturing to trading—a trend that has proven to be typical for much of the manufacturing industry in the absence of sustainable investment (and re-investment) policies.²⁷

This downsizing created the need to upgrade factory systems with fewer workers to hire and fewer labour-related problems with which to deal, fewer requirements for product quality standards and more predictable profits for the owners of surviving factories. But it meant also losing the town's stature as the shoe capital of the country with all the economic and socio-cultural values attached to that status. Due to the sorry state of the shoe manufacturing sub-sector, the local Chamber of Commerce in Marikina expressed doubt as to whether the industry could recover and remain as the dominant industry in the city.

1.3.3 A number of local shoe makers have survived

Despite the downward trend, the city is still regarded as the country's 'shoe capital', accounting for more than half of the country's output of shoes from the Spanish period to the present. In 1935, it was reported that 1,450 Marikina residents produced 260,078 pairs of ladies shoes and 86,692 pairs of men's shoes from 139 shops. In 1983, around 30 million pairs or 70 per cent of all Philippine shoe production came from Marikina.²⁸ At its peak, the industry employed around 70,000²⁹ workers during the 1980s–90s, although official city statistics show a work force of over 100,000 as of 1994. Aside from a few large known brands, most of the shoe manufacturers today are small, family-run undertakings.

Even if shoe-making still remains as the most prevalent business in the city,³⁰ the number of workers is estimated to have dwindled to a low of 20,000 as of 2004.³¹ Official statistics from the city government show there were still more than 10,000 workers in the footwear and related industries in the 2006.

Figure 8 provides the recent historical trend on number of shoe shops established in the city and shows a continuing drop in the number of shoe shops surviving in the city. As of 2008, there were

²⁷ Indeed many economists argue that the Philippines has leapfrogged over the manufacturing phase of economic growth and its future lies in becoming a service economy. Sadly, however, the service sector, despite its rapid growth, it has been unable to absorb the growing labour pool.

²⁸ Guzman, Osmundo, *The Role of the Municipal Government in the Planning and Development of Local Industries: The Case of Marikina Shoe Industry*, Manila: De La Salle University as cited in <http://marikina.gov.ph/shoe.history.do>

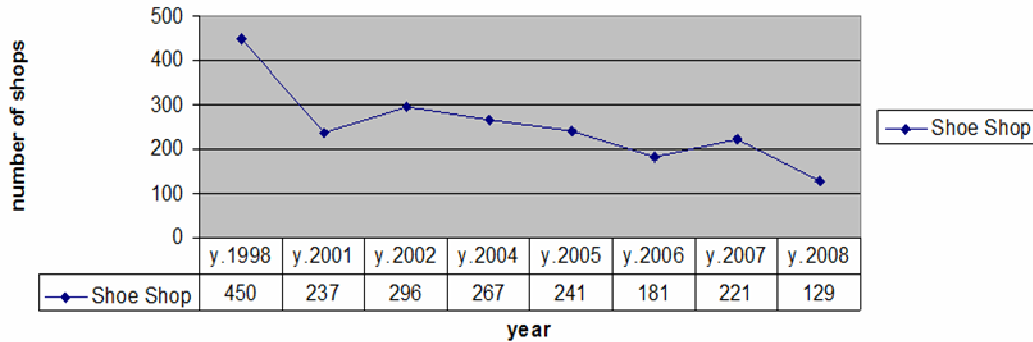
²⁹ Datol. Chris, *RP's Shoe Capital*, *Cruising: Going Places*, Vol. VI No. IX, February 2005, p. 20.

³⁰ Interview with Mayor Marides Fernando, Marikina City Hall, September 13, 2005.

³¹ Datol. Chris, *ibid*, p. 21.

only 129 remaining businesses representing roughly one-third of the total of 1998 and roughly one-sixth in 1992.

Figure 8: Number of all shoe workshops, Marikina, 1998-2008



Source: Business Permit and Licensing Data in Figure 5, December 2009

Among the survivors were some of the bigger shoe manufacturers who remained in operation under subcontracting arrangements. As of writing, these included Gibi, Rusty Lopez, Itti, Otto, Cardam’s, Mendrez, Colors, Figlia, Via Venetto, Celine, and Bocalo. These companies have managed to establish brands that are popular among the Filipino middle class. Ironically, the secret of their survival in many instances has been an increasing reliance on importation, rather than through improvements in their domestic production processes. Importation has become a convenient alternative because profit is easier to generate for imported shoes with less need for engaging skilled workers associated with producing handcrafted or semi-handcrafted quality shoes.

From being shoe crafters and manufacturers, many have become shoe traders in order to survive. Those who remain manufacturers are ironically the ones struggling the most—having to deal with the hurdles and costs involved in sourcing materials, managing labour and managing the workplace in accordance with local and global industry standards. What is being done about the local shoe industry is a topic to be tackled in another study.³²

1.3.4 Diversifying support for other firms

Indeed, the shoe industry has been in a crisis situation since the 1990s. Yet even with its declining number of shops, Marikina remains the country’s biggest shoe producer.

However, according to Maria Lea Astrud Santiago,³³ the Head of the Marikina Cultural Tourism, Trade, and Investment Promotion Office (MCTTIPO) and a former councillor within the city government, there are products, services, and business lines of concern to other industries that are just as important as job and incomes generators within the local economy and deserving of the city government support.

Steps taken in this regard dates back to the year 2003 with enactment of the City’s Investment Code, a piece of legislation that created the MCTTIPO. Since it was established, that office has been headed by the former legislative councillor (in the person of Ms Santiago) who authored the City Investment

³² See the study on Arresting Stagnation and Building a Base for the Future Tripartism in Marikina City.

³³ Update interview with Ms Santiago by Maria A. A. Ortiz on December 8, 2009, MCTTIPO Office, Marikina City.

Code and who obtained the initial support and approval of fellow legislators and members of the city *Sanggunian* and finally the approval of the local chief executive. We will come back to this topic in the following section.

2 Development and results of LED strategies and responses

2.1 The city's response to a major loss in the local industrial base

Amidst the decline of its traditional manufacturing sector and the loss of employment that accompanied the decline, Marikina, today has seen a growing number of micro-businesses develop in wholesale and retail trade. Many of these have been started by residents as a means of maintaining a livelihood by those who lost their manufacturing jobs.

Marikina is still home to a number of small and medium scale factories and continues to host to some larger manufacturers. A number of these have been outlined already. Most of these have been operational since the 1960s and 1970s. However, unemployment in the area has remained stubbornly higher than the national average. For the future, the city is counting on the new knowledge industries such as call centers and other BPO activities as becoming major employment providers.

Marikina has beaten the odds, having continually invested and taken advantage of the decentralized political setting that has enabled it to craft its own economic strategies for development. Faced with the decline of a major traditional industry, the Marikina City government has taken a two-track approach that has seen it invest in initiatives to create a policy environment supportive of the survival of existing businesses operating informally and formally and preserve as many jobs as can be saved through the Marikina Tripartite Industrial Council (MTIC); attract industries capable of generating, new and higher skill jobs for the local economy and its citizenry which is a function of different city government offices, business, school and community stakeholders now constituting (since 2008) the local economic development council.

2.2 A long-term development blueprint for transforming Marikina

The development blueprint that took Marikina in this new direction began in 1992 during the administration of former Mayor Bayani 'BF' Fernando (1992–1995, 1995–1998, 1998–2001). It has been continued under the administration of his wife, Mayor Maria Lourdes 'MCF' Carlos-Fernando (2001–2004, 2004–2007, and 2007–present), and is anticipated to remain relevant into the future while accommodating necessary adjustments for the further development of the city.

2.2.1 The development legacy of Mayor BF and sustained under Mayor MCF

During the incumbency of Mayor BF, the Local Government Code of 1991 was passed into law and implemented in 1992. As a result of this legislation, governors, and mayors were empowered to take independent action to develop the local economy. The Code has given local executives more room for initiative, authority, and responsibility to raise funds and initiate programmes to improve their area of governance.³⁴

However, the kind of leadership exercised at the local level, such as that displayed by former mayor BF, was a critical factor in achieving success. Mayor BF took the view that the country did not so

³⁴ Interview with Mayor MCF, by Maria A.A. Ortiz and Mary Leian Marasigan, December 19, 2005.

much need additional laws but rather, needed to be sensitized as to the application of those laws already in place that could enhance local governance. Armed with strong political will, he was able to implement and make the process work.

Some of the key initiatives taken originally by Mayor BF to translate his development blueprint into present city realities, started with the following:

1. **Organizing the local bureaucracy to engage local sectoral groups** in the local governance and development processes.

Broadly this involved organizing forums and activities: (i) from the standpoint of getting every sector (e.g. informally placed and vulnerable settlers, workers, vendors and traders in the city) represented in a proper forum for articulating and negotiating with local government authorities on issues, positions, analyses and recommendations for policy and institutional actions relevant to their issues and concerns; and (ii) where offices were established and managed by the sectoral advocates or representatives themselves and fully integrated into the local government operating structures, management systems, and budgets.

Some illustrative example of such developments include the experiences of the informal settlers, workers, and vendors and their sectoral associations that led to the creation of the Marikina Settlements Office (MSO), Workers Affairs Office (WAO), and Market Administration Office (MAO) which will be touched later in the report on the functions and performance of the said offices.

2. **Implementing revenue-building activities** to finance local development programmes, projects, and services in line with the general welfare provision of the 1991 Local Government Code, through more efficient tax collections.

During the first term of Mayor BF, the city's income doubled from PhP77.4 M to PhP154.8 M simply by concentrating (only as its initial step) local government revenue-raising efforts on residents who were unable to pay their proper taxes, especially with regard to collection of real property taxes. Beyond the foregoing and the various forms of business related taxes, another example of revenue raising efforts of the government is linked with the passage into law and enactment of the Marikina Market Code of 1999.

3. **Undertaking physical infrastructure development projects** as a priority.

This was seen as a prerequisite to attracting investment in the areas of social and economic development, guided by both the Local Government Code provisions as well as common sense reasoning to accomplish more at less cost. Often this meant delivering local projects through the public administration rather than through private contractors.³⁵

These included the flood-control project which began in 1992, paving of roads, demolishing of illegal structures obstructing traffic flow and waterways, designing of architectural and engineering works for common public and private sector built structures and infrastructures in support of public order, safety and health advocacy of the city, as well as beautification projects.

³⁵ This is not necessary suggested by the Local Government Code but by virtue of political will of some local governments such as that of Marikina, which do not bid out the management of some development projects to the private sector but instead manage the projects themselves and deliver more units of work with relatively less resources at hand.

These and other projects such as those clearly under the category of physical infrastructure, included development and construction of government properties for commercial, recreation, and beautification purposes and the development of lot areas and related government managed services to enable informal settlers such as those along the riverbanks to relocate and establish their respective own house.³⁶

To aid in the city's development, a loan of PhP400 M secured from the Development Bank of the Philippines to finance the cost of infrastructure projects, and further funds have been obtained from the Philippine Veterans Bank and the National Home Mortgage Finance Corporation (NHMFC) which financed a medium-rise housing project. How these infrastructure projects triggered the creation of new jobs and income opportunities for the local population will be tackled with more details in the next part of the report.

4. **Campaigning for proper discipline** among the local citizenry, industrial peace among disputing employers and employees, professionalism among public servants to complement the physical and structural transformation taking place in the town and in line with keeping and attracting investments in the city.

To put this in context, Marikina became a "highly urbanized city" on December 8, 1996, following a special referendum where the residents voted in favour of cityhood. Since then, a new culture has been evolving and arising from the advocacy of the city for local values and public conduct attached to discipline, good taste and excellence. These are the standards by which it measures its own performance and which the local government has asked its citizenry to live by.

Some of the famous lines of the former Mayor BF promoting and provoking mindfulness in ones thoughts and actions include:

"A man may be king in his domain, but once he sets foot on the sidewalk he has to bear in mind that he is bound by the rules of society and has to live by them".

Mayor BF, 1992

"Kailangan mangibabaw ang makatarungan kapakanan ng nakakarami laban sa pagkakanya-kanya. Pantay-pantay kung may disiplina". (We need to uphold social justice, promoting the greater good and welfare of many against individualism and anarchy. There is equality if there is discipline).

Mayor BF, 1993

These are central to the kind of values being promoted by the local government, but which cannot be actualized and felt without appropriate local policies, support infrastructure and public communications in place, governing public-affecting conduct of its homeowners, informal and riverbank settlers, pedestrians, vendors, drivers, entrepreneurs, public servants, and the enforcement of penalties for non-compliance in line with its vision for the city government and of being *"An industry and government-friendly happy working class community"*.

³⁶ According to Julie Borje, to encourage self-reliance, the informal urban dwellers or settlers were not given any direct support to put up their respective houses. The former mayor believes informal dwellers in any urbanizing area can easily put up some housing structures. So support for building houses was not encouraged but only support for preparing sites of housing and necessary relevant services.

5. **Pursuing development projects** in cooperation and partnership with external investors and development agencies.

Marikina takes pride in its locally held values such as self-respect, industry and self-reliance—relying as much as possible on its own resources as it undertakes development projects that align with its vision. Equally important, it assesses partnership projects against the criteria of having maximum impact on the community, achieving cost-effectiveness, and preferably implementing them locally so that the money stays within the community.

2.2.2 Building on the legacy

Mayor MCF has continued with and built upon on what had already been put in place by her predecessor and has followed the same vision and development blueprint. At the same time, she deemed it appropriate to be marketing the city more aggressively with a goal of attracting new investments and harnessing the potential of its local human resources. Thus, she has focused on the following:

1. **Implementing the *Invest in Marikina*** Programme in partnership with various business groups and resulting from the creation of a Marikina Cultural, Tourism, Trade and Investment Promotions Office.

This was facilitated initially by the enactment of the Marikina City Investment Code of 1994. Inspired by the development strategies and outcomes of Singapore, Marikina City is determined to become a lead city in business and economic development for the benefit of its people. Mayor MCF recognized that this could only be attained by implementing clear cut investment friendly laws and policies supported by comprehensive plans, investment guidelines, and incentive schemes.

2. **Developing the local labour supply** through various LGU programmes administered by its Center for Excellence (CENTEX), City Women’s Council (CWC), Public Employment Services Office (PESO), and other training for employment facilities.

These programmes will be discussed in greater detail later where we will show how the respective offices evolved, in order to implement strategies for developing local skills and qualifications for the city constituents and connecting them to employment opportunities, and recently alternative to going out of the city.

3. **Establishing a Labour Market Center** as a one-stop-shop for all employment related programmes and services.

This initiative is a step towards ensuring that the labour supply requirements of existing local establishments as well as those of new investors are fully supported through MCTTIPO. Likewise, there is a need to ensure job-seeking local graduates and the unemployed are connected to and obtain productive salaried or entrepreneurial jobs in coordination with local education, training, and certifying institutions. Among those involved in this programme are the government subsidized *Pamantasan ng Lungsod ng Marikina*; MCF Manpower House, City Women Council Training Center, CENTEX, and the local branch of TESDA. This is discussed in more detail later in this report.

4. **Reaching agreement with BPO firms** in neighbouring towns with significant demand for specific skilled labour to directly conduct their testing and recruitment activities in Marikina City.

Resulting from the CIDA supported ILO activities in Marikina as well as other advisory services dealing with unemployment especially amongst the youth, the Marikina City government has been refocusing its overall local employment promotion strategies so as to achieve greater coherence in administering its various policies and services and especially allocating resources to the least serviced areas as a means of dealing with unemployment.

Partnerships between the LGU and specific private sector employers from neighbouring localities is a mutually beneficial relationship. For the latter, working with the local government, increases chances of meeting human resources requirements in both number and quality; whereas for the former, working with preferred employers from other localities, enables them to support their local graduates and the unemployed with increased chances of reducing their job search time, landing well-paying jobs and potentially finding jobs that meet their work choices.

5. **Furthering support to local entrepreneurship development** undertakings towards containing and reinvesting incomes generated by local industries, residents working either in Marikina, in neighbouring localities (or even overseas) to bring benefit to the local community.

Policy and implementing actions for the development of local enterprises in Marikina came about in stages, each stage providing the foundation to the next and each packaged appropriately to suit the development stage and circumstances of local enterprises. All initiatives were triggered by the passage and enactment of measures taken during the time of Mayor BF. Some of these include:³⁷

- a. **The Tripartite Industrial Peace Agreement (1995)** which was entered into among the (then) municipal government sector, the local business/management sector (represented by the local chamber of commerce) and the workers sector (represented by the Alliance of Trade Unions of Marikina)—and followed by local ordinances in support of stabilizing labour-management relations in the city, promoting industrial peace, productivity and competitiveness. Through this process the flow of more and new industries as well as employment opportunities were induced so that social progress could be attained.
- b. **The ordinance creating the Marikina Trade and Industry Office (1995)** which was intended to provide a comprehensive system of investor assistance as a mean of attracting investors. Such assistance included a database of local human and other resources needed in trade and industry, establishment and administration of a research, training and productivity center for product development and for the acquisition and improvement of technology and skills as well as the provision of consumer protection.
- c. **The ordinance adopting the Marikina Market Code of 1999** and all related local ordinances which were intended to create a policy environment for supporting the development of informal, micro, and small enterprises especially those operating in the local public markets of Marikina.

³⁷ Marikina.gov.ph accessed documents in 2007 copies of local ordinances provided by the *Sanggunian Panglungsod* in December 2009 through the Office of Counselor Ubaldo, LED Board Chair.

- d. **The ordinance adopting the Marikina Investment Code of 2004** was designed to foster stronger public and private sector (local and foreign entities) for attracting larger and outside investments.
- e. **The 18 resolutions adopted during the Second Marikina Business Conference** in order to translate the conference theme of *I-ACCESS: Doing More with Less* into concrete programmes intended to bring further development of the City of Marikina in terms of business improvement.
- f. **The issuance of Executive Order No. 010-07** organized the Local Economic Development Board of the City Government and defined its composition, duties, and responsibilities.
- g. **The provision of teachers and trainers training on enhancing delivery of entrepreneurship programmes for youth and all working age populations using ILO training packages** included Know About Business (KAB), Generate Your Business (GYB), and Gender and Entrepreneurship Together (GET AHEAD).

According to Mayor MCF (interviewed in December 2005), the city originally targeted the creation of at least one job per family as part of its local poverty reduction strategy. This was needed because there are not enough new jobs within the city to accommodate existing unemployed including laid off workers. In addition, the city has to consider from among its household population ten thousand new local entrants, annually to its working age population. Thus, from a vision of one job per family, the city has now set its target to that of providing two jobs per family.

2.3 Dealing with unemployment through investment

2.3.1 Implementing a physical and environmental infrastructure development project

The development blueprint was begun the year following introduction of the Local Government Code and focused on a number of measures designed to:

- a. make the town competitive and attractive to tourism, trade and new investments; which would;
- b. create more jobs and income opportunities; and
- c. build immediate and future sources of local government revenues to finance local government public services.

Implemented infrastructure projects ranged from renovating the City Hall, building and concreting the road networks, converting landmark buildings into tourist destinations, street clearing operations, dredging and cleaning of the Marikina river, preparing sites and services for relocating the informal dwellers around the river area and finally developing the site into a sports, leisure, and recreational park.

All these infrastructure projects created new jobs and thus the city hall hired more workers but only on a casual, contractual, and project basis. Before 1992, total city hall personnel numbered less than one thousand³⁸ including some 200–300 regular employees. In 1995, by the time of the second term of Mayor BF, it had grown by more than 2,500 to include positions that were needed to manage the

³⁸ Interview with Janet Obispo, City Personnel Officer, November 14, 2005.

city government services but which were co-terminus either with a specific undertaking or with the appointing chief executive.

For a time, Mayor BF implemented almost all physical infrastructure development projects of the local government “by administration” which meant the city undertook them using directly administered human and other resources rather than contracting these out to private companies, which was deemed more costly and where there was no control over the engagement of local workers.

As a result of expanding local autonomy, Marikina went from being fully dependent on the national government for financial support, to a situation whereby Marikina (which was still a municipality at that time) was able to initiate its own income generating activities. For example, the Marikina river park a government property, was developed into a sports, recreational and leisure area. Business flourished as the area started to become a leisure center for local and neighbouring city residents.

A shoe museum which displays more than 500 pairs of shoes of the former first lady, Imelda Marcos, was opened to the public. Kapitan Moy, a landmark building was turned into the local cultural center.

The city built the Teatro Marikina, a facility which regularly features shows that are culture building and promoting desirable values while at the same time could be rented out by private sector organizations for their own events. There was also the Marikina Hotel, Doll Museum, World of Butterflies, and the annual *Tiangge sa Ilog* (literally means *market stalls by the river*) held during the Christmas season.

Another initiative was the renovation of the Public Market or the People’s Mall which as of 2005 generated around PhP24 M income per year for the city³⁹ and operated with an actual expenditure of around only one quarter of the total income.

The improvement and management of the pay parking terminals in the city not only contributed to improved order in the streets but also contributed to the city’s coffers.

Through these projects, a number of new jobs were created including jobs for attendants in the refurbished and established museums, hotel, parks, restaurants, theatres, and parking terminals. The renovation of the public market forms part of all these efforts.

2.3.2 Modernizing Marikina public market facilities through enactment of the Marikina Market Code

In 1992, the Marikina Public Market, located in the central district of the town, was in an unpleasant state. It was lacking in order and cleanliness, sidewalk vendors, hawkers, and related trade people were lacking in discipline and consideration for fellow vendors, traders, consumers, and the local community at large.⁴⁰

The Marikina City government believed that in order for the city to become a model place in which to live and invest, it had to start by improving the state of its public markets believing that good quality markets create the basis for a better economy since markets are the source of all things a community needs for sustenance.⁴¹ At the same time better facilities would promote better public health.

³⁹ Interview with Tomas Aguilar, Jr., City Planning and Development Officer, November 11, 2005.

⁴⁰ Presentation materials provided by Public Markets Administrator Ramonito Viliran, MD, MPH, December 10, 2009.

⁴¹ Marikina Market Code of 1999 and Amendments: Message from then Vice Mayor Del de Guzman, the presiding officer of the City Council that drafted in 1999 and approved the Code in 2001.

The city government had the vision of turning the Marikina public market into a modern, well-managed trading center with high standard of service and a mission to provide consumers and vendors the highest quality of service focusing on cleanliness, security, discipline and orderliness.⁴²

The public market has now been transformed. It is open 24 hours a day, seven days a week and has become a preferred market place for local residents and traders of neighbouring localities such as Quezon City, Antipolo City, Montalban, and Cogeo.⁴³

Key to the transformation has been the Marikina Market Code which provided the basis for governing the establishment, classification, administration, and operation of government-owned and/or operated public markets in Marikina. This piece of legislation provides the basis for the imposition and collection of market rental fees for occupancy, or use of market spaces. In addition, it provides for regulations in the operation of the privately owned or operated enterprises.

Likewise, the Code provides the city of Marikina with the authority to establish, maintain and operate public markets within its territorial jurisdiction upon the approval of the city council of Marikina. It was hoped that with well planned and communicated regulations, the city would succeed in making its markets more pleasing, more engaging and profitable for the local entrepreneurs and regular and increases in patronage from the general public.

Since the enactment of the Market Code, the city government was able to establish its office,⁴⁴ provide *plantilla* posts for its market administrator and critical staff support such as the market master and meat inspectors and define the responsibilities, decision-making, and discretionary powers and accountabilities of the office, the administrator and staff but essentially emanating from the directives of the mayor and the market administrator.

A total of 45 market personnel (three office staff, 17 market enforcers, 18 market cleaners, three maintenance crew, two electricians, and two drivers) are employed by the office. Most of these are on contract with the city government with salaries supported by the revenues generated from the operation of the public markets.

These personnel are deployed according to need to ensure that the public markets are operational 24 hours a day from Monday to Sunday and are in compliance with locally set public health and safety standards.

Flushing operations of the entire market area for maintaining cleanliness and good sanitary conditions are conducted three times a week. Garbage collection is done every 2–3 hours and this has had no negative effect as the city maintains its own waste management and conversion facility. Insecticide spraying is conducted twice a month and the monitoring of weights and measures is conducted once a week. Figure 9 provides an illustration of the current establishment of the office.

In addition to the above, assigned market personnel maintain a number of public service facilities that that make the public market a benchmark for other localities in the country in redeveloping their own public markets towards a healthy and better economy.

⁴² Interview with Ramonito Viliran, Public Markets Administrator, Marikina City, December 2009.

⁴³ Interview with Ramonito Viliran, MD, PHD, December 10, 2009.

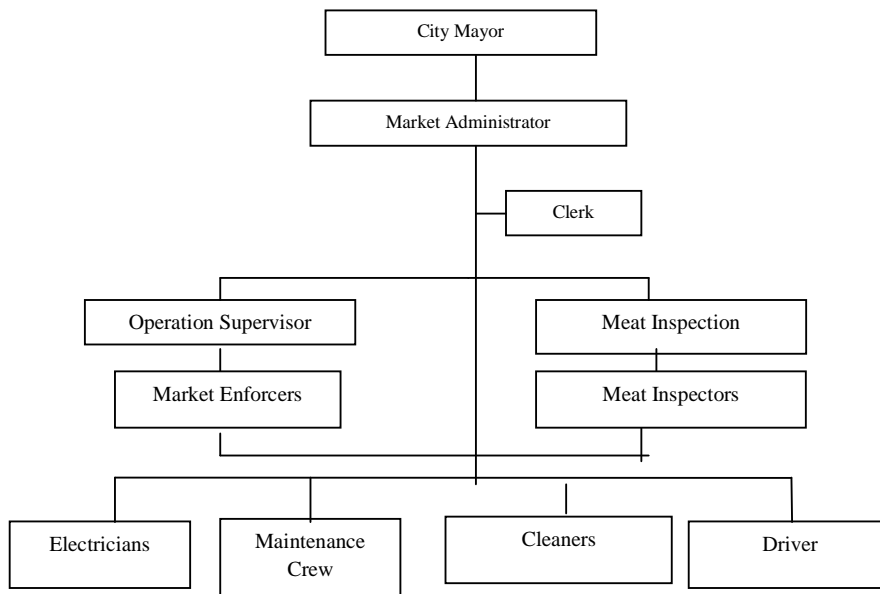
⁴⁴ Currently, located at the third of the four level building, maintained by the public market administration where other government and non-government offices including the Office of the Alliance of the Trade Unions of Marikina (ATUM) hold office and thus labour and social services are accessible to the stall owners, vendors, and consumers.

Collection of rentals, lease fees as part of the revenue raising and sustainability function of the market administration office is done in coordination with the local treasury office. Sources of incomes from the public market operations include:

- fixed stall rental
- fixed stall penalties
- goodwill money
- weights and measures, including penalties of non-compliance
- market identification cards
- penalties for city ordinance violations
- market/meat certificates
- ante mortem/post mortem (meat inspection unit)
- permit fees
- stall electricity and water use from government sources

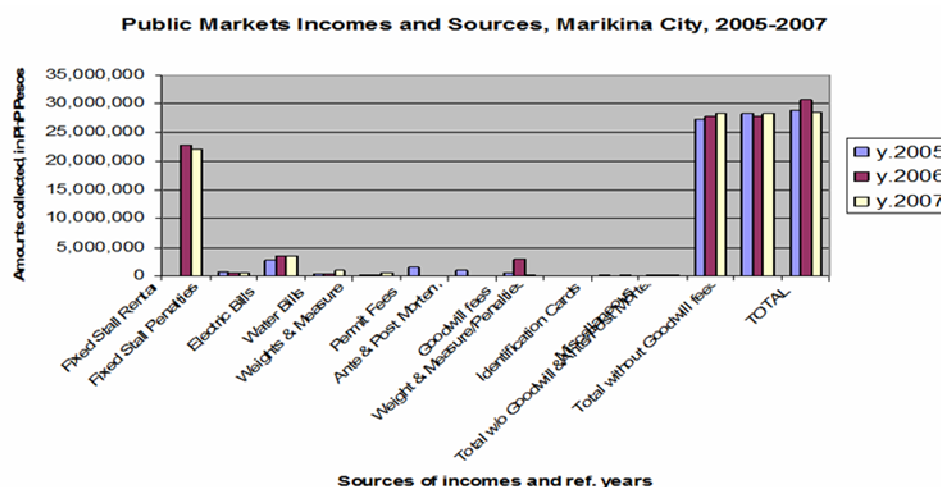
The available data within the Market Administration Office on the operations of the public market show that it has attained a level of operation whereby it can raise sufficient revenue to sustain its basic operating expenses. From its own resources, it is able to cover all personnel services, maintenance, and other operating expenses and provide a budget for capital outlays.

Figure 9: Market Administration Office operating set-up



Source: Market Administration Office presentation materials, provided by Ramonito Viliran, December 10, 2009

Figure 10: Public market income sources



In the process, the public market has been contributing substantively to the incomes of the city government, and this income, in part, is used for financing other city government services. It has done this through the efficient delivery of a combination of user-pays and free-of-charge services. Between 2005 and 2007, the public market administration office consistently raised incomes more than enough to cover for its operations as can be deduced in Figure 10 and Table 2-1. Note that total incomes generated respectively in 2005 and 2006 were higher than in 2007. For 2005, this was attributed to the city government’s collection of ante and post mortem fees⁴⁵ as well as goodwill fees. For 2006, the increase was attributed to the goodwill fees collected⁴⁶. Note that the goodwill fees collected by the public market administration were intended as one time fees, paid by the stall owners.

Table 2-1: Public market administration income, 2005–2007

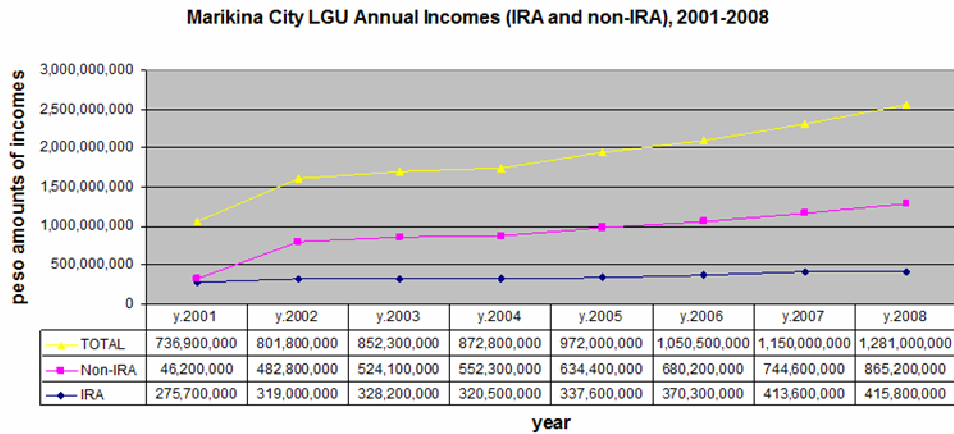
| Sources of income | 2005 | 2006 | 2007 |
|---|---------------|---------------|---------------|
| Fixed stall rental | 21 519 340.19 | 22 743 267.90 | 22 028 980.75 |
| Fixed stall penalties | 698 846.41 | 605 958.88 | 670 267.99 |
| Electric bills | 2 753 653.17 | 3 445 691.23 | 3 624 461.44 |
| Water bills | 316 080.22 | 433 956.50 | 980 105.41 |
| Weights and measure | 105 400.00 | 175 100.00 | 525 640.00 |
| Permit fees | 1 538 894.92 | | |
| Ante and post-mortem | 897 883.45 | | |
| Goodwill fees | 605 500.00 | 2 875 500.00 | 208 300.00 |
| Weight and measure/penalties | 8 575.00 | 8 575.00 | 40 560.00 |
| Identification cards | 238 700.25 | 22 000.00 | 134 858.68 |
| Miscellaneous | 100 000.00 | 204 371.00 | 212 640.00 |
| Total w/o goodwill and ante/post mortem | 27 339 270.16 | 27 821 695.51 | 28 217 514.24 |
| Total without goodwill fees | 28 237 153.61 | 27 821 695.51 | 28 217 514.24 |
| Total | 28 842 653.61 | 30 697 195.51 | 28 425 814.24 |

Source: Public Market Administration, December 10, 2009

⁴⁵ Two different fees collected from meat deliveries i.e. ante mortem refers to compensatory/service fees collected by the city when hogs for slaughter arrive alive in the city and post-mortem refers to fees collected after hogs have been slaughtered.

⁴⁶ Goodwill fees are one-time fees - paid in the amount of PHP20,000 standing as a guarantee that a stall owner intends to stay located (and thus expected to strive to do good business) in the market. This is important for any public market in order to provide a complete offering of commodities to the public under a single market facility.

Figure 11: Marikina City LGU annual income



Source: Public Market Administration, December 10, 2009

The collection from the fixed stall rental fee is a substantive and continuing source of city income from the public market. While the recurrent minor violation of city ordinances on regulating public order in the market is expected to remain a continuing source of income generated by the public market, it is not significant.

Overall the city government, with the institutionalization and functionality of the market administration office and with a good level of performance of its enforcers can be judged to have been successful in keeping the public market in line with the vision for the city, i.e. clean, orderly, healthy, and well managed and at the same time able to meet the socio-economic needs and interests of different public market stakeholders.

Overall the Market Code and its progressive implementation more evidently contributed (than any other effects of its operation) to the city government overall income status. Figure 11 provides a presentation of the income status of the city during the tenure of Mayor MCF. Figure 12 provides information on the internal operating expenses of the public market

2.3.3 Marikina as a viable investment location for higher skill base industries

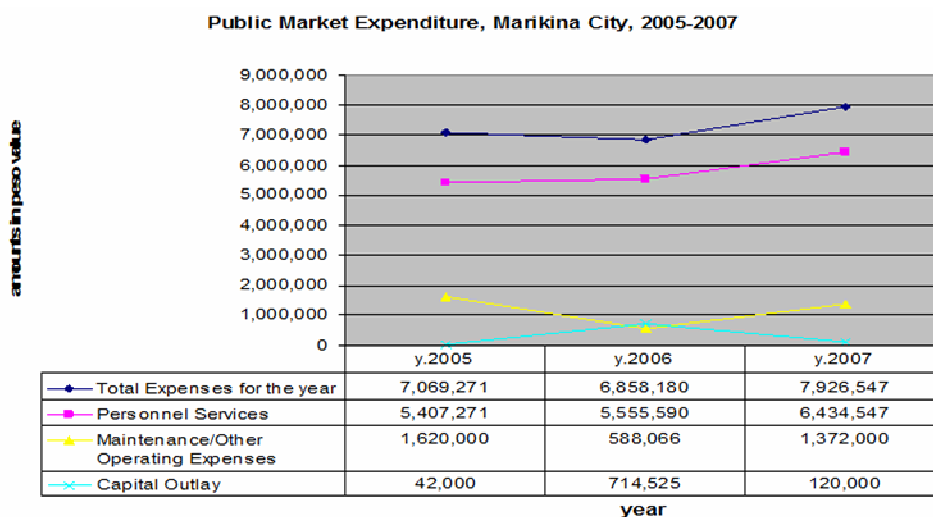
The Marikina Investment Code provided the basis for the city development stakeholders and policy implementers to work towards becoming a lead city in business and economic development. As articulated in this Code, the city leadership inspired by the success story of Singapore has begun benchmarking its efforts with that country in the hope of reaping comparable development benefits for its local citizenry.

Thus, this same piece of legislation provided basis for the local chief executive and concerned LGU implementing offices to:

- market the city in and out of the country as a viable investment destination;
- forge alliances with in-country and foreign investors to invest in locally agreed preferred areas of investment; and

- use its investment policies and package of incentives to engage compatible investors⁴⁷ as pioneer enterprises, non-pioneer enterprises, expansion-oriented enterprises, and material processing enterprises.

Figure 12: Public market expenditures, Marikina City



Source: Public Market Administration, December 10, 2009

The intention of this code is to generate employment as well as revenue for the city and its implementation is necessary to serve as a cutting edge for sustainable economic growth and an effective link of the city to global trade and economy.

Policies to guide both the implementing entities and potential investors are set out in the Code. These include the “why” and “where” to invest in the city and helps potential investors gauge the compatibility of their investment goals and plans with local needs and priorities in order to merit approval from the local investment board. These include:

- a. **The special investment plan clause** that commits the city government to draw up and progressively implement an investment plan, i.e.:
 - engaging players from city government, private sector and the communities;
 - ensuring alignment and adherence of investment projects to the comprehensive urban land use plan without compromising locally held values and heritage;
 - augmentation of city natural resources for rest and recreational activities;
 - maintaining and further developing current facilities and resources; and
 - striving to build better structures to the effect of keeping up with an investor-friendly and a good life environment.

⁴⁷ In practice according to MCTTIPO Head Santiago, investors find it simpler to deal with the city government as there are clear cut policies that can easily make investors decide whether to invest or not in the city according to their own priorities and if the investors decide, there are clear and time-bound and therefore predictable procedures and documentary requirements to comply with.

- b. **The identification of investment priority areas** and criteria with regard to:
- labour intensive and non-polluting enterprises;
 - electronic enterprises;
 - tourism-oriented enterprises;
 - pioneering and non-pioneering enterprises (registered with BOI);
 - service oriented enterprises;
 - telecommunications and development enterprises; and
 - export oriented enterprises.
- c. **The eligibility criteria for enterprises** that wish to avail of the special investment plan incentives scheme, including:
- applicable to local and foreign investors whether micro, small, medium, and large enterprises;
 - must invest in Marikina for a period of at least 10 years;
 - must employ at least 70 per cent labour coming from Marikina (for companies requiring minimum/basic/blue collar skills);
 - must employ at least 50 per cent labour coming from Marikina (for companies requiring high intensive knowledge based skills or white collar jobs);
 - must have an investment plan thoroughly screened and approved by the Marikina Investment Board;
 - the need for prospective investors, including existing licensed establishments, to conform and be guided by the local investment code and ordinances in addition to national laws; and
 - an automatic loss of incentives for investors found violating any provisions of the Investment Code.

According to the Investment Office Head, investors have found the policies simple and clear leaving no room for indecision on the part of investors on whether to invest or not in the city, nor room for the city to compromise its policies for the sake of an accommodation.⁴⁸

Incentives granted are not necessarily in the usual form of a tax holiday but rather in the form of guarantees for amenities and support services to business and economic development investors. These guarantees are deemed to be effective in attracting investors to locate/relocate, stay, and move around with the existence of the following investor support facilities, services, and environment. These include:

⁴⁸ Although the Investment Office anticipates that these policies will have to be revisited and adjusted accordingly with the changes that will be effected in the zoning plan and ordinances and comprehensive urban development plan of the city—with certain zones/parts of the city being considered danger zones with the after effects of the floods brought about by Typhoon Ondoy—such as in the zoning plan and ordinances and comprehensive urban development plan.

- a. **a business one-stop-shop facility**⁴⁹ providing five stages of support for investors for quick and hassle free processing of paper and documents;
- b. **the Marikina Tripartite Council**—a guarantee for a stable investment environment given labour-management-government mechanisms of dialogue;
- c. **a Marikina City Small and Medium Enterprises Development Council (MCSMEDC)** that provides a forum for the exchange of ideas among smaller enterprises in the city, through such events as the regular holding of a Marikina Business Conference;
- d. **the existence of skills training and certification institutions** such as the **CITC, CENTEX, and TESDA** as a support facility for anticipating and developing local human resources supply needed by investors;
- e. **a city-wide policy for schools and service institutions to speak in English** on the basis of English being a language common in local, national and global transactions;
- f. **an extensive waste management programme and facilities** with the result that the city has consistently been awarded and thus proclaimed in the Hall of Fame as the “Cleanest City in Metropolis”;
- g. **a transformed and safe environment in which to live and invest** with the strict implementation of the peace and order ordinances; supported with an adequate pool of police officers, public safety personnel, and civilian volunteers willing to protect lives and property; complemented with a policy on a stray-dog/animal free city;
- h. **adequate infrastructure interconnecting the city to the rest of Metropolis**—including to Makati, Pasig, Pasay, Quezon City, San Juan, Antipolo, Montalban, and Rizal; complemented with a wide selection of cheap and safe passenger and commodity vehicles including bicycles, tricycles, taxis/cabs, jeepneys, buses, river/ferry boats, metro rail transits, and cars for rent; and
- i. **existence of a 24-hour accessible rescue operations team**—trained, certified, and operational doctors, paramedics, policemen, and firemen accessible to investors round the clock for safety, security, and emergency purposes.

There are a number of bonus incentives for new investors in priority areas. These bonus incentives include business tax holidays during the first three years (except for micro enterprises), a waiver of real property tax for 1–5 years (different waiver periods apply for different sized enterprises), information technology-based training as Marikina enhances its system of governance and industrial security programme for new investor properties and also regular local radio air-time slots for investors to promote, sell or make announcements regarding their business venture and products.

2.3.4 The operating arrangements of MCTTIPO in light of the Marikina Investment Code

The Marikina Investment Code (MIC) has provided a further basis for the city to create a two-tier policy-governing body for investments being proposed, negotiated or, approved for implementation. These two tiers are made up of:

⁴⁹ Business processes and number of documentary requirements have been further simplified as of 2008/9 through the consultancy services of the Ateneo de Manila School of Governance.

- a. **The Marikina Investment Board (MIB)** which involves in its decision making a small group of local government elected and non-elected officials as well as representatives from the business sector. These include:
- the Mayor as the Chairperson
 - the City Administrator as the Vice Chairperson
 - the Head of the Marikina Investments Office
 - the Head of the Marikina City Development Authority (also headed by the City Planning and Development Coordinator)
 - the Head of the Marikina Valley of Chamber of Commerce and Industry
 - the Head of Marikina Chinese Chamber of Commerce as member
- b. **The MIB Advisory Board** which involves a small group of representatives from the city government and national government line agencies to be convened and consulted by the local investment board regarding legalities and technicalities involved in the proper implementation of MIB—essentially safeguarding the city government and the board from committing *ultra-vires* acts i.e. acts in excess of authority given them. On this board sits:
- the City Legal Officer
 - an official representative of the Department of Trade and Industry
 - an official representative of the Board of Investments
 - an official representative of the Department of Tourism
 - an official representative of the National Economic Development Authority
 - the Mayor as the Chairperson

More importantly, the MIC provided the basis for the creation of an office to implement policies and approved investment plans and programs, of the city. This is the Marikina Cultural, Tourism, Trade, and Investment Promotion Office which in line with the provisions in the Code was created through merging the functions of two city government departments—the Department of Cultural Affairs and the Department of Tourism, Trade and Industry, and adding a new function, the Investment Promotion Division.

In practice, in line with the provisions of the Investment Code, this Office serves as the implementing arm of the MIC, a technical secretariat of the Investment Board, the overseer and ensurer of the effectivity of the Special Investment Plan and compliance of investors with regard to procedural requirements and conditions set in grants and loans from national agencies and/or private organizations.

Functions and responsibilities of the MCTTIPO are detailed accordingly in the Code. These include: (i) tourism, trade, and investment related research; (ii) database development and management on local resources including human resources; and (iii) preparing plans and programmes and devising communication and implementing tools, strategies, and systems for effective implementation of the Code in the spirit of boosting tourism, stimulating growth of existing trade, and other economic activities and attracting new potential investors.

Broadly, the Code stipulates that the Office is responsible for developing and managing institutional relations by: (i) coordinating, seeking assistance, and undertaking initiatives with relevant local and

national government and non-government agencies to promote local tourism, publicize areas of local investment, setting up of trade fairs, and missions and other city events; (ii) conducting joint commercial and trade activities with local producers, manufacturers, and NGOs to promote local industries and create bilateral financial returns; and (iii) securing and obtaining financial grants and technical assistance for the enhancement of local tourism and investment promotion.

Finally, the Code stipulates that the Office is responsible for preparing and making available at all times all documents, materials, and relevant information relative to tourism and investment and as may be required during presentations, meetings, and investment research. It is also expected to prepare and submit regular reports and updates on status of tourism/trade related activities, local economic scenarios, and prepare local economic statistical reports in coordination with the different departments of the city government.

The Office currently manages a team of personnel⁵⁰ from the former cultural affairs office and tourism, trade, and investment office and reoriented into their new function as MCTTIPO personnel and supported by budget allocations formerly allocated from the two offices incorporated into the new office.

2.3.5 A focus on strengthening investment collaboration and promotion activities

The Invest in Marikina programme involved a number of groups. Local business partners and promotional activities included:

- a. MCTTIPO participated and conducted trade fairs and exhibits such as the *Magnegosyo Tayo sa Marikina* (Let us do Business in Marikina) Trade Fair, sponsored by the Federation of Filipino-Chinese Chamber of Commerce and Industry; Investing in the Youth Series Marikina City Franchise Fiesta. It conducted a seminar and *kapihan* with businessmen entitled '*Translating the Most Competitive City into a City of Investments*'.
- b. The Marikina Small and Medium Enterprises Center (Marikina SME Enterprise Center) was re-opened to enable entrepreneurs to apply or renew their Department of Trade and Industry (DTI) business registration online.⁵¹
- c. In support of small shoe manufacturers, MCTTIPO organized 30 shoe caravans (roving shoe stores) within Luzon which generated PhP10 M in total gross sales.⁵² Eventually these shoe caravans even travelled beyond Luzon. Every year, MCTTIPO also hosts an annual *Sapatos* (Shoe) Week where young designers showcase their creations.⁵³
- d. The Marikina city government also declared year 2004 to December 2005 as *Invest in Marikina Year*. In line with this programme, during that time the local government waived the building permit fees for all types of approved construction works such as commercial and industrial structures and private residences.
- e. Although house construction and renovations composed 90 per cent of all construction activities during the Invest in Marikina Year, a number of commercial establishments also decided to take the opportunity offered by the city resulting in the further creation of jobs.

⁵⁰ These personnel according to MCTTIPO Head are expected to perform technical, liaison, and clerical work for MCTTIPO. However, the office is challenged by the fast turnover of staff in favour of job and career opportunities outside of the LGU.

⁵¹ Marikina City Government Annual Report 2004.

⁵² *Ibid.*

⁵³ Interview with Maria Lea Astrud Santiago, Head of MCTTIPO, November 21, 2005.

Some of the actual job generators included the following investors:⁵⁴

- **Federal Brent Retail, Inc.** owner of the Blue Wave Mall located along Fernando Avenue corner Sumulong Highway in Sto. Niño, Marikina City. This is a four-storey mall with a floor area of 12,000 sq m. The construction cost is estimated to have been PhP120 M. The building permit was issued in December 2004.
- **Federal Land, Inc.** which is building Condominium Cluster B, the first of three condo clusters to rise in the area, also located along Fernando Avenue corner Sumulong Highway in Sto Niño, Marikina City. It is a nine-storey residential complex with a total floor area of 26,826 sq m and an estimated construction cost of PhP260 M. Construction began in April 2005 and finished on August 30, 2006.
- **Marikina Valley Medical Center** along Sumulong Highway, Sto. Niño is a seven-storey structure with a total floor area of 7,062 sq m. The construction cost is estimated at PhP38,900,000. Construction started in June 2005.
- **Warehouse of Capiz Products** for export located at Katipunan Street, Concepcion Dos is a two-storey building with a floor area of 1,692 sq m. Construction cost was estimated at PhP14,200,000.
- **Breezewood Development Corporation** located at Katipunan Street in Concepcion Dos is building a four-storey condominium with a total construction cost of more than PhP29 M. The building permit was issued in May 2005.
- **Riverbank Center Information and Communications Technology** Buildings I and II are both two-storey structures in the formerly Universal Textile (UTex) Mills-owned buildings which are now part of the property Riverbanks bought from UTex.

2.3.6 Effectiveness of the local government code on local investment and employment promotion

In a decentralized setting, local government is evidently now more empowered to take action on its local affairs than it was before RA 7160 was passed. In interview, the Mayor noted that the Code has given local executives more room for initiative, authority, and responsibility to initiate programmes to improve their area of governance.⁵⁵

With the Code providing and backing up the *Sangguniang Panlungsod* structure that is in place and authorities exercised by elected and civil service eligible officials and with the support of other stakeholders, Marikina has pursued an intensified investment, job, and income-generating programme for the city.

Evidently, as of December 2005 and the December 2007 updates:

- a. Indications of changed capacities of the LGU to finance and sustain local development:

⁵⁴ Information culled from the records of the City Engineering Office through the assistance of Engr Allan Diega, interviewed on November 8, 2005.

⁵⁵ Interview with Mayor MCF, by Maria A.A. Ortiz and Mary Leian Marasigan, December 19, 2005.

- In a decentralized setting, with the passage of RA 7160, the city government was able to create new fund sources such as fees, charges, and other new forms of local tax imposition.⁵⁶
 - These new forms of local tax impositions include an idle land tax. Either way the city gains from it. On the one hand, if idle lands are used for purposes according to land use plan it becomes a contributing factor to cleanliness, orderliness and productivity which can be translated to other forms of income and taxes for the city. On the other hand, if such land is not used productively, the city still gains out of the revenues generated from the tax imposed on owners of idle lands. Marikina may be the first LGU to implement this tax.⁵⁷
 - The collection of the real property taxes (RPT) and the increase in the RPT rate in 2002 has significantly increased the annual revenues of the city government.
 - More than just new impositions, more efficient tax collection measures such as stricter collection of delinquent taxes and imposition of civil remedies has increased the funds of the city government.
 - Guided by the Local Government Code, Marikina was also able to tap the assistance of the private sector and international development organizations and arrange partnership agreements that also helped the local economy and improved the quality of life of the people. An example of these development partnership agreements was the \$1.3 M Bikeways Project (1998–2006) supported by the World Bank.
 - Through the LGC, Marikina was also able to tap private investment opportunities through programmes such as the Invest in Marikina Year as cited previously.
- b. Indications of changes in the city physical and environmental make-up for the better:
- The physical transformation of Marikina was made possible with the increase in the internal revenue allotment which was further raised after Marikina gained city status. This inflow of additional funds helped fuel the infrastructure projects during the tenure of former Mayor BF.
 - Some local areas that were once idle have been turned into pay parking terminals. These and the improvement of the public market is bringing in more income for the city.
 - Tourism infrastructure development activities have paid off as they bring back to life historic places and the old way of life of Marikeños. Visitors from surrounding areas enjoy the malls and the riverside parks and many have remarked on the clean and orderly streets, parks, and disciplined ways of the residents. Cleaning up the city has encouraged visitors which in turn has helped the small souvenir businesses and its chain of material suppliers.

⁵⁶ Interview with Rosalie Santiago, Administrative Officer-Treasurer's Office, November 15, 2005.

⁵⁷ Emailed comments from Julie Borje, Center for Excellence Director, February 2010.

- c. Indications of changes in local commercial activities:
- These projects although not directly packaged as income-generating activities have helped; for instance the bikeways project has invigorated the small commercial sector because of the rise in demand for bicycles.
 - The bikeways project in particular triggered the growth of bicycle shops, shops selling bicycle parts and increased bike repair services that created own account jobs and jobs for others.
 - The same project also provided residents with an alternative means of transportation within the city and an opportunity to save on transportation expenses while at the same time giving them the health benefit of physical exercise.⁵⁸
- d. Indications that the city has attracted investments:
- The biggest chain of department stores in the country, SM Supermalls was scheduled (as of 2005) to build a new mall in Marikina as soon as the road bypass to link Marikina and the adjacent commercial areas of Libis in Quezon City was completed. In less than two years the mall was up and fully operational and employing over a thousand people.⁵⁹
 - Ayala Land has had initial negotiations with the city government and will also soon develop an area classified for research and development purposes.
- e. Indications of jobs created out of new investments:
- Jobs were expected to be generated when the large commercial projects such as those of the City Government, SM, and Ayala Land are finally in full swing.
 - The construction works alone will generate more employment and the Mayor expects more stable and better paying jobs for knowledgeable and skilled workers to be generated as a result of new buildings being opened for commercial purposes.
 - The call centers at the City Government River Park Project are expected to generate 1,000 new jobs, while SM will need about 3,000 people.

Updated information showed that following further developments as of December 2009:

- a. Status of 2005 planned investments in commercial building projects:
- The call centers at the City Government River Park Project, as expected, actually generated the expected 1,000 new jobs.
 - The SM mall which was completed and opened up in 2007 generated new jobs for around 3,000 people as intended.
 - In the case of the Ayala Land, the plan to invest in an area classified in the City Comprehensive Urban Development Plan for research and development use has not materialized as yet. But negotiation with the investor-representative has been underway for eight months in 2009 until it was interrupted by Typhoon Ondoy in August 2009.

⁵⁸ Interview with Tomas Aguilar, Jr., City Planning and Development Officer, November 11, 2005 and 2007.

⁵⁹ Update interviews with Lea Astrud-Santiago, MCTTIPO and Gil Munar Jr, Head of Workers Affairs Office- Public Employment Services Office, December 7-8, 2009.

Still, according to the Investment Office Head, the investor still intends to pursue plans to invest in near future.

- The City Investment Office⁶⁰ indicated that the challenges to reaching an agreement with Ayala Land involve the lot size and locational requirements of the investor. The investor would prefer to develop an area in Marikina that is closer to Quezon City. Much of the available area for land development is located within the central part of the city and this area is not necessarily classified within the danger zones of the city given its territorial features.
- No further talks between Ayala Land and the City Investment Office has transpired and developed since the onslaught of Typhoon Ondoy in September 2009. This typhoon and the floods that went with it physically devastated the city which had to focus on intensive city clean-up works and in which it was supported by local, national, and international investment partners.

b. Prospective and actualized investments that emerged after 2005:

- There have been other constructors, tourism services providers, BPO services providers that indicated interest and agreed to invest in the city since 2005.
- In 2006, Robinsons Mall started construction of a low-rise mall type building dedicated to groceries and super marts until it recently allocated floor space for lease as IT hubs especially with the new tax incentives declared by PEZA for such hubs.
- In 2008 PEZA declared new tax incentives for IT that stirred further interest for existing external IT-enabled BPO corporate partners of Marikina City government to relocate or expand their facilities in the city.
- In 2009, before the onslaught of Typhoon Ondoy and the resulting floods, one investor, Wilbur Dee, had been exploring the possibility of putting up a manufacturing facility that would convert (no longer used) bunker fuel and gases into environmentally friendly products within the zone dedicated to research and development as per Land Use Development Plan of the city.
- The good news for investors in such development areas is that the city of Marikina is supportive of developing, inventing, and continually innovating environmentally friendly products. It is therefore welcoming industrial tourists and Filipino scientists and investors from in and out of the country to explore and venture in investment projects in the city environmental hub in accordance to established investment policies.

c. BPO firms from neighbouring localities that conducted special recruitment activities in Marikina in 2006 and 2007:

- Earlier, the city government was consulted by the ILO-CIDA youth employment project team as to the type of technical assistance needed in the area of developing investment and employment opportunities. Mayor MCF specifically mentioned the need for a study to assess the prospects of the city in becoming a competitive BPO hub in the country.

⁶⁰ Update interview with Lea Astrud Santiago, December 8, 2009.

- In response, the city government was provided with a package of technical assistance from the CIDA supported ILO youth employment project in regard to the plan of the city to develop as an IT/BPO center through the following measures:
 - Connecting the city government to an MBA student from the Asian Institute of Management who conducted a feasibility study (which became his masters level thesis paper) on the prospects of the Philippines and the city in particularly becoming a competitive BPO hub.
 - Connecting the city government to the CIDA partner Animation Council of the Philippines in line with testing and training-in-school and out-of-school-youth for employability in the BPO-animation.
 - Connecting the city government to CIDA supported ILO service providers tasked among others to connect the LGU to employers like BPO firms in neighbouring localities like Pasig and Quezon City to closely work in conducting training for employment activities in the city.

All these were intended to help local youth and the unemployed be employable in the BPO firms and at the same time help BPO firms in surrounding localities who were experiencing difficulty in filling job vacancies for lack of public appreciation for BPO jobs and qualified people to perform and stay on the job. Further details are provided in the next part of the report.

d. BPO firms that located or wish to locate in the city include:

- NCO, a BPO firm affiliated with the ABS-CBN network. NCO works in partnership with JobsDB in the area of recruitment, targeting the many college graduates in the city and surrounding areas.
- The ICT Riverbank Center which has an expansionary facility for 1,000 additional seats.

e. Firms intending to relocate in the future:

- By promoting industrial tourism among local and overseas based Filipino investors, the city government is expecting to have more investors in the areas of research and development promoting Filipino inventions.

There have been many expressions of intent and most of these firms prefer to work with local governments with clear and simple business and investment policies.

2.4 Dealing with unemployment through investment into employability of local human resources

The other side of Mayor MCF's development blueprint is human capital formation or investment in people. This initiative had to be undertaken even before local job opportunities were clearly identified or became available. The logic, according to the mayor, is that the local workforce has to be adequately prepared so that as opportunities presented themselves, the local labour supply was trained, ready and employable. Subsequently if job opportunities were different from expected or required specific skills, then additional training adjustments would be minimal.

To achieve this, the city government promotes skills development, training, scholarship programmes and other educational opportunities for those interested in pursuing further studies. A number of skills

development programmes have been structured using both public and private resources as outlined below.

2.4.1 City government provide training services

The city LGU Center for Excellence

The Center for Excellence (CENTEX) is one of the offices with a mandate to provide free skills training to residents. This training includes not only technical skills but also values formation, customer service, and group-based enterprise formation. This training is given to cooperatives registered in the city. More recently, it has developed plans to incorporate individual-based enterprise formation.

Aside from giving free training to residents, CENTEX also provides training to government agencies and organized sectors in the city. While the training is free, it charges the cost of materials and handouts for training programmes to clients from industrial or commercial sectors and professional organizations.

CENTEX was established in 2002 and is now managed by seven employees (one executive director, four regulars, and two casuals). Its training programme budget averages PhP3.5-4.0 M a year and this budget is provided by the city government.⁶¹ It conducts its own seminars, but at the same time, has training partnerships with the Marikina Polytechnic University and agencies such as the DTI, DepEd, and Cottage and Industry Technology Center (CITC) as well as private sector institutions including the Marikina Polytechnic College (MPC), Expert Information Technology (EITECH), International Electronics and Technical Institute (IETI), and industry associations like the Animation Council of the Philippines Inc. (ACPI) for technical skills training courses under the MCF VocTech Scholarship Programme. The city government pays for the services of the CENTEX private training sector partners and at the same time it has accessed support from the TESDA training vouchers available to it.

Aside from providing technical skills training such as in the areas of electronics, tailoring, food processing, cell phone repair, perfume making, dressmaking, stuff toys making, and so on, CENTEX offers foundation courses such as “English Made Easy”, “Lifelong Learning”, and “Good Citizenry”.

When it began, CENTEX offered only one regular vocational/technical (voctech) seminar (for motorcycle mechanics) conducted by the Marikina Polytechnic University. By the end of 2005, the CENTEX was offering 16 different courses. More recently as demand has developed for new types of employability training skills, CENTEX has responded and added new courses in the areas of computer software applications, preparation of international cuisines, and financial management. Graduates of these courses may later take the TESDA skills certification test for specific competencies and become qualified for employment locally or abroad.

Trainee recruitment is generally done through referrals from the clients themselves or through the barangay officers. In the past, most trainees have been in the age bracket of 30-40 years old. More recently, CENTEX has been seeking to promote training among the local youth segments within the 15-30 age bracket, although not necessarily precluding non-youths to avail of the training programmes of the center. There are only two requirements for admission, first, the prospective trainee must be a verified resident of Marikina and second, he or she is sufficiently interested to

⁶¹ Interview with Nitz Abes, Trainor, CENTEX, November 29, 2005 and updates from Julie Borje in 2007 and 2010.

undergo and complete the training. Once in a programme, CENTEX identifies other skills interests or needs of trainees and then later schedules them for testing and further training and certification.

The center also helps in the placement of trainees in companies (mostly in Marikina). As an additional service, staff members of CENTEX follow-up the status of applications of their trainees and refers them to other firms if rejected. Through this process, CENTEX seeks to understand why the trainee was rejected and what competencies the applicant lacked to land the job. Unfortunately, many (and not necessarily all) jobs are offered on a term-employment basis only, which means that after a few months workers are again back to being unemployed.

CENTEX, thus continuously trains those interested to learn new or additional skills in order to find other jobs. The center works on the assumption that beyond 40 years, it becomes difficult for individuals to find or shift to any kind of work in formal employment. But still it continues to train interested individuals in technical or entrepreneurial skills with the hope these trainees would later find work in other sectors in or out of the country or, alternatively, find the means to start their own income-generating livelihood activities. The city government addresses this concern by providing opportunities to all constituents and not only the youth.

The City Women's Training Center

The City Women's Training Center (CWC) is another office that provides training for out-of-school-youth, housewives, and residents.⁶² CWC has six casual employees and two volunteers. Training programmes are hands-on and usually lasts for one and a half months distributed over half-day sessions from either 9–12 noon or 2–5 pm, Monday to Friday.⁶³ Programmes offered include bartending and table service, dining preparation, reflexology, dressmaking, cosmetology, and shoe making.

Graduates of CWC are either employed in the Marikina Hotel or in restaurants within the city. Others find jobs overseas such as in Dubai, in other countries of the Middle East, Canada, or the United States. As with CENTEX, some graduates of CWC (especially those interested in working overseas) take a skills certification examination from TESDA although this is not required under the training programme. Also, the CWC assists in the job placement of their graduates and for those who have put up their own dressmaking shops (for instance). They are provided with space in the CWC office and training center where they can display and sell their products. Some programmes like bartending are held in the CWC training center located in the Marikina Sports Center, but other courses such as shoe making and dressmaking are held in a different location. Class size depends on the course. In bartending for example, CWC can accommodate 40–50 students per batch. In each year, it can produce as many as 700 graduates.

The MCF Manpower House Livelihood Training and Productivity Center

The MCF Manpower House Training started as an economic amelioration project spearheaded by the city government of Marikina, in cooperation with the Marikina Women's Development Foundation, Ricky Reyes Foundation, and the Helping Hand Foundation. It is located in space provided at the ground floor of Nangka High School along Kabayani Road, Balubad Phase II, Nangka, Marikina City.

⁶² As noted by CENTEX Director Julie Borje the CWC is not organic to the city government. It is a private sector foundation with support from the Office of the Mayor as the mayor serves as its chairperson having been in the private sector prior to running for a political position. This arrangement has been effective and to the benefit of the private sector and its client trainees.

⁶³ Interview with Leonor Rosales, Technical Assistant, City Women's Training Center, November 17, 2005.

This center was strategically located outside of the central district so it can be easily accessed by residents of settlement areas. The center aims to provide relevant, accessible, high quality, and efficient skills training for job skills matching, job creation, and livelihood promotion not only for the women of Marikina but also for the youth. In particular, the center aims to empower those belonging to the marginalized sectors with skills leading to employment and livelihood opportunities.

Again, we note that Manpower House was not spearheaded by the city government but by a group of women from the CWC, the Soroptomists, etc., but eventually left in the hands of city personnel as the said organizations are constrained to manage on a full-time basis and to sign government documents. Similar arrangement as with CWC is supported by the Local Chief Executive but in the end local women trainees benefit with established livelihoods.⁶⁴

2.4.2 City government managed and provided training courses

Other than the types of training courses mentioned earlier, a number of formal and non-formal education and training programmes and services are offered to city constituents with support from national government line agencies. These are shown in Table 2-2 and Table 2-3.

Table 2-2: Non-formal education and training for employment programmes

| | |
|--|--|
| <p>Regular courses (partner: Marikina Polytechnic University) 80 class hours, every Saturday for 5.5 months</p> <ul style="list-style-type: none"> Auto Electrical Mechanic Auto Gas Mechanic Auto Diesel Mechanic Baking Cosmetology Drafting Dressmaking Electrical Wiring Install Electronics Food Processing Motor Rewinding Ref & Aircon Tailoring Welding <p>40 class hours</p> <ul style="list-style-type: none"> Cellphone Technician Computer Technician Cable Splicer | <p>Skills training (partner: Cottage and Industry Technology Center)</p> <p>One day training</p> <ul style="list-style-type: none"> Herbal and decorative soap Meat Processing Stuffed Toys Making Chocolate Making Fresh Flower and Balloon Arrangement Laundry Detergent and Fabric Conditioner Candle Making No Bake Cakes Christmas Décor, Holiday Goodies Hot Hats (Textile Crap) Fiesta Dishes Perfume Making Dimsum Making Ham and Bacon Sweet Pies Memory Box and Photo Album Bamboo Novelty Items Guest Book Making International Cuisine Computer applications |
| <p>Foundation courses (partner - DepEd)</p> <p>One day or series of training</p> <ul style="list-style-type: none"> English Made Easy Lifelong Learning Good Citizenry | <p>Business courses (partner - DTI)</p> <p>One day training</p> <ul style="list-style-type: none"> Entrepreneurship Cooperatives Business Planning Marketing Financial management |

Source: Center for Excellence, 2005, updated 2009

⁶⁴ *Ibid.*

Table 2-3: Career strengthening programmes conducted on a case-to-case basis

| | |
|---|--|
| Urban Governance and Resource Management Community Mortgage Programme Leadership Skills Training Public Service Satisfaction Team Dynamics for Community-Making Community Development (Community Organizing, Building an Organization) Mabuhay Host (Frontline Training) | Teachers Continuing Education My Values: My Consciousness and My Leadership Style Values Integration in the Classroom Teaching-Learning as Human Helping Teaching Strategies Strategic Management for Educators |
| Person Effectiveness Programme Values Development Intimacy Gender and Development Parenting Speaker's Training Effective Oral Communication Fundamentals of Writing Technical Skills Training (Computer-Aided Visual Production Refresher's Course for Data Encoders) | Institutional Development Programmes Total Quality Management 5S – The Practice of Good Housekeeping Career Planning Trainer's Training Visioning and Strategic Planning Customer Care Supervisory Development Course Advanced Managerial Effectiveness Team Building Protocol and Social Graces |
| Government Administration Programme Marikina's Programme of Government Legislative Advocacy Leading and Managing a Local Government Unit Communication Planning and Management Public Service Excellence | |

Source: Center for Excellence, 2005, updated 2009

Given the applied approaches, tools, resources, and efforts of the city training stakeholders, it has continually delivered training programmes that have benefited an increasing number of the city's out-of-school-youth, unemployed job seekers, and has mainstreamed informal settlers into these programmes, providing them with needed skills and qualifications for pursuing jobs as wage/salaried workers or livelihood activities as self-employed.

Table 2-4 below shows the number of actual graduates from the city government facilitated and supported training for employment programmes.

Table 2-4: Recent graduate from Marikina programmes

| Training conduit | 2008 graduates | 2009 graduates |
|---|----------------|----------------|
| Center for Excellence | 465 | 838 |
| City Women Center | 1,234 | 932 |
| MCF Manpower House (voc-tech skills) | 1,275 | 782 |
| Marikina Settlement Office (community-based livelihood development trainings) | 321 | 268 |
| Total number of graduates | 2,802 | 3,313 |

Source: Consolidated Report prepared by the Marikina City Planning Office

In 2008, the number of graduates from CENTEX consisted only of one cycle of trainee recruitment. This was due to constraints imposed by a delay in the budget release. According to its director, the budget for the center has been reduced in recent years in favour of other education and training scholarships directly administered by office of the city mayor.

Asked if such a reallocation of funds has been a good decision, the director responded that probably it is the right decision because the reallocation has increased and benefited more young people; those (i) who had to transfer from private to public schools that in effect expanded the base of the city government responsibility to free primary and secondary school education; and (ii) who could have dropped out after graduating secondary school but instead were afforded by the city government to pursue a technical/vocational education or complete their four or five year collegiate courses.

But in 2009, training graduates of CENTEX have increased again due to TESDA issued training vouchers allocated for its private sector training partners such as those in the ICT-BPO industry, and which have been in addition to TESDA-allocated training vouchers for the city government.

2.4.3 Facilitating out-of-school-youth access and completion of primary, secondary, and tertiary level education

The city prides itself in giving quality⁶⁵ free education to its constituents. It does so through a continuing effort to accumulate funds and invest in the maintenance, upgrading, and establishment of additional primary and secondary schools including a science high school. It also provides instructional materials, school personnel, and student support facilities.

On top of what is required by law, the city government also supports out-of-school-youth trainees under its CENTEX programme who have not been able to complete primary or secondary school education but who are interested in undergoing a qualifying examination given by the DepEd.

Those identified by the CENTEX personnel may take either one of two kinds of tests that, if passed, will certify the examinee's completion of either primary or secondary education. From there, the student may proceed to continue on to formal secondary or tertiary school.

Aside from scholarships support provided by the Office of the Mayor for students into vocotech programmes, scholarships for students into full four-year programmes are also provided. Qualified out-of-school-youth from the CENTEX programmes may apply for a college scholarship from the *Pamantasan ng Lungsod ng Marikina* (Marikina City College). Box 1 provides further details.

There is a growing student population in the city and an increasing number of students in public primary and secondary years. Rising fees have left many families unable to continue to provide private schooling for their children and have transferred them to public schools to continue their education. This has added to the burden. The city government all the more has reason to prioritize educational resources but has sought to do so without compromising support for other training for employment and livelihood development.

⁶⁵ The city government claims to offer quality public education since other than the values formation it fosters among the students attached to good values being promoted by the city government, it invests in the competitiveness of public schools in Marikina so that they are at par with the private learning institutions. Thus, modern technologies had been adopted to include information technology and cyber education.

Box 1: The Pamantasan ng Lungsod ng Marikina

The city has established the **Pamantasan ng Lungsod ng Marikina (PLMar)**. Inaugurated on June 6, 2003, the Pamantasan can accommodate more than 4,400 college students annually. It offers courses which vary from degree to non-degree.

College Diploma for degree courses:

B.S. in Administration

B.S. in Marine Engineering

B.S. in Nursing

B.S. in Criminology

B.S. in Accountancy

B.S. in Tourism

for degree courses

Diploma for the following non-degree courses:

Caregivers

Computer Programming

Marine and Shipping Technology

Computer Technician

for non-degree courses

While initially the PLMar was fully LGU-funded, the college at present has to a large extent become self-sustaining (with some remaining operating expenses particularly in new areas of school development still being partly funded or subsidized by the city government) but the MCF scholarship programme for out-of-school-youth pays for the tuition of many students enrolled in technical/vocational or full collegiate course.

With the effectivity of a city ordinance passed by the *Sanggunian ng Lungsod ng Marikina*, the city government allocates from its own locally generated revenues close to a million pesos for the MCF tertiary level scholarship programme. This is meant to provide 50 per cent of the tuition fees for city government employees who are not college graduates, to complete their tertiary level qualifications, thereby enabling them not just to gain experience from work in the city government but also be employable elsewhere.

But for out-of-school-youth, the city government provides 100 per cent full scholarships under a separate budget mainly coming from locally generated funds and recently from PGMA-TESDA training vouchers allocated for the city government. This is on top of what is mandated in the Local Government Code. There is no fixed number of slots for scholarships and the city mayor's office is flexible about this.

2.5 Dealing with unemployment by investments in facilities to connect trained local human resources to industry demand

From the training centers, the graduates then try to land a job. It was earlier mentioned that CENTEX, CWC, and MCF Manpower House also provide employment or product market placement assistance, but, PESO, which is an attached function of the WAO, remains in both policy and in practice the primary office in charge of employment facilitation and implementer of integration programmes in the city. This office (currently renamed as the Marikina City Labour Relations and PESO) will be discussed later in this report.

2.5.1 The Workers Affairs Office and its evolving labour relations and employment function

Section 211 of the Local Government Code of the Philippines declares the policy of the State to be to afford protection to labour and provide adequate administrative machinery for the expeditious settlement of labour and industrial disputes. The creation of the Workers Affairs Office (WAO) is in keeping with this provision.

The WAO was in existence informally even prior to 1995 and operated mainly through the leadership of a former workers organizer and leader supported by a pool of volunteers. Local Ordinance No. 149 Series of 1995 formally created the WAO. This defined among other things, the roles, functions, plantilla personnel, an initial operating budget, and established direct reporting lines to the Office of the Mayor.

Its functions include the monitoring of all tripartite agreements, conduct of conciliation dialogue at the plant level as needed, reporting to the mayor on the outcomes of these dialogues, monitoring the general labour situation and reporting developments to the mayor and the city council and recommending needed legislation, policy coordination with the Bureau of Labor Relations and the National Mediation and Conciliation Commission.

In addition, it is expected to coordinate and negotiate with all labour organizations, national, or local, including affiliates concerning intra-union and inter-union matters and adopt means to promote industrial peace. It also reports to DOLE all worker grievances and non-compliance with labour standards and laws.

With the multitude of tasks before the office, the local ordinance provided for the deployment of 14 plantilla personnel—six clerks and eight field officers. Aside from these regular staff, the WAO is required to have technical staff and consultants well versed in labour affairs and administration. However, the appointment of the personnel for the position of the Head of WAO is co-terminus with the term of the Mayor.

The creation of the Marikina Tripartite Industrial Council in September 1995

A memorandum of agreement (MOA) was entered into by the local government of Marikina, the local management/employers sector and the Alliance of Trade Unions of Marikina with the objective of including workers in Marikina as social partners of employers and government in the pursuit of responsible development and growth. In line with this objective, the parties concerned agree to jointly address programme needs and problems in the municipality towards achieving industrial peace and concern.

Marikina having had experienced and overcome the challenges associated with the growing community and industrial strife could now reckon on mature and responsible management and labour sectors and the parties recognized the need to work together for their mutual interests—to promote industrial peace and induce the inflow of more industries into the area.

The parties therefore agreed to preserve industrial peace, promote industrialization, and social progress; to increase the income of the municipality and consequently improve the services to the constituents; to promote sound labour-management relations, cooperation, and productivity improvement; and to provide more and better employment opportunities with the end in view of bringing in more industries and commerce to Marikina.

The members of the Tripartite Committee are to operate within agreed rules and regulations and in essence these rules are as follows⁶⁶:

1. The members shall dutifully follow and respect all labour relation laws and ordinances, including but not limited to all provisions of their existing Collective Bargaining Agreements (CBA).
2. Concerned parties shall thresh out questions arising from the implementation of company personnel policies before internal grievance machinery as provided in the CBA.
3. Concerned parties shall thresh out any disagreement in the implementation or interpretation of provisions in the CBA in a conference or dialogue purposely organized for the settlement of issues between them.
4. After internal procedures are exhausted and if no acceptable solutions are forged between the concerned parties, only then shall disputes be elevated to the local tripartite industrial council.
5. The parties may submit to voluntary arbitration or avail of other options under the law in case of failure of the local tripartite committee.
6. Disputes between employees and employers in unorganized or non-unionized establishments are to be threshed out first in the workplace labour-management committee before they shall be referred to the Tripartite Committee.
7. All pronouncements/declarations of any labour, management, or government committee shall be cleared with the tripartite committee.
8. All parties shall faithfully and lawfully comply with the provisions of the tripartite agreement.

Trade-offs and guarantees for the members of the Tripartite Committee include:

- For labour it is recognition of trade union rights to self-organization and collective bargaining.
- Trade unions can organize in newly established companies but shall be bound by a no strike–no lockout agreement within the first three years, provided the company pays at least the minimum wages required in the region.
- Labour shall endeavour to implement productivity schemes to improve work efficiency, raise the quality level of products and services of the enterprise. In return management shall devise, in consultation with unions, a system and forms of reward to recognize the contribution of labour to productivity enhancements.
- The shoe industry (being a distressed industry) shall be allowed to pay below the minimum but shall endeavour to implement productivity and sharing schemes.
- All members shall endeavour to work towards full social security coverage of all workers.
- Government shall endeavour to create a stable and supportive environment.

A subsequent ordinance was passed providing a budget for the operating expenditure of the Marikina Tripartite Industrial Council.

⁶⁶Source: Tripartite Handbook (Handbook for Industrial Peace and Harmony).

Strengthening tripartism, unionism, and the role of the Workers Affairs Office

Considering the gains of the city in terms of having widely promoted industrial peace and propelled economic growth and with the effects of the 1997 Asian financial crisis on business establishments and workers; the tripartite parties agreed in May 1998:

- to recognize the role of unionism and self-organization to peace and development in the city;
- to protect the security of tenure of workers and bring about a balance on the workforce composition by maintaining a feasible ratio of contractual, casual, and regular workers;
- to keep earlier agreements relative to no strike-no lockout;
- to give tax exemption and amnesties to financially distressed companies including exemptions for newly acquired machineries;
- to create an integrated one-stop-shop office in securing business permits and licenses in any local management (employers/business) organization;
- to create a productivity center to enhance the productivity and competence of workers in Marikina City;
- to establish an employment center that will monitor employment opportunities, displacement, underemployment, and which will conduct employment information surveys to determine pertinent data on labour and human resource availability; and
- to form an oversight committee to assess, evaluate, and monitor the implementation of this MOA and to be composed of the city mayor as chairperson together with representatives of the Tripartite Council, WAO, labour, and management sectors.

Establishment of the Marikina Labour Employment Center

In light of the agreement entered among the local tripartite partners, and in the context of the new local and national leaderships with an agenda to create more jobs and income opportunities, a new ordinance was passed by the City Council in 2000 establishing the Marikina Labour Employment Center with the passage of Ordinance No. 26. The Employment Center was created in order to perform the following functions:

1. **Compile a listing of qualified individuals** for employment in industries in Marikina.
2. **Coordinate with all the employers and human resources/personnel officers** within and outside the city of Marikina for the purpose of gathering employment vacancies.
3. **Organize or assist in the formation of job fairs, seminars, and other similar activities** that would encourage business establishments to give employment preference to legitimate residents of Marikina City.
4. **Assist WAO** in monitoring employment practices in the city including activities that involve the public interest.
5. **Undertake, in coordination with the City Personnel Office and concerned local agencies, the recruitment and screening of applicants** in the various agencies of the city government of Marikina.

6. **Coordinate with local barangays, non-government/homeowner organizations** concerning the tapping of prospective applicants from their respective communities.
7. Perform such functions as may be by ordinance, law, or executive instructions.

2.5.2 The Workers Affairs Office and its Public Employment Service Office functions

Given the industrial realities in Marikina as described earlier in this study and particularly during the 1990s under the administration of Mayor BF, the WAO spent much of its time and effort⁶⁷ in performing its labour relations function—monitoring the local labour situation and addressing workers complaints against management in accordance with the rules contained in local tripartite agreements and local ordinances as earlier introduced.

The WAO record shows these complaints and cases being monitored, addressed, and reported by the WAO are on issues related to CBA deadlocks, dismissal, layoffs, and non-provision of benefits in relation to holidays and separation from work provided for in CBAs and company personnel rules and not much if none in monetary claims. Even if complaints and case are eventually settled locally, the consequential challenge which the WAO had yet to handle was to seek fresh opportunities for unemployed workers. Most of them were past the youth age and were lacking in knowledge and skills required by industries in need.

By the time Mayor MCF took charge as the new local chief executive in 2001, the implementation of the ordinance creating the employment center became her priority and a new provision was incorporated by way of amendment that specifically encouraged the WAO to take charge of employment facilitation in the city.⁶⁸

Among the functions so far carried out by the WAO in relation to employment facilitation including the challenges it encountered and address so far, are the following:

Social networking and compiling of a listing of trained and certified workers and job vacancies

The WAO-Public Employment Service Office (PESO) is in-charge of facilitating employment of Marikina residents in private establishments within the city and outside. So far in terms of information gathering, it is able to maintain a list of companies and agencies on its registry which is used by its personnel and human resources officer:

- to collect listings of regular job postings as basis for information and referrals to walk-in job seekers;
- to invite participation during quarterly jobs fairs; and more recently; and
- to request from the PESO special recruitment activities whether these are for local or overseas placement.

⁶⁷ Note that prior to 1995, the WAO was informally operational and relied more on volunteers from the ranks of workers. In 1995, it was given two clerical and three field personnel on plantilla. Upon the assumption of Mayor MCF and after the October 2001 tripartite employment summit which she initiated, employment facilitation services function had to be incorporated into WAO function and effected in 2002 with legislative and executive support for additional clerical and field personnel on plantilla.

⁶⁸ Phone interview with Gil Munar, Head of WAO now Marikina Labour Relations and Public Employment Services Center, March 4, 2010.

The PESO also maintains its own registry of all applicants—active as well as inactive. This enables the PESO to readily provide employers with a list of all applicants who may be available. The registry includes information such as age, gender, level of educational attainment, and skills.

Unfortunately, the database was usually not updated and cannot readily be accessed by other individuals in the office other than the PESO manager (as of 2005) as the office was still at a stage of systematizing its information in a manner that could be readily accessible to all.

From the information gathered, and in the view of the writer, the delay in the full systematization of data and making it easily accessible to workers and employers has much to do with how much information companies can regularly offer. It is also hampered by the multi-tasking of PESO personnel which limits what they can do. Interrelated constraints (which also constitute challenges to be addressed and overcome) include:

- Information may not be regularly provided and updated as local companies have no new jobs to offer in industries that are in decline.
- Where there are local companies with vacancies, full information may not necessarily be openly, regularly, and fully shared or entrusted to WAO-PESO with the head being a labour leader. Much depends on rapport established with the HRD of individual firms.
- Conversion of the position of WAO-PESO head from a non-plantilla post (being politically appointed and co-terminus with the mayor) to a plantilla post would enable him/her to share this data and develop one or two of the staff who holds plantilla positions without losing ownership over the data that he/she has.
- Engagement of trained staff to maintain a computer-based local labour market information system (or alternatively tie-up with a private sector group with interest in maintaining a Marikina labour market information system) should be explored. Although steps were undertaken towards this direction in 2009, it was temporarily interrupted by Typhoon Ondoy.
- There is a need to physically complete a Labour Employment (Market) Center intended to house, among others, a public employment information facility, a skills development center, and a referral center but which was interrupted by a situation where the site where the center would be established is subject to a legal dispute.

Conducting employment facilitation services

Despite these local limitations, the city government has conducted regular employment programmes, particularly those conducted through the WAO. These are indicative of efforts taken by the office in terms of gathering supply- and demand-side labour information and gathering them in job fairs and special recruitment activities.

Although, the discussion in this section does not provide a complete profile of the applicants and the type and conditions of jobs where unemployed workers were placed, they include regularly offered, periodic, and occasional employment facilitation services carried out in the following manner:

- by providing information, advice, and referral to walk-in job seekers on available jobs or by providing information to companies or households on need basis available tradespersons or skilled workers;

- by conducting quarterly job fairs requiring them to invite local and non-local companies in their registry and through information dissemination with the help of the city garbage collectors regularly going around the city as well as through councillors in the barangays; and
- by conducting special recruitment activities for local or overseas jobs.

These are undertaken in coordination with the city government personnel office and concerned local agencies if the need or demand for skilled or unskilled labour arises from the various offices or agencies of the city government of Marikina.

All job fairs and special recruitment activities are undertaken in coordination with local barangays as well as non-government/homeowner organizations who assist in the tapping of prospective applicants from their respective communities.

Preparation of employment facilitation reports

Based on the manually completed forms and data encoded by clerical staff and with additional support from information technology on-the-job trainees, a summary report on regular and periodic employment services so far undertaken in the city and the number of employees helped, since 2002 has been compiled and the data is presented in Table 2-5.⁶⁹

Table 2-5: Summary of regular and periodic employment services

| Year | Employment facility | Job vacancies (solicited and unsolicited) | Applicants registered | Applicants referred (registered and not registered) | Applicants placed/employed |
|-------------------|---------------------------|---|-----------------------|---|----------------------------|
| 2002 | All | 34 262 | 13 496 | 20 813 | 4 103 |
| | Regular facilitation | 16 487 | 8 360 | 6 586 | 2 398 |
| | Job fair | 17 775 | 5 136 | 14 227 | 1 705 |
| 2003 | All | 39 531 | 12 097 | 20 426 | 6 436 |
| | Regular facilitation | 17 775 | 5 136 | 7 726 | 4 195 |
| | Job fair | 21 756 | 6 961 | 12 700 | 2 241 |
| 2004 | All | 40 936 | 20 010 | 13 402 | 6 192 |
| | Regular facilitation | 19 851 | 12 236 | 10 555 | 5 609 |
| | Female | 9 197 | 5 645 | 4 920 | 2 973 |
| | Male | 10 654 | 6 591 | 5 635 | 2 636 |
| | Job fair (Local/Overseas) | 21 085 | 7 774 | | 3 094 |
| | Interviewed | | | 19 262 | |
| | Qualified | | | 2 847 | |
| | Not qualified | | | 583 | |
| | For further interview | | | 14 888 | |
| | Hired on the spot | | | 1 057 | |
| | (Overseas) | 1 605 | 494 | | 346 |
| | Interviewed | | | 700 | |
| | Qualified | | | 262 | |
| | Not qualified | | | 92 | |
| | For further interview | | | 249 | |
| Hired on the spot | | | 84 | | |

⁶⁹ Months after the tripartite employment summit.

| Year | Employment facility | Job vacancies (solicited and unsolicited) | Applicants registered | Applicants referred (registered and not registered) | Applicants placed/employed |
|-------------------------|----------------------|---|-----------------------|---|----------------------------|
| 2005 all overseas | All | 43 378 | 21 372 | 23 306 | 8 025 |
| | Regular facilitation | 20 928 | 10 877 | 11 022 | 6 350 |
| | Job fair | 22 450 | 10 495 | 12 284 | 1 675 |
| 2006 | All | 86 893 | 26 493 | 36 201 | 5 204 |
| | Regular facilitation | 27 655 | 13 176 | 8 881 | 3 790 |
| | Job fair | 51 543 | 12 789 | 26 625 | 1 366 |
| | SR for overseas | 7 695 | 528 | 695 | 48 |
| 2007 | All | 65 647 | 39 752 | 35 314 | 6 876 |
| | Regular facilitation | 30 479 | 17 388 | 13 260 | 5 545 |
| | Job fair | 35 068 | 11 182 | 21 925 | 1 298 |
| | SR for overseas | 100 | 170 | 129 | 33 |
| 2008 | All PESO services | 25 760 | 15 969 | 11 877 | 5 167 |

Source: Marikina City Workers Affairs Office

2.5.3 Towards the integration of all employment services under one center

The Labour Employment Center aims to transform the unskilled, out-of-school and unemployed into highly skilled, competitive, and employable workers. By serving as a databank, training center, and an employment facilitation office, it links the labour supply to demand. Every worker registered in the labour market is expected to become part of the pool of skill certified human resources available for work.

Interested residents first register with the center to find immediate employment opportunities. At the same time, the job seeker can ask for advice on possible jobs or training that matches his or her interest, skills, and abilities. If so desired, the individual may then avail of appropriate skills training, upgrading, or a continuing education programme. The job seeker then takes a certification test from TESDA and if he or she passes, becomes part of the pool of certified workers.

The Labour Market Center is the flagship project of Mayor MCF for skills and employment promotion. Although this has been a work in progress, the vision for the center is to become an integrator of information, training, and employment facilitation. The Labour Market Center as a concept aims to achieve four functions to:

1. Accommodate and conduct: (i) skills and aptitude test ; (ii) training and re-tooling; and (iii) job matching and placement.
2. Promote and manage a ‘human resources registry’, which is subdivided into two categories: the first registry contains a list of registrants who are unemployed, while the second contain information on Marikina’s skilled workers and professionals. A trade test certificate is issued to registrants who meet the qualification standards as a means of validation.
3. Supervise a Workers Development Center where employed labourers and other skilled workers are given continuing education, specifically skills retooling, and knowledge enhancement.
4. Development and promotion of the “People-for-Jobs” concept and to provide an easy means to search for and match jobs as well as plan careers.

The concept is born out of the dreams of the local tripartite players and city government personnel (respectively influenced by their own readings, seminars, exposures, and advocacies of their national and international links) and agreed during a workshop in the tripartite employment summit held in October 2001, soon after Mayor MCF was seated as the city local chief executive.

The concept of the labour market center is to integrate the various functions of several offices such as CENTEX, PESO, the Women's Center, the MCF Manpower House into a one-stop-shop that is at the same time linked with the investment promotions arm of the city, which, as noted earlier, is the MCTTIPO.

Unfortunately, as of 2005, the project had not taken off. The construction of the center's building had been started but was constrained because of legal issues raised by the school located adjacent to the site. This left the plan to have a Labour Market Center on the drawing board for some time.

Mayor MCF optimistic and determined that it would push through, prepared an alternative plan by allocating a space for the WAO-PESO in the Social Welfare Building of the city government, where all other social welfare, volunteer, and emergency offices had been earlier established. In addition, the proposed structure for WAO-PESO (under its new name—Marikina Labour Relations and Public Employment Services Center or MLRPESO) along with the required job positions (from head to support staff) and its operating arrangements enabling it to perform both labour relations as well as a wider stream of employment facilitation functions was finally approved in December 2009.

However, the budget required for MLRPESO personnel and the operating expenses of the new office has not been included in the 2010 budget and has had to wait until the election of a new executive and legislative officials in May 2010. After the election, a new development agenda will be in place and a new budget cycle can be effected. The earliest it can operate on the assumption of a smooth leadership change and with the confidence that it will be fully supported under a new leadership by 2011.

Meanwhile, the MLRPESO has to operate with limited staff and system capacities and. the MLRPESO head to operate on the assumption that he still holds a non-plantilla position. That means his services are co-terminus with the end of tenure of the outgoing mayor at the end of June 2010.⁷⁰

The development of an electronically accessible labour market information system

As to the development of the full data support systems for facilitating labour market activities, a MOA was signed in the third quarter of 2008 between the mayor and the country manager (J. Viray) of JobsDB. The corporate partner committed to organize and maintain (free of charge) the database of trained and certified human resources supply of Marikina City and on the other hand the corporate clients of JobsDB have free access to the profiles of local human resources.

All the resumes filed with the PESO were supposed to be gathered and provided to JobsDB for encoding into the database system, however, with the advent of Typhoon Ondoy in September 2009, the destruction and floods caused by the typhoon destroyed city government property including its documents and files. This interrupted developments in this regard. No new developments have taken place thereafter, and the JobsDB focal person-in-charge of this undertaking has resigned. As of the time of concluding this case report, this project is in limbo.

⁷⁰ Mayor MCF will not be running for any political position and will be back to private sector practice.

Engaging on the job trainees for mutual gains

Another programme managed by the Volunteers and Management Office of the city government is the employment of volunteers as clerks, messengers, maintenance staff, carwash bay cleaners, etc. Every month there are around 800–1,000 total volunteers in City Hall working on a part-time and fixed term basis—four hours each day for a maximum of two months. Each employee receives a net pay of at least PhP2,000 per month (as of 2005), which is around half of the minimum wage rate set for Metro Manila.

The volunteer service programme is directed to out-of-school-youth, unemployed new graduates, unemployed housewives, and retirees (more than 40 years) and is intended to provide exposure and training that will encourage and prepare them to entering the workforce.

The WAO-PESO (now the Marikina Labour Relations and PESO) makes use of on-the-job trainees in addition to the clerk and field officers on government plantilla posts.

Matching non-local employers with skills requirements to the local labour market

The ILO-TNS Youth Employability Survey found among others that “friends and relatives” were the top sources of job information for the youth of Marikina. Whereas many companies with a substantial demand for skilled labour for the next 5–10 years have sizeable budgets for print and broadcast media to attract qualified applicants, the TNS studies have shown that such advertising does not necessarily bring about the desired results.

Triggered by this finding, the LGU began to tap the capacity of its local machinery to mobilize its workforce to reach out, to communicate with and mobilize the job seeking and non-job-seeking unemployed in every barangay regarding available skills testing and training and match these with available job opportunities. To do this, it made use of the barangay officials, especially the *Kagawad* (councilors) in charge of employment and training and community association officers to help in spreading information and in mobilization as well.

On the other side, non-local companies from the BPO sector such as those classified under the voice and animation sub-sectors found out about this programme through an ILO assigned LED consultant (Eugene Gonzales) for Marikina who provided the brokering services between the LGU and the industry. This intervention triggered interest on the part of the latter particularly from the animation and call center industries to meet with the local chief executive and entered into an informal cooperation agreement on matching industry demand and local skills supply.⁷¹

Results of this agreement as to number of trainees trained and employed are provided in the next part of the report.

3 LED and youth employability interventions and the lessons learned

Faced with the decline of its shoe and other manufacturing sub-sectors, Marikina has risen to the challenge of creating new economic and job growth areas such as the ICT-BPO sector by matching the sector’s requirements with its own territorial advantages and potential.

⁷¹ According to Julie Borje there was no formal cooperation agreement between the LGU and the BPO sector firms but an informal arrangement only specifically with the HR/recruitment team of concerned firms (February 2010).

It has intensified investment into young Marikeños, realizing, through an ILO sponsored youth employability survey, that the various youth segments have different needs and constraints to employability each requiring focused treatment in order to tool, connect, and have them productively engaged in existing and emerging job opportunities in/out of the city.

3.1 LGU role in enabling employment creating LED and YE strategies

Under a decentralized political setting, the logical action for the Marikina local government to adopt was to invest in initiatives to create an environment supportive of the survival of existing businesses while at the same time attracting new ones capable of generating, new jobs, and income for the local economy and its citizenry.

The development blueprint that has directed the progress taking place in Marikina today under the administration of Mayor Maria Lourdes ‘MCF’ Carlos-Fernando and begun in 1992 during the administration of former Mayor Bayani ‘BF’ Fernando started with:

- organizing the local bureaucracy and institutionalizing the engagement of business, labour, and social sector groups in local governance and development process;
- implementing revenue-building activities to finance local development programmes, projects, and services in line with the general welfare provision of the Local Government Code;
- undertaking ‘by public administration’ rather than by a bidding process (which LGUs commonly find padded and with low quality result) massive infrastructure development projects to rehabilitate and face-lift the town as prerequisites to attracting investors; and at the same time creating new jobs and income opportunities for the local people out of these projects; and
- campaigning for urban-proper discipline and industrial peace among its local citizenry and concerned sectors to complement the physical and structural transformation taking place in the town and the local bureaucracy with behavioural transformation in line with attracting and retaining business investments.

This was the programme adopted by Mayor BF during his tenure. Mayor MCF on the other hand continued with and built upon on what was already in place in order to bring in further investors and employment focusing on:

- implementing the ‘Invest in Marikina’ programme line up of events in partnership with various business groups through the newly created MCTTIPO;
- developing the local labour supply through the various LGU programmes administered by its CENTEX, CWC, and PESO; and
- establishing a Labour Market Center as a one-stop-shop for all employment related programmes and services ensuring local labour supply is duly supported in getting connected to and landing productive jobs.

Since 2003, the administration of Mayor Marides Carlos-Fernando has recognized the need for the city LGU to adopt a more formal structure and a programme with the appropriate processes in place to address unemployment.

The city PESO, though with limited personnel and other critical resource constraints, has made headway in creating employment opportunities for the people of Marikina. From 2004 to 2007,

16,154 found work under the regular employment facilitation scheme and another 4,973 through the quarterly job fairs. Likewise, it has established the programme and activities by which job seekers can make an approach in support of their employment and livelihood needs.

In a joint assessment undertaken by the PESO, the CENTEX, and the Planning Development Office (PDO), it was found that:

- many job seekers do not have skills that match industry requirements;
- job seekers are lacking in both personal and technical competencies;
- job applicants are emanating more from the younger age brackets;
- most job seekers are from the C, D, and E income classes; and
- the PESO needs to have a more focused programme to address unemployment and one that is linked to the city's economic development plan.

Related to the foregoing, the CENTEX has forwarded to the Mayor's Office certain recommendations regarding an approach to formulating strategies for local economic development. On this matter, PESO, CENTEX, and PDO have bonded together and worked on the possibilities of harnessing networking with the ILO for implementing local initiatives responding to the foregoing issues.

3.2 Support role of ILO through CIDA-funded Promoting Youth Employment in the Philippines

The ILO through the Promoting Youth Employment in the Philippines (PYEP) Project provided the city with both technical services (e.g. feasibility studies and the youth employability survey) as well as brokering services (e.g. between BPO firms and Marikina LGU). The first intervention was meant to complement the overall local economic development efforts of the LGU towards becoming an alternative BPO hub in the country. The second intervention was intended to address its more immediate and mid-term targets of organizing a fully functioning one-stop-shop labour market center.

The BPO study through the PYEP Project support was prepared by an Asian Institute of Management MBA student who had had substantial experience in the BPO sector in India working as a McKinsey consultant while the local youth employability survey was commissioned to TNS. Marikina City was actually the first locality where TNS conducted the youth employability survey which did the same for six other pilot areas (PRSD, another service provider, did the survey for Angono).

3.3 Evolving a youth employability plan for Marikina City

The city government welcomed the results of the profiling survey of Marikina youth. The survey results were initially presented to the youth in a number of focus group discussions (FGD) conducted to have a deeper understanding of the results of the profiling survey.

The key findings of the survey, validated through FGD with different youth segments revealed:

- an increasing number of local job-seeking youth;
- the target and expectations of job seekers, namely that they should be able to get a job that suits their qualifications and which pays no less than PhP7,000 per month (although some were content to have a starting salary of PhP5,000);

- some 30 per cent of the young population were remittance recipients, thus, they did not feel any urgent need either to study or to work;
- many job seekers lacked the commonly needed skills of industries which are English communication proficiency and computer knowledge;
- job seekers lacked personal skills and self-confidence, to get them through employment search and qualifying interview processes;
- those job seekers that have not graduated from reputable schools experience discrimination and are often found wanting in the criteria of having a “pleasing personality”;
- family responsibilities have influenced the preference of women for staying home and caring for their children;
- financial difficulties faced by job seekers, as in not having the money for at least the transportation (minus the meals) costs to go to prospective employer’s office; and
- expenses for repeated travel and pre-employment requirements (medical certificate, police clearance, etc.) for just one prospective employer averaged PhP2,300.

3.3.1 Profile of the 200 female and male respondents

Considering the profiles of female and male respondents:

All youth categories

- a. The largest category of respondents (31 per cent) were *students*, and of these 3.22 per cent were *working students*;
- b. 29 per cent of all the respondents were *employed/self-employed*:
 - of these employed/self employed 21 per cent want more paid hours for their present job;
 - 72 per cent of this group were *wage/salary earners* received from an employer and 28 per cent had their *own business*; and
 - 65 per cent of this same youth segment were found to be *underemployed*.
- c. Of the 65 per cent (38) underemployed:
 - 21 per cent wanted more paid hours for their present job;
 - 41 per cent were looking for other jobs with more hours to replace existing ones; and
 - 30 per cent were looking for other jobs in addition to present ones.
- d. 21 per cent were *not in the labour force* or not actively seeking jobs; and
- e. 19 per cent or were *unemployed job seekers*.

Household income class

Regarding household income:

- more than half (54 per cent) of youth respondents belonged to household income class D;
- 23 per cent belonged to income class E;
- 21 per cent belonged to income class C; and
- 3 per cent came from combined income classes AB.

But among the pilot localities, Marikina was one of four with a significant number of surveyed youth from income classes AB and C and also one of the four with the lowest surveyed youth from income class E.

Age group

- The highest percentage (37 per cent) of the youth respondents belonged to the 15–19 age group;
- 35 per cent belonged to the 25–30 age group; and
- 28 per cent were from the 20–24 age group.

Civil status

- A great majority (70 per cent) were single or never married.
- 29 per cent were married/living with a partner; and
- 1 per cent were separated/divorced.

Highest educational attainment

- More than half or 56 per cent of all youth from across segments had reached or had completed tertiary education.
 - By tertiary education; we include those who have reached or completed a vocational or a baccalaureate course.
 - Of this segment, only a third (31.7 per cent of 102 (16 per cent of 200) of the youth were college/university degree holders.
 - A majority of the youth respondents had reached, or were in the process of completing, a college/university education (64.7 per cent of 102; 33 per cent of 200).
 - Only a 10th (13.7 per cent of 102; 7 per cent of 200) had started or completed a vocational course.
- Less than half or 49 per cent of all youth from across all segments had some or had completed a college or baccalaureate degree (if we are to differentiate this category from those completing or who had completed a tertiary vocational course).

- Four in 10 (42 per cent) had reached or completed high school. Of this number, 54.8 per cent had completed high school and 45.2 per cent had yet to complete high school.
- Three per cent from all across segments had some or had completed their elementary education.

Recipients of OFW remittances

- 30 per cent of respondents said they were recipients of OFW remittances.

Decent job concept

In regard to defining a decent, good, or quality job (where multiple responses were possible):

- One in two (50 per cent) associated the concept of a decent job to the wages or compensation received.
- One in three (32 per cent) associated the concept with financial security.
- One in three (29 per cent) referred to company reputation in defining a decent job.
- One in 10 (8 per cent) associated the concept with the nature of the job.

Note that within Marikina and other localities, more youths—both unemployed job seekers as well as those not in the labour force—associate the concept foremost with a permanent or regular job while the top two definitions given by students were associated with salary and financial security.

In Marikina alone company reputation ranked third from among the definition—suggesting the youth’s high regard for the desired image they want to project as young urban professionals (yuppies). But except for Marikina, youth respondents in other locations and across segments defined the concept by the amount of wage or compensation, financial security, and nature of job.

3.3.2 The self-employed youth

This segment made up 29 per cent or 59 out of the 200 respondents.

Household income class

Almost half (49 per cent) of the employed/self-employed youth belonged to income class E, 48 per cent to income class D, and only 3 per cent to income classes ABC.

Job search

Given a list of standards in taking a job, more than 8 in 10 (84 per cent) of employed youths admit to having at least one criterion for considering a job acceptable. Of these:

- One in four (26 per cent) regarded stability as a pre-requisite in accepting a job offer.
- One in four (23 per cent) claimed they would accept a job combining the elements of stability, high pay and appropriateness to their level of education.
- One in five (21 per cent) consider the appropriateness of the job to their qualification.
- One of six (16 per cent) were deemed desperate to accept any job whatever the condition.
- One of six (14 per cent) considered salary to be important.

Given the standards of those youth with set criterion, one of three youths (33 per cent) admitted to having refused a job offer due to the following reasons:

- salary was low (offer was at a median of PhP5,000 and below the regional wage rate for the NCR);
- work was not interesting;
- work site was inconvenient to reach;
- work was not matched to the level of qualification;
- work required too many hours;
- waiting for a better job;
- saw no possibility for advancement; and
- already accepted a stable job.

Employed youths obtained their current jobs after an average of three months of actively looking for work. They applied for an average of two jobs and underwent approximately two interviews before they got their current jobs.

- Working youths learned of job vacancies or lucrative businesses mainly through friends and relatives (53 per cent) or by walk-in/direct application to employers and companies (24 per cent), approaching friends, relatives, or banks for arranging financial resources (15 per cent). About 20 per cent consulted the newspaper. Very few (5 per cent) went to job fairs or searched online (12 per cent) to look for work. Registrations at employment offices were very low (2 per cent).
- Almost all employed youth (91 per cent) considered their level of education was vital in successfully getting their current job. However, more than half of them (56 per cent) had never attended any training for employment in the past.
- When asked what they thought was the main obstacle in finding a job, a third of them (33 per cent) said it was lack of education relevant for the job.
- Other obstacles mentioned were the lack of transportation money to go and apply for work (12 per cent), no one would look after the children (7 per cent), no or lack of experience (5 per cent), and workplace is far (5 per cent).
- Finally, 21 per cent did not mention any obstacles to job search.

Employment type, conditions, and acceptance standards

- Almost all self/employed youths claimed they liked their work a lot (41 per cent) and were in fact satisfied (44 per cent) with it. Conversely, only a few admitted to not liking their job or business (3 per cent) or not being satisfied with it (7 per cent).
- A great majority of them receive benefits in addition to salary. These self/employed youths like the benefits/perks (34 per cent) and salary (29 per cent) they receive from their current jobs and being in a good company (5 per cent).

- What they like most about their job/business perks are meeting different kinds of people (10 per cent), travelling to other places (5 per cent), ability to help other people (3 per cent), teaching children (3 per cent), and time with the family (3 per cent). What they like most about their salary – having a salary (14 per cent), big income (9 per cent), and additional income (5 per cent).
- These youths work in varied industries: 23 per cent in hotel and restaurants, 18 per cent in wholesale, retail, trade, and repair, 17 per cent in manufacturing industries, 12 per cent transport, storage, and communication, and 12 per cent in community, social, and personal services. But these jobs are not necessarily within Marikina.
- These youths were spread across various occupations. Broadly, 19 per cent were service workers, 17 per cent were classified as skilled workers, 15 per cent unskilled workers, 12 per cent clerical workers, and 10 per cent into small scale businesses.
- Half of the youths (51 per cent) worked in private companies, not of their own while a third (33 per cent) of them worked in their own or family business.
- One in two of the youths (51 per cent) were regular workers, one in three (32 per cent) were contractual workers, and the rest did not indicate their status. Not all regular or contractual workers had written contracts (52 per cent) but a third (33 per cent) did have written contracts.
- One in six of the youth in Marikina in this category (16 per cent) had a high reservation requirement for jobs that would require them to accept any conditions.
- One in five (20 per cent) would only accept a job if it were stable, well-paid, and fitted to their level of qualification. More than half of the surveyed employed/self-employed youth were inclined to work abroad.
- For 2006, employed/self-employed youth indicated they would not accept jobs with less than PhP5,000 net salary for fulltime work.
- A great majority of them received benefits other than their salaries.
- While many had never attended in any training in the past, one in three of them had received training in their present job.
- A large majority (69 per cent) enjoyed some level of security in their current job or business.
- A great majority (84 per cent)—both men and women—believed that men or women had equal opportunities in the workplace.
- Only 5 per cent of them were members of a trade union. Reasons given for not joining a union were as follows: (i) not aware of any union in the workplace (34 per cent); (ii) did not have the time for union activities (22 per cent); (iii) not interested in public affairs (5 per cent); (iv) just never considered joining any union (7 per cent); and (v) had a negative view of trade unionism (27 per cent).

3.3.3 The unemployed job seekers

Unemployed job seekers made up 19 per cent of respondents (38 out of 200).

Household income class

- Two in five (43 per cent) of the unemployed job seekers belonged to class D income group.
- Two in five (41 per cent) belonged to income class E.
- One in six (16 per cent) came from combined income classes ABC.

It is noteworthy that in relation to other urban localities, Marikina had the highest percentage of respondents from household income classes ABC—Marikina (16 per cent), Cotabato (8 per cent), and Davao City (4 per cent).

Gender

- 65 per cent were males; and
- 35 per cent were females.

Age group

- Three in five (59 per cent) belonged to the 15–24 age group; and
- Two in five (41 per cent) belonged to 25–30 age group.

Civil status

- A great majority of the unemployed (73 per cent) were single/never married; and
- Three in 10 (27 per cent) were married/living with a partner.

Education attainment

- Only 35 per cent of this group claimed to have completed tertiary education, while 65 per cent claimed they had to stop schooling before completion.
- The average age at which they stopped schooling was 19 years old. This is one or two years short of graduating from college.
- Reasons given for members of this youth segment having to stop going to school were:
 - mainly due to economic reasons (41 per cent);
 - graduated from high school or college and thus needed to work (35 per cent);
 - involved in social networks (8 per cent);
 - did not enjoy schooling (5 per cent);
 - got pregnant, got someone pregnant or got married and thus needed to work and support a family (6 per cent); and
 - just wanted to start working (3 per cent), had a family problem (2 per cent), and school was too far away (2 per cent).

Job search

Job search/acceptance standards among the unemployed job seekers were the following:

- The unemployed job seekers from Marikina showed higher standards in accepting a job compared to their self-employed/employed counterparts.
 - Two in five (43 per cent) would only accept a job if it was stable, well-paid, and appropriate to their level of education.
 - One in four (27 per cent) of the job seekers had refused a job primarily because the wage offered was too low.
 - The minimum salary required for a job was around PhP7,000 a month (2006).
- Note that there was also a considerable number of these unemployed job seekers who were willing to accept any job whatever the conditions due to one or a combination of the following reasons:
 - They needed to acquire experience, skills, and confidence for the job they eventually wanted.
 - They lacked confidence, skills, and work experience usually required by firms.
 - They did not have the luxury of choosing or getting the job they want.

Jobs looked/applied for and waiting time

- Job seekers were eyeing a wide range of job and entrepreneurial opportunities such as service crew (14 per cent), factory workers (11 per cent), and call center representatives (11 per cent), salespersons, sales-marketing persons, office staff, computer technicians, construction business, mechanical work, electrical work, security guard, medicine-related, electric, encoder, and dressmaking.
- Few were seriously thinking about starting their own business.
- Most job seekers would rather work abroad (73 per cent) than in the Philippines if given a chance.
- On average, job seekers had been actively looking for work for more than three months already. So far, they had applied for an average of three jobs and underwent three interviews.
- While looking for work:
 - Two in five of them (41 per cent) said they stayed at home and helped in the household chores.
 - Two in five of them (35 per cent) admitted that looking for work was their main preoccupation.
 - One in 10 (11 per cent) were helping in the family business.
 - One in 10 (11 per cent) were spending time with friends.
 - One in 20 (5 per cent) were processing papers.
 - One in 20 (5 per cent) spent their time praying.

Modes of applying for job/starting a business

Applicants were able to provide multiple responses to this question. Among the answers given, the following were the main ones:

- A majority (62 per cent) of job seekers directly applied for work. Although they often learned of job vacancies and lucrative businesses through friends, they still personally went and passed their application to employers.
- Many also attended job fairs (35 per cent).
- Almost one-third sought the assistance of friends and relatives (30 per cent).
- Almost one-quarter, personally checked at worksites for any vacancy (24 per cent).
- Many job seekers also registered with online job recruitment networks (16 per cent).
- One in 10 refer to newspaper job advertisements (11 per cent) for employment opportunities.
- Only one in 20 registered at the PESO (5 per cent).

Sources of information

About job vacancies and lucrative businesses (multiple responses), main sources of information were the following:

- friends (65 per cent);
- newspapers (32 per cent);
- relatives (27 per cent);
- internet (24 per cent);
- television (5 per cent); and
- radio (5 per cent).

Note, like the self-employed/employed youth segments in and out of Marikina City, their principle source of information regarding job vacancies/business opportunities were their friends and relatives.

Difficulties in finding a job and reasons given

- Unemployed youths know that having a college diploma is vital in acquiring jobs. But perhaps, because only a third of them (35 per cent) have completed college, they are less confident than self/employed youth who generally have a higher educational attainment (91 per cent).
- For those who had not completed their college (76 per cent) this is the reason why they were not as confident as the self/employed segment. They doubted the education that they had had so far would be sufficient for them to get hired.
- Seven in 10 job seekers (68 per cent) had not received any kind of training in the past.
- The main obstacles cited in finding a job/starting own business included:
 - the lack of educational qualifications (38 per cent);
 - the lack of transportation money to go and apply for work (27 per cent);

- nobody would babysit the children (11 per cent);
- not enough jobs available (8 per cent);
- not qualified for the job available (5 per cent);
- no/lack of work experience (3 per cent);
- being gay/lesbian (3 per cent);
- lack knowledge/skills (3 per cent); and
- none (3 per cent).

As with other youth segments within the city and in other localities:

- most unemployed youth belonged to low-income households;
- most cited lack of money to pay for job-hunting essentials such as transportation;
- the expenses associated with food, securing documentary requirements, and medical clearance were also cited; and
- most were aware they lacked the qualifications needed for them to get the job they wanted.

Generally they exhibited a lack of confidence because of the reasons above plus their lack of experience. In their perception, they found their chances slim given the many applicants vying for limited vacancies available.

Skills/other things needed to get the job/business they want

- One in five (22 per cent) needed to continue and finish their college schooling.
- One in five (19 per cent) mentioned a need for IT or information technology skills.
- One in six (14 per cent) mentioned the need for communication skills.
- One in 10 (11 per cent) needed vocational/technical skills.

Inclination to relocate and/or work abroad

Six in 10 (59 per cent) of job seekers were willing to move their residence in order to find jobs elsewhere.

- Within this group, 30 per cent said they were willing to move to a different city.
- 22 per cent preferred to move to another country.

However, when asked whether they would rather work or not, seven in 10 (73 per cent) stated they wanted to work abroad.

3.3.4 Youth classified as “not in the workforce”

This group represented 41 of the 200 respondents (21 per cent).

Income class

- More than half (54 per cent) belonged to income class D.
- One in four (24 per cent) to income class E.
- One in five (22 per cent) came from combined income classes ABC.

Gender

- Three in four (73 per cent) were females and one in four (27 per cent) males.

Age group

- Three in five (64 per cent) belonged to the 15–24 age group.
- Two in five (36 per cent) to the 25–30 age group.

Civil status

- Three in five (59 per cent) were single/never married.
- Two in five (41 per cent) were married/living with a partner.

Educational attainment

- Only 12 per cent of this segment had completed a college education but of this segment, many were not actively or immediately seeking a job due to family-related obligations.
- 88 per cent of this same segment claimed they had to stop schooling due principally to economic difficulties.
- Other reasons given were related to pregnancy, peer influence, lack of parental and moral support, personal health, caring for a sick family member, etc.

Reasons why they are not actively looking for work at the moment

- Two in five (42 per cent) of this segment claimed family duties as the main reason why they were not looking for work; particularly:
 - taking care of children and siblings (34 per cent);
 - no one would be left at home (5 per cent); and
 - not permitted by husband (2 per cent).
- One in six (15 per cent) also cited illness, injury, or pregnancy as the reason why they were not looking for work.
- A few (7 per cent) cited not having started yet to look for work.
- Of the reasons cited by the rest of those in this segment, the following were given: (i) processing papers for abroad (5 per cent); (ii) still young (5 per cent); (iii) just resigned (5 per cent); (iv) plan to finish/continue studies (5 per cent); (v) already found work but to start later (2 per cent); (vi) went to (home) province (2 per cent); (vii) just got married (2 per cent); (viii) financial problems (2 per cent); (ix) still reviewing (for board exams) (2 per cent); and (x) do not know where to look for work (2 per cent).
- Only 2 per cent of this youth segment cited lack of education even though many of them were unable to complete their formal education (but were able to avail of the non-formal education and training programmes of the city government).
 - One in 10 youths (12 per cent) quit school within ages 7–14, before graduating from their primary or secondary school years.
 - Three in five youths (66 per cent) quit formal school within ages 15–19.

- One in five youths (22 per cent) quit formal school within ages 20–24 and after college.
- Few youths (5 per cent) had to work while they were still studying.

Future plans of this segment

- Four in five (78 per cent) of this youth segment still planned to work or start a business and one in five (22 per cent) said they did not have plans to work.
- However, for those who still plan to work as to when to start working:
 - only one in five (19 per cent) had plans to work within three months;
 - one in two (2.6 per cent) said they planned to work within the next 3–6 months;
 - one in four (25.6 per cent) answered that they planned to work within the next 6–12 months;
 - one in four (25.6 per cent), “in the next 1–2 years”; and
 - a greater number—one in three (28.2 per cent)—answered “after the next two years”.
- More than a half of this youth segment planned to stay and work in the Philippines (53 per cent) while (47 per cent) said they would like to work abroad given the opportunity.
- Of those who planned to work (locally or abroad), they were considering office work, service crew, sales lady, nursing, care giver, call center agent, accounting, electrician, computer technician, events manager, and airline flight attendant.
- More than a third (37 per cent) of this same youth segment were interested in starting up in their own business, particularly:
 - a sari-sari store (16 per cent);
 - hotel and restaurant business (9 per cent);
 - electronic load business (3 per cent);
 - buy and sell ready to wear clothes (3 per cent);
 - grocery business (3 per cent); and
 - bag business (3 per cent).
- Two in five (34 per cent) cited taking care of children/siblings as the reason why they were not looking for work.
- In the city and in other localities surveyed, family obligations, particularly taking care of children/siblings, were the main reasons why youth not in the labour force chose not to look for jobs. This was most common among women across localities:
 - who believed women needed to be at home to care for the family;
 - who felt guilty about pursuing a career, especially those brought up by full-time mothers;
 - whose concept of “self” was defined by their motherhood or care giving role;

- who saw themselves actively looking for work only when all children were already old enough to look after themselves (i.e. in high school or of high school age);
- who believed they were too young; and
- who believe that if ever they worked, their monthly salary would only be used to meet household expenses or who would have to spend their salary paying for a helper or “yaya” (nanny)—so they could not see the logic of working.

A number of them planned to go back to school but their parents could not support their schooling due to pressing financial constraints. Generally members of this group belonged to big families.

Training and non-training needs to pursue plans in the future

This was a section where multiple responses were possible. Answers given, in order of importance were as follows:

- Two in five (41 per cent) cited the need to complete college.
- Two in five (38 per cent) needed capital to start-up a business.
- One in four (25 per cent) needed knowledge in business and entrepreneurship.
- One in six (13 per cent) needed IT skills.
- One in six (13 per cent) needed communication skills.

Notes on common findings in the city and other localities

A number of findings in Marikina were similar to those responses found in other survey locations. These common findings included:

- A high number who would choose to work overseas if given the opportunity.
- Of those who responded that they had plans to work in the future, “future” for them meant when their children or siblings were already old enough that they did not need to provide full-time care (high-school age).
- Most commonly, wage employment was associated with care-giving or office work.
- Of those who would like to start their own business, a common preference was to do something near to their house so they could still attend to family duties. Their preference to start their own business explains why most of them are in need of capital.
- Perhaps because they are tied up with family responsibilities relatively fewer non-job seekers are open to working abroad than job seekers. A college diploma, knowledge on entrepreneurship and capital are the main things that non-job seekers think they need in order to become productive.

3.3.5 Students

Sixty-two respondents (31 per cent) were in the category of students.

- Six in 10 (63 per cent) belonged to class D income, 27 per cent to classes ABC combined and 11 per cent to class E.
- Six in 10 (59 per cent) were males and 41 per cent females.

- Almost all (95 per cent) belonged to the 15–24 age group while 5 per cent were in the 25–30 age group.
- Almost all (98 per cent) were single/never married and 2 per cent were married/living with a partner.

All students like school

- All students liked school; 63 per cent “like school a lot” while 37 per cent “like school a little” but there were no youth who said they did not like school.
- Doing group work or projects (28 per cent), listening to lectures of teachers (25 per cent), and reviewing notes (12 per cent) were among the activities students most liked in school.

Student performance

- Overall, students view their own performance in school as “average”.
- Among specific subjects, students believed they were better in computer studies and Filipino than other subjects.
- It appeared that students generally believed they were not as good in Math compared to other subjects.
- Few students were business-oriented (13 per cent).
- Students claimed to spend around 2.5 hours in studying or doing school requirements each night.
- According to them they were able to complete school requirements most of the time.
- Very few students (9 per cent) had experienced stopping their education in order to work.
- More than half (57 per cent) planned to look for a job after graduation from college or high school.
- More than a third (37 per cent) planned to continue to college or post graduate studies.
- Only 5 per cent planned to start their own business.
- Of the reasons given for wanting to go abroad, the following were cited:
 - looking for a job (8 per cent);
 - continuing their studies (3 per cent);
 - relaxation (3 per cent); and
 - taking a board exam (2 per cent).
- Among the students who had actual plans to work or start a business, when asked if they would rather work abroad or not:
 - seven in 10 (71 per cent) said they were inclined to work abroad; and
 - three in 10 (29 per cent) said they would rather work in the Philippines.

3.3.6 Findings of the survey results across all youth segments

Reasons for not finding a job when job hunting

- Financial constraints—they lack the money to pay for essentials e.g. transportation, food when job hunting.
- Stiff competition—they felt their chances were slim when too many applicants vie for the same job.
- Self-confidence—many were lacking skills, confidence, and work experience even where job vacancies existed.
- Self-esteem—others tended to have a high regard for themselves and so preferred jobs that were stable, paid well, and were appropriate for their qualifications.

Reasons for expecting a higher salary specifically for Marikina

- College graduates exhibited a high self-regard and believed they deserved more by virtue of their education.
- Many expressed the need to support their desired image: a monthly salary of PhP7,000 was not considered sufficient to sustain that image. In turn this was linked to the desire to project an image of young urban professionals (“yuppies”) working in business districts such as Makati, Ortigas, and Libis.
- Ideally, they wanted to save a significant amount from their salary and they would also like to contribute to expenses at home. They believed they could not do this if their monthly salary was less than PhP7,000.

Reasons for not going back to school

Main findings:

- parents cannot support their schooling due to financial constraints;
- although they were willing to work to support their schooling, opportunities to do so were not available;
- parents insisted on courses that their children did not like and thus performance in school was compromised; and
- finishing school was no longer an aspiration for many young people who were recipients of OFW remittances.

A few of those youth with family responsibilities claimed they were not disposed to working abroad while many other surveyed youth were inclined to do so if an opportunity arose. A college diploma, entrepreneurship know-how, and capital were the elements that these non-job seekers claimed they would need to have should they decide later on to actively engage themselves in the labour market.

According to the survey, a typical job-seeking youth with a relatively low level of education believed that having a college diploma was a vital prerequisite to obtaining a job in the market. Even among those who had tertiary level technical or vocational training, many respondents claimed they were not confident that the credentials they had gained would be sufficient for them to get hired in a preferred job.

Unemployment, therefore in the context of responses from the youth in Marikina, is brought about by various factors ranging from an inability to continue/complete education, lack of skills training, low wages offered and sadly, even transportation money in order to apply at worksites. On the other hand, frequenting job fairs or registering at online job recruitment networks were not common among youth.

Further, not all youth are aware of various government agencies like the TESDA, PESO, and Technology and Livelihood Resource Center (TLRC) that could aid them in learning new skills or finding good jobs. Even if they were aware of these agencies, knowing how to connect and avail of specific services was often not familiar to youth.

Hence, there may be a need to increase awareness of and disseminate information about labour market service providers and their services. This information could greatly help in expanding the work-seeking environment for youth.

The qualitative and quantitative results of the study were also presented to LGU officials, staff, local trade unions, and business chambers in September 2006. In the same forum an ILO consultant (Eugene Gonzales) was asked to present a “*Factor Analysis of Employment*” in the city.

The city government admitted that all the while they thought they knew the problems of their local youth, the results of the survey and FGDs showed there were areas that the LGU needed to give due focus on and address accordingly.

The key elected and civil service officials in the city government realized that various youth segments—students, job-seeking unemployed, self/employed, and not-in-the workforce or those not actively seeking work have varying circumstances and constraints to employability and their own reasons for not actively seeking jobs. Reasons included non-learning factors that constrained youth employability such as the cost of transportation to reach the job sites of prospective employers and fulfilling pre-employment requirements such as police and health checks. Each youth segment needed a different intervention rather than a one-size-fits-all approach that was being commonly provided in order to get them productively engaged in available job opportunities.

3.4 Activating a multi-sector Youth Employment Committee

Given the results of the youth employability survey, the city government was challenged to prioritize and further customize its services to addressing particular employability constraints of each youth segment particularly the less skilled, the educated unemployed, and the OFW-dependent amongst them while continuing existing scholarships programmes for schooling age children and youth.

A youth employment committee was formed during the culminating activity of the Marikina Youth Employment Workshop of September 25, 2006. The Committee was composed of representatives from select LGU offices, from the business chamber, the labour sector, and national government agencies such as the DTI, DepEd, and DOLE-TESDA.

The LGU deliberately wanted to restrict membership so that immediate results could be achieved with LGU officers and a few select non-LGU officials who were proactive and sensitive to opportunities. The committee immediately took advantage of existing employment opportunities in the job growth sectors that could be quickly linked to the local supply of qualified or trainable young women and men.

In the workshop and in subsequent meetings with the employment core group, it was noted that the LGU was implementing programmes addressing all the factors affecting both the demand and the supply side of the employment equation. The LGU continues to attract investors, to provide job

information to applicants through its PESO, to provide training on job-hunting, supports local public schools to improve the employability of students. Sometimes it even provides transportation money for job applicants.

In spite of all these efforts, 19 per cent of Marikina youth were found to be unemployed job seekers, and 21 per cent were not in the labour force. In addition, one of the major findings of the ILO Youth Employment Study was that the young people from Marikina primarily obtained job information from friends (65 per cent) and relatives (32 per cent) and reliance on these sources were limiting known opportunities. Only 27 per cent obtained information from newspapers and this is due to the fact that not all are able to afford to buy a newspaper. To enhance the sources of labour market information, it was suggested during the meeting for the Youth Employment Committee to directly link job seekers with employers to minimize “filters” that can distort job information.

3.5 Partnership activities on youth employment with the Animation Council of the Philippines, Inc.

ILO-Manila’s contacts with industry groups, starting with the Animation Council of the Philippines Inc. (ACPI), were linked to the City Youth Employment Committee to explore partnership arrangements and to find out industry requirements so that resources could be mobilized and trained to meet industry needs.

The ACPI Executive Director Joy Bacon briefed the City Youth Employment Committee on “*Trends and Opportunities in the Animation Industry*”. She said that as of 2006, there were approximately 5,000 animators employed by industry; and by 2010 an estimated 20,000 additional positions needed to be filled; that the biggest animation companies in the Philippines were located in Pasig, adjacent to Marikina City and that this was a major opportunity from which Marikina could benefit.

She put forward the possibility of connecting the city’s unemployed youth to animation sector companies and jobs. She suggested that a standard “Orientation and Testing on Digital Animation and Graphic Design” be set-up through which the LGU could mobilize young people who have a strong interest in and the talent for drawing. The LGU officials took the challenge and told ACPI that it would mobilize participants for the proposed “Orientation and Testing” activity within two weeks.

3.5.1 Mobilizing local youth for orientation and skills testing in BPO animation sector jobs

The driving force behind the Marikina employment initiatives were the CENTEX—the LGU’s training arm and the WAO (which supervises the PESO). These two offices are familiar with the importance of testing and training in enhancing employability and have the practical means to reach out to the jobless, complacent, rejected, and discouraged job seeking youth.

These offices pushed for the conduct of the “creativity test” immediately after listening to the presentation on employment opportunities in the animation industry. The same offices were also the ones responsible for reaching out to those unemployed youth who had the basic skill requirements (e.g., drawing skills) required by this industry.

In a span of less than two weeks, they distributed simple leaflets and posters at the barangay level and through “youth-to-youth” and “relatives and friends” channels and engaged more than a hundred applicants to pre-register for the testing. There are 92 applicants who took the “creativity test”.

At the same time interested parties were apprised of the fact that the orientation and testing activity could take a whole day it was indicated to them that they would have to provide their own meal and not to expect any provision from the local government.

3.5.2 Conducting orientation and skills testing for employment in animation sector jobs

The Youth Employment Committee held its first major initiative, exactly a month following the Youth Employment Workshop and its own formation which was instrumental in bringing in external employers to the city to orient, test, and train local youth—especially the job seeking youth—and in actually gathering out-of-school and educated jobless youth who were interested and claimed to have sufficient drawing talent for the animation jobs.

On October 25, 2006, more than 100 youth from the city attended the scheduled “*Orientation and Testing on Digital Animation and Graphic Design*”. It was an opportunity even for those who did not finish high school but who had a strong interest in and a talent for drawing to eventually land a good job as well as the perseverance to be properly trained.

The ACPI Executive Director Joy Bacon again made her presentation, this time to a wider audience. Ms Bacon admitted not being knowledgeable in recruiting at the grassroots level. The animation firms relied mainly on print advertising which the survey commissioned by ILO-Manila showed was ranked only third as a source of information on jobs. Friends and relatives were ranked first and second respectively as the preferred sources of job information as these were used at no cost to job seekers.

Immediately after the presentation, ACPI administered their “Creativity Test” to determine the readiness of the city’s local youth for employment and or further training in animation sector jobs.

Out of 92 youths who took the test, 78.5 per cent were assessed as having the potential for a career in animation and qualified for further training. This included 17.4 per cent who were classified as “very promising” and needed minimal additional training. The ACPI Executive Director said that the qualification rate of 78.46 per cent was high compared to tests they had administered in other localities.

After the test, the CENTEX offered training scholarships for those who were assessed as qualified for animation training. The Youth Employment Committee was targeting to have the training for employment for the qualifiers started by December 2006 and to run another creativity test for other youths in the city as well as providing career orientation seminars and the same “Creativity Test” to graduating students in the city’s high schools.

The plan to conduct these tests among in-school-youth was proposed by the DepEd representative at the Youth Employment Committee considering the 6,000 students who graduated annually from city’s public high schools. Assuming 10 per cent of these students have drawing skills, it was planned to test around 600 students before the end of the school year in March 2007. This was considered to be a helpful initiative since a good number of graduating high school students would not have the funds or other resources to enrol in post-secondary education without assistance.

3.5.3 Institutionalizing the “test and train” approach in LGU partnerships

In the animation sub-sector of the BPO industry

Given the success of the testing activity with ACPI, it was planned to hold a further major campaign to recruit potential animators during the first quarter of 2007. However, a number of problems were encountered that delayed the execution of this plan. These delays included:

- a. technical delays in the finalization of the necessary MOA with TESDA that would institutionalize testing and certification for Animators within the LGU; and
- b. the procurement of the most economical training facilities and equipment which required some canvassing and preparatory work leading to additional procedures being encountered.

All these were overcome and the programme was accomplished mid-2007. Some 2D facilities that Quezon City LGU no longer used were tapped by the Marikina City LGU. Networking with the ACPI continues and ensures that the training and trainers meet industry standards. The industry, through ACPI, has pledged to provide on-the-job-training and employment for those who graduate and qualify.

ACPI is also looking at the possibility of developing Marikina-based trainers. The best performers in the creativity test may act as trainers if they have trainer skills that can be developed.

Another ACPI track is to encourage local investors to set up animation studios in Marikina who can be sub-contracted by the major players in the industry. This enterprise model can further facilitate the employment effort of the city.

Replicating the BPO-animation “test and train” formula with BPO-call center firms

Following the success of the animation programme, it was planned to institutionalize the combination of testing and training in other industry partnerships of the LGU as part of the Marikina City’s Youth Employment Program beginning 2007. The LGU planned to collaborate with TESDA in setting up a “skills assessment center” which could either lead applicants into immediate employment or to “training-for-employment” courses to be designed and offered by CENTEX. The stated long-term goal was to formalize a “skills certification” process jointly with TESDA that would facilitate and increase the employability of Marikina constituents.

3.5.4 Extracting lessons: LGU partnering with BPO firms

The need to have a proactive approach by matching demand with supply

The BPO firm and ACPI both recognized they are not knowledgeable in recruiting at the grassroots level. The experience of working with the LGU has given them the tools and the lessons to actively recruit directly at the local level rather than reliance on print media that does not reach their targets.

ILO brokering services were very helpful in bringing potential employers with clear skills demand together with the local supply of labour, largely young people with the skills needed by industry but who had become discouraged following rejection from previous job applications. The key role played by the LGU was clearly designed to mobilize and support that section of the local labour supply most interested in and qualified for industry’s requirements.

The city’s Youth Employment Committee played a major role in the LGU’s employment and economic initiatives and successes. From being a mere WAO-PESO concern, the employment effort has now become a shared concern and responsibility of the multi-sectoral Youth Employment Committee in

Marikina. The committee provided the focus for a proactive set of people to work together and advance local development and employment initiatives.

The driving force in these Marikina employment initiatives were the CENTEX and the WAO (which as noted, supervises the PESO). Both were represented in the committee. These two offices are familiar with the importance of testing and training in enhancing employability and their roles were critical to its success.

The CENTEX and WAO-PESOs were the ones who pushed for the conduct of the “Creativity Test” immediately after the presentation on employment opportunities in the animation industry. The same offices were also the ones who reached out to unemployed youth who had the basic skill requirements (e.g., drawing skills) of the industry.

The CENTEX and WAO staff directly contacted potential applicants using their databases and coordinated with the solid waste management teams for assistance in the house-to-house distribution of leaflets during their regular garbage collection trips so as to inform the greatest number of people at least cost. In a span of less than two weeks they were able to distribute simple leaflets and posters at the barangay level and convince more than 100 youth to pre-register for the testing. Ninety-two of the total pre-registered youth actually took the test. This was considered a good turn-out rate.

Testing, training, and certification—key employability tools

As a result of these initiatives, the employability process has been reversed. Whereas previously, the approach was to *train and test* for employment; the new approach is that of *test and train*. An increasing number of BPO companies have been approaching the LGU to explore and coordinate testing activities.

But testing is useless without funds to support the training of those found to be job qualifiers. The scholarships provided by TESDA using vouchers continue to be well-distributed by the CENTEX to qualified applicants. After training and certification, the recipients is able to use their certificates to immediately qualify for a job and the same certification can facilitate their mobility to higher grade positions within the animation industry.

After some delays, the LGU finally concluded an agreement with TESDA that can lead to the expansion of certification activities in Marikina specifically for animators. This is an important development in further enhancing the employability of youth in Marikina City.

LGUs as the new employment channel

About five BPO firms so far have coordinated with the Marikina City LGU in conducting their recruitment activities. One of these was already based in the city; another was in the process of setting up a major branch in the city. They have seen the benefit of working closely with the LGU rather than relying only on media advertising.

The experience has shown that it is much less expensive to recruit through the LGU. A single advertisement in a major broadsheet typically costs PhP176,000. Posting this every weekend amounts to PhP704,000 per month. In Marikina, a BPO-firm does not spend for advertising at all because all the leaflets and billboards are produced by the LGU. The only additional expense incurred by the firm is the rental of the computers and rooms used for the computer-based tests.

Aside from the economic advantage of recruitment through the LGU, the results of the testing (11-13 per cent) were consistently above the general industry passing rate of 2–5 per cent. It remains to be seen whether this result can also be achieved by other LGUs. Marikina has historically

invested heavily in education and this is now bearing fruit. The same may not have been the case with other LGUs. Even so, the same BPO-firms noted in this case study have also started to coordinate closely with the Quezon City LGU to try and replicate there, their experience in Marikina City. Evidently, industry sees the value of this approach.

Corporate social responsibility in support of local employment

Beyond the economic and other advantages of this specific local recruitment experience, BPO-firms now see the potential of corporate social responsibility (CSR) partnerships with LGUs.

Aside from possible projects to improve the LGU's information technology systems, the private sector can also see the possibility of contributing to or complementing the LGU's investments in education and training programmes. After all, the industry is now benefiting from previous investments by the LGU in these areas. This CSR potential, i.e. youth-focused interventions, need to be followed up and carefully planned to ensure significant benefit for the LGU, the industry, and the community at large.

4 Way forward

On February 7, 2007, in the State of the City Address (SOCA) delivered by Mayor Marides Fernando, she enumerated the directions for 2007 and beyond, in further enhancing employability of the city's constituents. The main points of her programme were:

- better strategies to find long-term employment for job seekers;
- more and better schools for improved learning and competitiveness;
- strengthening of the *Speak English Campaign* to include a *Speech Laboratory* at the *Pamantasan ng Lungsod ng Marikina* that will help equip call center aspirants with adequate English proficiency; and
- adoption of TESDA's ladderized extension programme as an intervention in making available tertiary education for the marginalized youth.

These programmes are strategic to efforts to realize the vision of the city. From the earlier vision of one job, one family in Marikina, the city as of 2007 began to target two jobs per family. The above directions can hopefully strengthen and institutionalize the emerging model of "Local Employment Partnerships" between the LGU, employers, and potential employees.

4.1 Towards an enhanced youth employment strategic plan

The ILO through the PYEP Project organized a series of capacity building interventions for local planners and employment focal persons from all eight partner LGUs involved with the project.

Marikina and Angono LGUs used a different planning process and a somewhat different set of tools from the other six localities and in terms of activities; these two LGUs were relatively advanced. Nevertheless, the Marikina participants from CENTEX and WAO-PESO recognized that there were areas that they needed to address given a new lens from which to examine their own programmes and that there were ILO resources and tools they had not taken full advantage of including the employment planning tools used by the other LGUs and thereafter refined (by Camilo Casals) for inclusion in the LDDW toolkit and the entrepreneurship tools that could enhance the city's employability services for its various youth segments.

Thus, two of the Marikina-CENTEX trainers were invited to participate in GET Ahead training held in May 2007 and two other trainers from the LGU and the Marikina Valley Chamber of Commerce and Industry participated in the last batch of GYB/SYB trainers training held in November 2007.

From this and other participation, new realizations and inspirations obtained from the experiences of other localities were also generated and which were of benefit to the city, particularly through the attendance of director of the Center for Excellence in ILO's LED in Asia Forum held in Chiang Mai, Thailand during May 2007 as to linking Marikina's youth employment strategies to the broader local economic development strategies.

On June 21, 2007, members of the Marikina Youth Employment Committee held a workshop to formulate a "Youth Employment Strategy Plan" to capitalize on the initial successes while complementing its opportunity- and activity-based approaches to youth employment planning within the broader and longer-term approach.

The actions proposed by the workshop can be categorized under two interrelated goals:

- Developing youth employability and entrepreneurship.
- Planning for local economic development.

The specific actions identified under the general rubric of "Developing Youth Employability and Entrepreneurship" were to:

1. Establish an employment center with a youth focus.
2. Institutionalize a "Training, Assessment, and Certification System" in partnership with TESDA.
3. Expand testing and recruitment activities with more client companies.
4. Develop learning sessions on work attitudes and entrepreneurship.
5. Systematize data-banking through a "Human Resources (Manpower) Registry".
6. Mobilize community-based youth organizations.
7. Pilot test the GYB/SYB modules for high school students.
8. Negotiate with microfinance institutions for a means to finance youth enterprises.

4.2 Interrelated strategies regarding youth employment and local economic development

All youth employment efforts have been consistent with the city government's vision and goals. In light of the new goal of Marikina to target *two jobs per family* further steps were taken through the Marikina Employment Committee in line with the identified and interrelated goals.

With regard to developing youth employability and entrepreneurship:

- a. An MOA between TESDA and the LGU on a training, assessment, and certification system was finally signed in mid-2007. The system is now being pilot-implemented through the 2-D Animation Course.

- b. TESDA vouchers worth in total of PhP1 M were obtained by the LGU for youth who had been assessed as qualified to undergo 2-D animation training. The first course started in July 2007 with 85 trainees (78 youth, 10 adult women) to be completed by year-end. Another PhP1.2 M worth of TESDA vouchers were also obtained for youth who were to go through a ladderized Tech-Voc, call center, and medical transcription training at accredited TESDA centers.
- c. The Youth Employment and Assessment Center was officially opened and became operational in August 2007.
- d. Five BPO firms have already conducted testing and recruitment sessions in coordination with CENTEX and WAO-PESO. More companies are approaching CENTEX and WAO for possible tie-ups.
- e. Those who have already conducted and will continue to conduct recruitment sessions were: (i) IBM Daksh; (ii) ETelecare; (iii) ICT; (iv) NCO; and (v) Sykes. More recently Convergys has shown interest.
- f. The Legislative-Executive Economic Cluster of the LGU, with support from the ILO-Manila held a series of group discussions and a workshop in September-October 2007 to generate action points and proposals for LED.
- g. The members of the Economic Cluster are the chair of the Trade and Investment Committee of the Legislative Council, the head of the MCTTIPO, and the head of the LGU's public enterprises—the public market, the sports center, hotel, etc.
- h. The city LGU has initiated efforts towards organizing local entrepreneurship training using ILO's GYB, SYB, and GET Ahead directed at containing and reinvesting incomes generated by local industries as well as residents working in Marikina, in neighbouring localities, and offshore to benefit the local economy and its current and future generation of constituents.

4.2.1 Planning for a more inclusive policy structure for local economic development to benefit youth

The *Invest in Marikina* programme has gained ground as evidenced by the considerable number of new businesses that have relocated and developed in the city and the favourable effect this has had on the problem on the unemployment environment. To underpin these efforts, the city mayor issued Executive Order No. 10-07 authorizing the city government to organize the Local Economic Development (LED) Board.

Composition of the Local Economic Development Board

As provided for in the executive order the LED Board of Marikina shall be composed of the following elective and civil service officials of the city:

- City Mayor as the Honorary Chairperson;
- the Councillor championing legislation on business, investments, public enterprise, and local economic affairs;
- Head, Marikina Cultural, Tourism, Trade, and Investment Promotion Office;
- City Planning Officer, Marikina City Development Authority;

- Director, Center for Excellence;
- Head, Financial Management Cluster;
- Public Market Administrator;
- City Engineer;
- Representatives of Business – Marikina Valley Chamber of Commerce and Industry;
- Representative of Philippine National Police;
- Representative of Association of Barangay Captains;
- Representative of Labour Alliance of Trade Unions in Marikina;
- Representative of Academe (DepEd/Maripisa);
- Representative of Homeowners/Community Association;
- Representative of Transport Group; and
- Representative of Media (Print/Broadcast).

Although the board intends to address unemployment across all sectors in the city and is working with and for young people, it has been noted that there is no youth representative on the local economic development board, but this may be considered later under a new leadership.

The duties and responsibilities of the board

The duties of the members of the LED Board are as follows:

“ It shall:

Design the framework and processes for local economic development and management

Review policies and programs of the city relative to economic growth

Recommend and push for business-friendly policies and programs

Coordinate and network with concerned local and international organizations to promote Marikina, a major metro investment hub”

The Executive Order was signed on November 15, 2007. The following year, according to the LED Chairperson, Councillor Ubaldo, there were a number of meetings intended to:

- review and address the local situation and identify gaps in policies, programmes, and services of the city in order to ensure an increased and efficient inflow of investments into local programmes and services; and at the same time; and
- identify and take steps to seize new opportunities to sustain both established and newly initiated measures of enhancing employability of graduates, unemployed, youth, and non-youth segments faced with different challenges.

What has been accomplished so far by the LED Board, according to its Chairperson, has more to do with articulating immediate issues, concerns, and highlighting the initiatives of member-institutions insofar as duplication of LGU policies, implementing structures, and efforts are concerned. Since its formation, the LED Board has not yet gained ground to be regarded by constituents as a distinct

multi-stakeholder body. It has yet to deliberate and design an operating framework for its activities and this has left it without a clear mark or achievement especially in addressing local economic and employment challenges and problems.⁷²

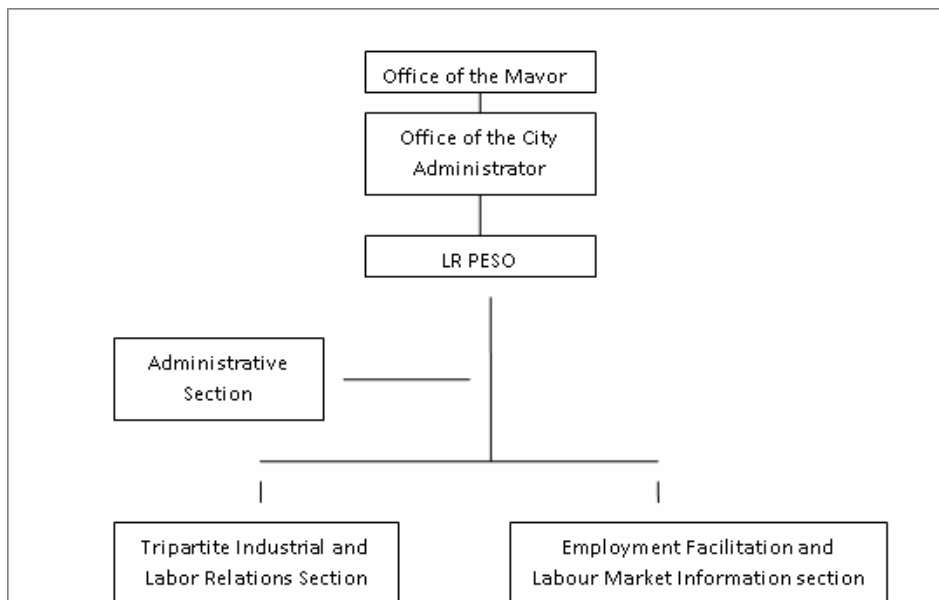
4.2.2 Integrating the PESO formally into the LGU organizational set-up

The head and support personnel working in the WAO were appointed by the local chief executive and funded through the Mayor’s Office. Therefore their positions are precarious and can be replaced with a change in leadership.

Considering that the both the head of the WAO as well as support personnel have worked to set-up and manage the facility for almost a decade now, many believe that it is not time for the city government to regularize the employment facility with a mandate: (i) to serve the needs of the walk-in public in search of guidance and jobs; (ii) to organize job fairs to be held at least quarterly and at most monthly; and (iii) to conduct special recruitment activities.

With these concerns in mind, the Marikina City Ordinance No. 108—Series 2009 was drafted and approved by the *Sanggunian Panlungsod* officially creating the Marikina Labour Relations and Public Employment Service Office (MLRPESO) as well as the plantilla positions needed to staff the facility. Specifically, this ordinance provides for the premises, and outlines the responsibilities and functions, organization of personnel requirements and effectivity of the creation of the MLRPESO. The structure is outlined in Figure 13.

Figure 13: Organizational chart for Marikina labour relations and public employment



Source Marikina City Labour Relations and Public Employment Services Office, Dec. 2009

⁷² Based on interviews with the LED Chair and Heads of Marikina Investment Officer, Center for Excellence, Public Employment Service Office and Marikina Development Authority.

5 Marikina City in transition: post-crises and anticipated change in leadership

In late 2008, the adverse effects of the global financial crisis became evident throughout the Philippines. Companies went into asset management mode and new investment was deferred in many instances. While dealing with the consequences of the global downturn, the Philippines was hit in 2009 with a number of extreme weather events of which the destruction brought about by Typhoon Ondoy was particularly devastating to the city. This has had far reaching implications on the status of the local environment. The widespread flooding that came about during the typhoon and immediately afterwards has caused the city to revisit its Land Use and Development Plan and with it has come the necessity of reviewing the implications for local industries and enterprises, social welfare, and empowerment of youth.

5.1 Survivability of ILO-CIDA-YE interventions in local programmes

The results of the youth employability survey and FGD in Marikina that have taken place in recent years has helped sensitized local youth stakeholders. They have come to the realization that although there are youth-related services in place for out-of-school and job seeking youth, both the survey and FGD results provided fresh impetus for various stakeholder groups to differentiate and understand the circumstances and needs of each of the youth segments. Within their respective capacities they have worked towards enhancing the approach, tools and services needed to tackle youth employment problems.

On the one hand, the local youth FGD participants (particularly the recipients of overseas remittances and their dependents) have recognized their complacency in reliance on overseas income to support their lifestyle without any urgency to work. Many have realized the need to change their mindsets and re-order their priorities. Members of this group have now taken steps towards organizing mutual-support groups and at the same time providing youth-to-youth services at the barangay level in order to encourage fellow young people to take action and finish school, or otherwise taking measures to achieve a responsible, productive and self-reliant life.

On the other hand, the support institutions such as family, parents-teachers-community association and local government, who earlier believed that they had already been providing a complete range of services for youth, have recognized the lacunae that exist in LED approaches to youth employment LED, especially in regard to more vulnerable youth segments.

Nevertheless progress has been made in providing young people with employable skills and opportunities. These achievements stand despite recent difficulties and should be able to prosper into the future even with a change of administration. The key to their survivability is the success generated:

- The BPO feasibility study for Marikina led to an environment fostering LGU partnerships with BPOs operating in neighbouring localities that facilitated their relocation (or expansion of facilities) to Marikina.
- The conduct of the “Test and Train” approach in recruiting and placing people for employment and reinforcing the importance given to focusing on developing the extra skills needed by near-hires to push them into employment.
- The discovery of a high number of Marikenos who were not high school graduates but who took creativity tests and were found to have high passing rates is indicative of the talents of

Marikeno youth (and perhaps young people elsewhere) for jobs requiring creativity and innovative talent.

- The opening of new doors for young people in Marikina who only possess two basic qualities, their passion and natural talent for drawing, but which through the Test and Train approach found careers such those as in the BPO animation sector and which has been shown to be sustainable.
- The steps voluntarily taken by Overseas Filipino Workers (OFW), NGOs, and self-organized OFW dependent youth to extend youth-for-youth services that address specific circumstances of young people who lacked incentive to continue with schooling or who dropped out of the workforce because they felt no urgency to work (particularly those in receipt of OFW remittances).
- The creation of the Local Economic Development Board in 2007 which, although not yet fully functioning, has supported the passage of ordinances leading to the creation of the Marikina Labour Relations and PESO, the anticipated implementing arm of the LED.

With the creation of the LED Board, the survivability and relevance of the other dialogue mechanisms already in place is a question that new local executive and legislators will have to address. According to local sources, the local government and other stakeholders need to recognize that without the support and facilitation extended by external partner-institutions, such as the CIDA and the ILO, the LGU would not have been able to formalize and execute the youth employment programme that directly led to the creation of a local economic board. More to the point it was only through these outside interventions that the LGU recognized the focus that must be given to young job seekers and for each and every segment of the youth especially amongst schooling age youth.

Likewise, the capacity-building programmes and tools provided by ILO made the LGU aware of new areas of concern as well as the challenges and opportunities to improve on what they had earlier achieved.

5.2 Insights and lessons

There are six major lessons we can discern from the analysis.

1. Stakeholder representation and partnership mechanisms in local governance for economic development.

Representation and partnership mechanisms have been put in place through local ordinances able to deal with sector-specific development issues and challenges involving several parties in a single forum:

- bilateral representation and partnership mechanisms; e.g. with informal settlers, informal entrepreneurs, etc;
- trilateral representation and partnership mechanisms; e.g. Marikina Tripartite Council; and
- multilateral representation and partnership mechanisms; e.g. Marikina Investment Board which involved the Tripartite Council Members and with places for other government and non-government representatives. More recently with the creation of the LED Board an attempt has been made to widen stakeholder involvement in the

development process and to expand the perspective and appreciation of each sector to other issues and challenges of the local economy.

These efforts have been supported by the city government in terms of provision of budget, personnel, and supplies and eventually provision of physical offices to make these mechanisms function in a manner that promote the interests and goals of those involved in each of the various forums.

All of these have served their particular purpose with significant gains for each partner sector while at the same time some trade-offs have been necessary in order to move forward to commonly established goals.

Maintaining and influencing institutional partners while creating new and more relevant linkages and integrating the tested tools, approaches, and practices into their local systems appears to be a highly significant action. It has resulted in improving and expanding the serviced areas of youth specific employment programmes.

2. Effects on institutional capacities of local governance partners and areas for improvement.

Partner organizations of the local government have recognized the positive developments arising from the dialogue mechanisms and practices established. These developments are in the areas of: (i) adjusting and adapting to changing realities and hence the approaches taken to tackling local development issues and challenges; and (ii) continuing dialogue and participation in development activities even with conflicting views and interest among the partners.

3. A recognized role for business support organizations: e.g. Marikina Valley Chamber of Commerce and Industry.

While in the past the local government was focused on promoting the holistic development of publicly managed and supported enterprises and saw these enterprises progress, thrive and benefit economically marginalized sectors, it came to a point where the local government had advanced too far in this area and had inadvertently threatened private sector enterprises who were operating businesses in parallel with the city government.⁷³

The local chamber representatives further observed that while there seemed to be an adequate consultation process within the tripartite council, often decisions and actions on complaints brought to the attention of the WAO appeared to be disproportionately in favour of the workers. This needed to be counterbalanced by a similar management affairs office with where employers can file complaints against workers. This would be a mechanism of last resort because enlightened management and employers would rather deal with worker problems internally and making good use of motivational psychology.

They further noted that while there was an economic and business oriented body in the form of the Investment Board where private sector business and industries are represented, this body needed to have a voice in the process from decision making to action. It seems that for many (most) years, the consultative and dialogue process has been limited; decisions made by the city affecting the private sector were often taken unilaterally and without proper

⁷³ Interview with local chamber officials, September 2007.

consultation. Often chamber representatives were just called to a meeting where they were informed of a decision that had been made.

An issue of particular concern to local SMEs is in the area of meeting the occupational health and safety standards and requirements; many find it difficult to do so. Often it appears that local requirements are patterned after Singapore practices and the bar is set too high given the differences in levels of economic development between the two cities. Although proper occupational health and safety policy and practices are good for the business, the workers and the community at large; local private business groups and their members (and in particular the chamber officials) find current standards too costly to implement. They would rather have the Singapore model seen as a target with policy requirements implemented on a staged basis. But according to the Investment Office Head, sometimes the city government implements policies and practices in order to discourage certain kinds of business. In the case of second-hand shops for example, according to the Investment Head, the administration would rather not have such shops within the city, for fear that it will breed cases of stealing within the community and the selling of stolen items to dealers for easy cash.

Nevertheless, the Marikina Valley Chamber takes pride in the city government and its leadership, even if government sets high standards for local constituents. In the end, it has provided programmes and services that have led to an environment that is friendly to business. Quoting one of the past presidents of the chamber, he said in the local language (and loosely translated to English) *where can one find a city government that provides its partners with offices, with free electricity supply and even personnel costs to enable its partner organizations to be functional in terms of delivering services accordingly to its intended beneficiaries?* The answer that many local people would give—*only in Marikina City*.

4. Support from the workers sector and informal economy organizations.

In a decentralized setting, the worker and informal sector groups in Marikina have better opportunities for participating and influencing the outcomes of local planning and development programmes and services that addressed their development needs. Local sources believe that much remains to be done: there are a number of hurdles with which to deal, especially in terms of sector organization and government representation in order to fast-track solutions to their problems.

Each sector has had to work with the city government in spite of differences in goals and approaches to development. These differences touch on concepts and views regarding rights and obligations—from local ownership and leasing of properties, to establishing residency, operation of enterprises, and responding to many forms of culture-changing advocacies of the city government. But in the end most of these organizations are able to find representation in established mechanisms for developing and influencing policies and decisions.

Looking back, there have been compromises in the process relative to sector-specific ideals and goals and desired pace of achieving results. But by comparison with many other city localities, what they have so far achieved is of which they can be proud. Marikinos feel that they have beaten the odds. Indeed they have but these achievements were made possible by a local leadership that encouraged the development of dialogue mechanisms with concerned sector representatives.

After the passing of eighteen years during which time the city government has endeavoured to provide the needed environment and the basic capacities for local institutions to participate

and cooperate in local governance, the challenge now for the sectoral support organizations is to become more independent in terms of finding the resources for their institutional operations in order to deliver more, better and expanded programmes and services to their constituents. In so doing they will reinforce the case for a city government partnering with economically independently operating institutions, each pooling in their resources and therefore each having an equal stake in decisions for a common goal of empowering their constituents socially and economically.

5. Quality education throughout local primary, secondary, and post-secondary schools.

The city government mainly through careful allocation of the special education fund has been able to offer free education for all (especially among children and youth into the primary and secondary schooling years). While this is a right enshrined in the Philippine Constitution, not all local government units have been able to provide this facility. Marikina has succeeded through the diligent collection of taxes.

Providing a free and universal education programme relies on the capacities of both the local and the national government as well as that of the private sector (including families of school children, private schools, individual, and corporate givers) to provide for and maintain school buildings, other facilities, enrolment fees, allowances, and provisions for school projects.

The challenge lies in keeping school-age-youth in school. The number of school age dependents increases every year. We have already noted that difficult financial circumstances for many has resulted in a continuing drift from the private sector schools to those in the public sector. This phenomenon is true throughout the Philippines but has been exacerbated in Marikina by the decline of traditional industries which has aggravated unemployment and income loss. This drift passes the cost burden of education to the city government which needs to provide greater resource allocations and additional budget to this sector.

Another challenge for the city government is to provide support for those unable to support themselves with a quality tertiary education. Thus in addition to addressing the needs of primary and secondary education programmes the LGU also invests into post-secondary education. These range from short-term courses to full- four- or five-year degree programmes and, more recently, to masters programmes as well. The objective is to provide a complete range of educational and training in order to address unemployment concerns of new local graduates. These programmes also cater to mature-age local residents seeking to upgrade their skills and find new opportunities.

According to both the results of the TNS survey as well as records of the education and training sector, the situation in Marikina where the school drop-out rate has been increasing, is consistent with national trends. This has added to the urgency of addressing the problem and reversing the trend.

6. The role of the youth organizations e.g. SK and barangay youth organizations.

In common with many other localities in the Philippines, Marikina has a large number of youth who are either unemployed or who have opted out of the labour force. Given the magnitude of the problem the city government needs to marshal all available resources. One such resource to be tapped is the youth themselves though the established organizations.

Worth mentioning again is the fact that the LED Board has yet to include representatives from the youth groups. This needs to be recognised if all relevant socio-economic groups are to be included and harnessed in support of the broader objectives.

5.3 The effects of the 2008 global financial crisis to local economy

The global financial downturn that began in late 2008 impacted negatively on many local manufacturing businesses. Order books shrank and credit became more difficult. Many companies coped with the downturn by reducing their workforce. The reduction in traditional manufacturing jobs was somewhat ameliorated by a continued buoyant demand for workers in the ICT-BPO sector as well as local tourism-oriented activities.⁷⁴

The chief executive of the city government took a lead role in local adjustment measures, chief among which was the centralization of all training funds under the Mayor's Office. These funds were channelled into the educational and training sub-sectors which, with the onset of the crisis, were in need of more support than ever. Those in need of support included not only the displaced workers but also informal settler livelihood programmes as well as graduates and workers in search of jobs. The ripple effects extended throughout the local economy.

In the view of the CENTEX Director, the centralization of training funds within the Office of the Mayor, gave greater flexibility in the allocation of education and training funds (including funds using TESDA training vouchers) to where they were most needed. CENTREX saw its budget shrink post-crisis but nonetheless was able to mobilize needed resources to link private sector employers (particularly in BPO industries) with their own training for employment vouchers from the national government.

5.4 The effects of the September 2009 Typhoon Ondoy on the local economy

While the Marikina LGU was able to absorb much of the shock from the global financial crisis, Typhoon Ondoy struck unexpectedly in September 2009. This extreme weather event, the worst in 42 years in terms of record-breaking rainfall and flooding, gave the city its most difficult challenge. Marikina was one of the worst hit areas and problems were compounded as city government rescue teams themselves became immobile.

Local households, small and large business establishments, the city government offices, and many properties in low-lying areas of the city were under water which reached the second floor of many buildings. This was the first time that a disaster of such magnitude had occurred in the city. Residents and businesses alike were in distress and investors put on hold some of the projects being explored in the city, reassessing their investment plans and assumptions previous made regarding the suitability of an investment in Marikina given the new environmental reality evident from the flooding.⁷⁵

The city government responded with a number of measures to support distressed businesses, affected workers as well as families and help them recover from the effects of extended periods of business stoppage, damaged properties, and income losses.

⁷⁴ See jobs on demand and skills needed even during the global financial crisis in a separate ILO-UACT study on Assessment of CHED, TESDA, and Industry Training Policies to address Employment Mismatch.

⁷⁵ See for example http://www.boston.com/bigpicture/2009/09/typhoon_ketsana_ondoy.html#photo9 for pictures of the devastation that hit Marikina.

5.4.1 Relief operations

This was made possible with the voluntary support of many of local, national and even international organizations and individuals, which the city government through the local and national disaster coordinating council managed. Nevertheless, once the immediate crisis had passed, the city administration began to reassess prior assumptions regarding the city's land use plans and future crisis response plans. This is ongoing as of the time of writing.

Consistent with the values and priorities of the city government, the cleanup of the city started right away. An early target was the city market since it was the place where basic foods and other necessities of the people are sold. By assigning priority to the reopening of the market, the LGU signalled the value it placed in keeping a healthy and safe environment for the trading of food and other basic household consumables.

5.4.2 Affordable short- and long-term financing programmes

After the immediate crisis had passed, efforts turned to support for the recovery of losses by business and workers. With the support of those national government agencies with financing capabilities, the city government made available a business credit fund facility. Known as the SME Unified Lending Opportunities for National Growth (SULONG), this was promoted in the friendliest terms possible with the easy processing of loan applications, low interest rates, and minimum documentary requirements. Of particular note:

- Short-term loans were made available for export financing or as a credit line to provide temporary working capital and repayable in one year; and
- Long-term loans, for permanent working capital, for the purchase of capital equipment, purchase of a building lot or warehouse, repayable in five years.

Funds for SULONG are sourced from government financing institutions including the Land Bank, Social Security System, Development Bank of the Philippines, Small Business Guarantee and Finance Corporation, National Livelihood Support Fund, and the Philippine-Export-Import Credit Agency.

5.4.3 Tax relief for property owners and established enterprises

As an additional relief and support measure for local enterprises to help them recover, the city government issued City Ordinance no. 140 in December 2009 revoking the earlier approved City Ordinance No.13 of January 2008 that required every establishment within the public market zone of Marikina City to pay PHP75 per linear meter of occupied space per month.

Furthermore, and of greater significance, the city government issued another local ordinance reducing the rate of collection of real property and business related taxes as an additional relief measure but with the caveat that the reduction would not compromise funds for basic education for the school year 2010–2011. As reported at its website:

The city council of Marikina has passed an ordinance granting a 50-per cent discount on real property tax payments. Ordinance No. 162 Series of 2009 has been enacted in consideration of the recent calamity that struck Marikina. In a statement, Vice Mayor Marion Andres said the ordinance is designed to help reduce the financial burden of Marikina citizens who bore the brunt of the massive flooding spawned by Tropical Storm "Ondoy." "Many of our people are still reeling from the aftermath of the calamity. Extending this [real property tax payment] privilege is the compassionate thing to do during these trying times," he explained. The discount applies to the total gross tax due,

and is inclusive of prompt payment discount of 10 per cent and an additional 10-per cent discount for Marikina Citizens First Privilege Card holders. Real property taxpayers who pay in one lump sum may enjoy the discount until June 30, 2010.

Source: <http://city.marikina.gov.ph>

This measure demonstrates the sensitivity shown by the city government towards its citizenry in times of crisis.

5.5 Implications of leadership change to local economic development status of Marikina City

Local sources⁷⁶ say Marikina officials and constituents alike commonly believe that the good policies and practices already in place will likely be continued by either of the two candidates—a former congressman and a former vice mayor—competing for the mayoral post in the 2010 election. The groundwork has been laid and, with the worst effects of the global recession now over, Marikina has a new opportunity to focus on innovative programmes that would provide more opportunities for harnessing and demonstrating the leadership, life skills and employability potential of school age and working youth, and allowing them direct representation in the LED Board with guidance from schools, social welfare, and employment related offices.

The future for Marikina continues to look bright.

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Maria Lourdes Carlos-Fernando, City Mayor, Marikina City, December 19, 2005

⁷⁶ Quoting Councilor Ubaldo, Planning and Development Coordinator Aguilar, MCTTIPO Head Maria Lea Astrud, CENTEX Director Borje, MLRPESO Head Gil Munar.

6.1.2 Update interviews (2007, 2009, and 2010)

Eduardo Francisco and Eduardo de Guzman (former presidents) and Vice President, Working Board members, Marikina Valley Chamber of Commerce and Industry, 2007

Ana Marie Dumirque, Working Board member, Marikina Valley Chamber of Commerce and Industry, (GYB/SYB trained trainer), phone interview, February 2010

Philip de Padua, President, Alliance of Trade Union in Marikina (ATUM), phone interview, February 2010

Gil Munar, Marikina Labour Relations and Public Employment Services Office, Marikina City, September 2008, December 2009 and follow-up phone communication 2010

Maria Lea Astrud Santiago Head and Technical Assistant Lourdes de la Paz, Marikina Cultural, Tourism, Trade, and Investment Promotions Office, Marikina City, December 8, 2009

Ramonito Viliran, MD, MPA, Market Public Administrator, Marikina City, December 10, 2009

Julie Borje, Center for Excellence, Marikina City, 2007 and follow-up phone and email communications 2008, 2009, and 2010

Councilor Ponciano Ubaldo, Sanggunian Panglunsod member (championing bills related to investments and support for local economic enterprises including the introduction of the bill on the creation of Marikina Local Economic Development Board and subsequently approved by the city mayor

6.2 Documents

6.2.1 ILO

International Labour Organization: Initial Baseline Situationer (Marikina) by Antonio Pedro, 2005

International Labour Organization: Marikina Tripartism and Employment Promotion by Rene Ofreneo, Cecilia Basa, and Mary Leian Marasigan, unpublished report, 2005 (includes all other interviews prior to November 2005 as footnoted in the report)

International Labour Organization: Decentralization of Governance and Employment Promotion by Maria Asuncion Ortiz and Mary Leian Marasigan, 2005/2006

TNS- Youth Employability Survey and FGD Results

Unpublished draft report prepared by Nishant Gandhi for Marikina City in response to articulated demand-side development need of the city and presented to the city mayor, 2006

Reports prepared by Eugene Gonzales for Local Economic Development and Youth Employment: 2006-2007 with the additional support from Angel Tatlonghari (2006) on and Yvette Barredo-Sonza (2007) on Highlights of pre-recruitment and recruitment activities of Marikina City Government with BPO companies

6.2.2 Marikina City government

Marikina City Comprehensive Land Use Plan

Marikina City Government Annual Report, 2004

Marikina City briefing materials by City Administrator Mel Cruz, presented to the regional youth employment conference delegates while on a study tour in Marikina, 2007

City of Marikina City: Urban Karte Indicators 2008

City of Marikina City: Revised Urban Karte, 2009

Records of the City Engineering Office

Records of the Marikina Cultural, Tourism, Trade and Investment Office

Records of Center for Excellence

Records of the Marikina Labor Relations and Public Employment Office

Data and reports from different city government offices and partner line agencies consolidated by Marikina Development Authority-Planning Office

Marikina City website: accessed in 2007, 2008, and 2010

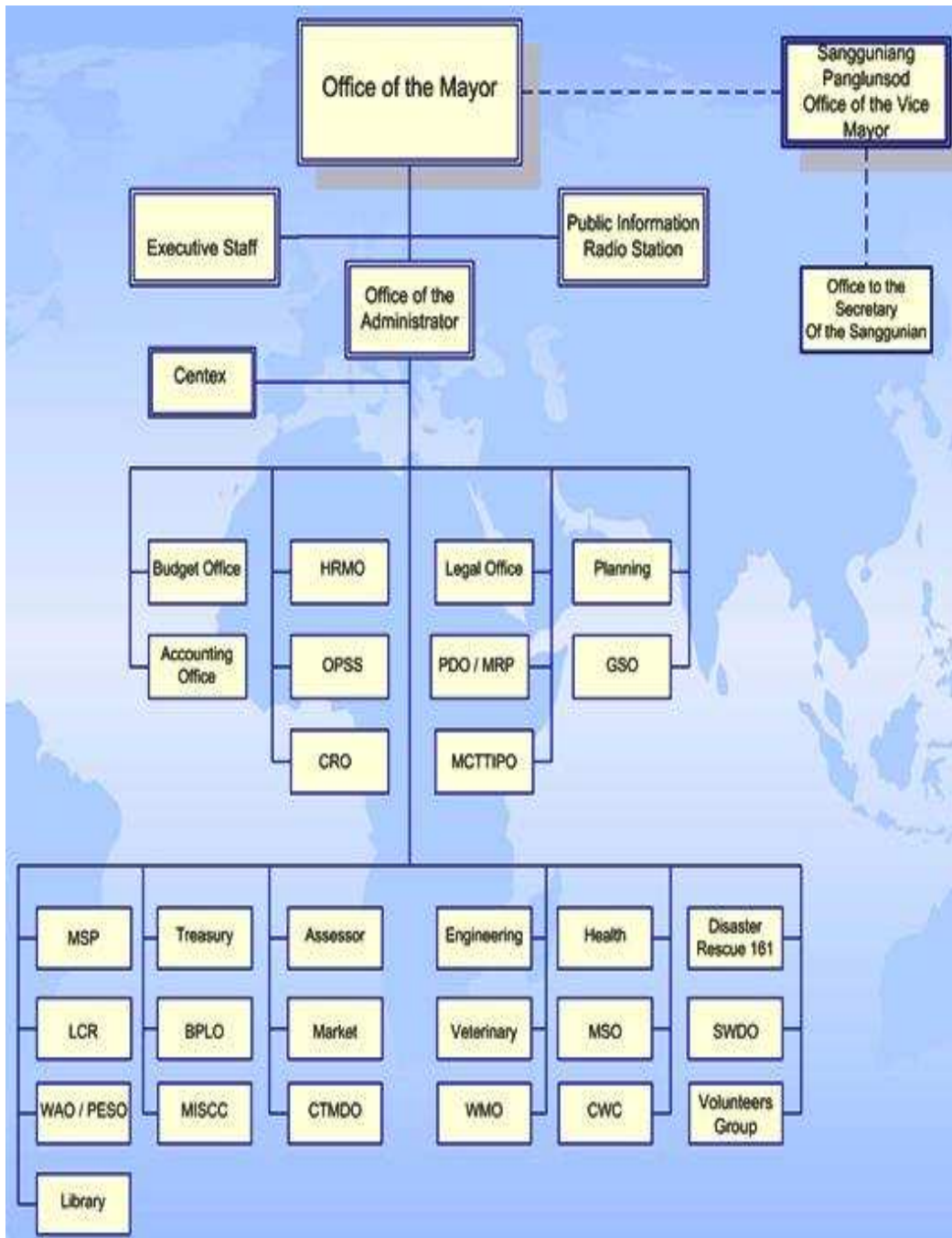
6.2.3 Marikina Valley Chamber of Commerce and Industry

Jeanete Lee, Vice President, Vice President, Marikina Valley Chamber of Commerce and Industry, 2007

Marikina City business establishments and employment survey results conducted in 2006 and distributed in compact disc in 2007

Appendices

Appendix 1: City government organizational chart



Appendix 2: An example of MCF scholarship programme for training for employment programmes

MCF Scholarship

Study for FREE!

ELEGIBILITY

(1) At least six (6) months of residency in Marikina
 (2) Elementary level
 (Note: Education and age requirements depend on the course)

REQUIREMENTS

(1) Photocopy of Voter's ID or proof of registration from Comelec (bring original for reference)
 (2) Photocopy of cedula or barangay clearance (bring original for reference)
 (3) 3 pcs. 1x1 ID pictures

ENROLLMENT PERIOD

January 17, 2008 - February 17, 2008
 8:00 am to 12 noon and
 1:00 to 5:00 pm (no enrollment on weekends and holidays)



Courses at MPC

1. Auto Cadd
2. Auto Electrical Mechanic
3. Auto Gas Mechanic
4. Auto Diesel Mechanic
5. Basic Baking
6. Cosmetology
7. Basic Drafting
8. Basic Dressmaking
9. Domestic Ref. and Aircon
10. Electrical Wiring Install
11. Food Processing
12. Shielded Metal Arc Welding

Foundation Courses

MCF Orientation & Learning Enhancement
 Good Citizenship & Lifelong Learning
 English Made Easy

Business Courses

1. Entrepreneurship (How to put a small business)
2. Business Planning
3. Financial Management
4. Marketing
5. Cooperative

- Pre-membership education seminar
 - Functional Management

Courses at EITEC

1. Care Giver
2. Medical Transcription
3. Call Center
4. 2D Animation

Courses at MPC

1. Advance Baking
2. Advance Cosmetology
3. Advance Dressmaking
4. Advance Tailoring
5. International Cookery

Courses at IETI

1. Cellphone Technician
2. PC Operation
3. Computer Technician
4. Electronics

Free Assessment Program

1. Automotive
2. Shielded Metal Arc Welding
3. Food Processing
4. Household Services
5. Domestic Ref and Aircon
6. Dressmaking
7. Cosmetology
8. PC Operation

Courses under Ladderized Program

1. PC Operation (IETI)
1. HRM (PLMAR)
2. Education (MPC)

Advisory

-Voctech classes are only carried out with 20 students. (Enrollment is on first-come first-served basis).



CENTER FOR EXCELLENCE

2/F Marikina City Hall 646-2360 to 71 loc. 228 / 682-9280 (Telefax)
 centex_marikina@yahoo.com www.marikina.gov.ph



ILO Subregional Office for South-East Asia and the Pacific

LIST OF YOUTH EMPLOYMENT and LOCAL ECONOMIC DEVELOPMENT PUBLICATIONS

YOUTH EMPLOYMENT

| No. | Title | Author(s) | Year published ISBN |
|-----|---|--|--|
| 1 | Youth employment in the Philippines | Mark Emmanuel L. Canlas and Maria Cristina R. Pardalis | 2009 978 92 2 121442 7 (print) 978 92 2 121443 4 (web pdf) |
| 2 | Choosing and assessing local youth unemployment interventions | Jude H. Esguerra | 2009 978 92 2 121444 1 (print) 978 92 2 121445 8 (web pdf) |
| 3 | Briefing guide: meeting youth employment policy and action challenges | | 2009 978 92 2 121469 4 (print) 978 92 2 121470 0 (web pdf) 978 92 2 121471 7 (CD-ROM) |
| 4 | Operations guide: managing an ILO-CIDA youth employment country project: Philippines | Camilo G. Casals | 2009 978 92 2-121446 5 (print) 978 92 2-121447 2 (web pdf) |
| 5 | Enhancing youth employability is a business mission | Rene E. Ofreneo | 2009 978 92 2 121448 9 (print) 978 92 2 121449 6 (web pdf) |
| 6 | Towards a national policy and action agenda for decent and productive work for youth in the Philippines | Fernando T. Aldaba and Jose T. Sescon | 2009 978 92 2 121472 4 (print) 978 92 2 121473 1 (web pdf) 978 92 2 121474 8 (CD-ROM) |
| 7 | Promoting youth employment in the Philippines: policy and action project. A final independent evaluation report | Cielito F. Habito | 2009 978 92 2 121466 3 (print) 978 92 2 121467 0 (web pdf) |
| 8 | Youth employability surveys in the Philippines: an integrative report | | 2009 978 92 2 121516 5 (print) 978 92 2 121517 2 (web pdf) 978 92 2 121519 6 (CD ROM) |

LOCAL ECONOMIC DEVELOPMENT

| | | | |
|---|---|--|--|
| 1 | Local economic development and youth employment in the Philippines: the case of Angono | | 2010 978 92 2 121426 7 (print) 978 92 2 121427 4 (web pdf) |
| 2 | Local economic development and youth employment in the Philippines: the case of Concepcion | | 2010 978-92 2 121424 3 (print) 978-92 2 121425 0 (web pdf) |
| 3 | Local economic development and youth employment in the Philippines: the case of Cotabato City | | 2010 978 92 2 121422 9 (print) 978 92 2 121423 6 (web pdf) |
| 4 | Local economic development and youth employment in the Philippines: the case of Davao City | | 2010 978 92 2 121573 8 (print) 978 92 2 121574 5 (web pdf) |
| 5 | Local economic development and youth employment in the Philippines: the case of Dumaguete City | | 2010 978 92 2 121571 4 (print) 978 92 2 121572 1 (web pdf) |
| 6 | Local economic development and youth employment in the Philippines: the case of Guimaras Province | | 2010 978 92 2 121569 1 (print) 978 92 2 121570 7 (web pdf) |
| 7 | Local economic development and youth employment in the Philippines: the case of La Castellana | | 2010 978 92 2 121567 7 (print) 978 92 2 121568 4 (web pdf) |
| 8 | Local economic development and youth employment in the Philippines: the case of Marikina City | | 2010 978 92 2 121428 1 (print) 978 92 2 121429 8 (web pdf) |

Local economic development and youth employment in the Philippines: the case of Marikina City

The enactment of the Local Government Code in 1991 reinvigorated local government in the Philippines. Under a strong leader, Marikina was able to take advantage of the provisions of the law to create mechanisms for good governance supportive of existing industries and jobs while encouraging new investments that would create additional jobs and income opportunities for the city and its residents.

This took place at a time when the traditional shoe-making industry was in serious decline in the face of cheap imports from elsewhere in Asia. Marikina responded by strengthening the operating capacities of institutions, especially those engaged in local economic development. This began in the 1990s with investment into infrastructure development projects as a strategic initiative towards the development goal of physically transforming the municipality and making it liveable and business friendly.

The physical transformation that resulted from this early LGU initiative induced a culture of change within the local community. The successor mayor, who entered office in 2001, decided that it was time to aggressively market Marikina as an investment location. She embarked on the *Invest in Marikina* Programme while harnessing further the employability potential of the school- and working-age population of the city.

Investment into human development reinforced efforts to attract new business to the transformed city. Because of the progressive mindset of the LGU, Marikina was selected as one of the pilot areas for the ILO-CIDA sponsored project dealing with youth employability in the Philippines. The youth employability survey carried out under this project highlighted the varying circumstances and constraints to employment faced by different youth segments bringing with it the realization that a homogenous approach towards youth needed to change in favour of initiatives and interventions that addressed the needs of each group if they were to be productively engaged in existing and emerging job opportunities.

This provided the basis for creating a core group of civil service officials to facilitate planning and implementation of additional employment strategies and ones oriented towards harnessing the development of youth life skills and future workforce readiness for emerging sectors such as ICT/BPO, research and development, and environment-friendly “green” industries.

This case study outlines the local economic development strategies implemented by the City Government and the ILO-CIDA interventions and the results obtained.

International Labour Organization
Subregional Office for South-East Asia and the Pacific
Manila, Philippines

Tel. (632) 580 9900, Fax. (632) 580 9999

E-mail: manila@ilo.org

www.ilo.org/manila