

Enhancing the Performance of the Philippine Public Employment Service Office (PPESO): Drawing Lessons from Japan's Public Employment Security Office (JPESO)^{1/}

Section I

A. Introduction/Backgrounder

For the last three years, the incidence of unemployment in the Philippines has remained at a static rate of 11.4 percent. The bleak employment performance can be attributed to the interplay of internal (e.g., peace and order situation, El Nino phenomenon, local political scandals, etc) and external factors (e.g., Iraq conflict, September 11 tragedy, SARs outbreak). But aside from these aggravating factors, the persistence of these concerns can be traced to the perennial problems of mismatch of skills and evolving economic restructuring.

To address the escalating number of unemployed and underemployed, the Philippine government embarked on several employment strategies, one of which is improving the delivery of employment services subsumed under the public employment service offices or PESOs – a non-fee charging entities intended to facilitate job exchanges in key localities of the country. The establishment of PESOs through its array of job placement and counseling services, therefore, aims to contribute in the reduction in the incidence of unemployment and underemployment in the country by addressing the problem of mismatch of skills.

To date, there are about 1,765 network of PESOs nationwide. However, only 1,531 are considered functional or active. Based on a

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mid-year 2003 report of the Philippine Department of Labor and Employment, the network of 1,433 PESOs have facilitated the local placement of only 285,000 job seekers, accounting for 7.2 percent of the total unemployed.

In cognizance of its limited contribution to ease the pressure in the local labor market, there have been plans in the offing to strengthen the job search and placement, and career counseling services of PESO. One way of tackling such challenging tasks is by drawing lessons from the frontrunners.

Japan's job introduction and career counseling system as facilitated by its conglomerate of Public Employment Security Offices (JPESOs) is indeed a showcase of one of the best practices. Though the Philippines and Japan PESOs are incomparable given the advancement and comprehensiveness of the latter's PESOs, there are indications that some of its features can be adopted to improve and strengthen the Philippine job search and placement, and career counseling services.

It is therefore in this light that this study is undertaken – to enhance the Philippine PESO by drawing lessons from Japan's PESO experience.

Objectives of the Study

The study aims to:

1. identify the critical elements in the operationalization of Japan's PESOs;
2. provide recommendations on how to improve the Philippine PESOS by drawing from Japan's PESO experience; and
3. identify some proposed areas for exploratory study.

Methodology

The study utilizes both primary and secondary data. In obtaining primary data, interviews with some policy and program implementers directly in charge of JPESOs as well as with a key informant from the private sector was conducted. Observation tours to some JPESOs were likewise undertaken. In terms of secondary data, related literature were culled from journals and bulletins.

Scope and Limitations

The study basically covers only discussion on Japan's employment facilitation services particularly on job search and placement, and career counseling provided by its JPESOs. This is because the Philippine PESO's (PPESOs) scope of employment services only cover those aforementioned services, and exclude the administration of employment insurance and employment management services.

Structure of the Report

The study is divided into the following sections: the first section briefly presents a backgrounder, objectives, methodology, and scope and limitations of the study; the second section provides an overview of the Philippine employment situation for the last three years (2001-03) and a briefer on the Philippine public employment service offices (PPESOs); the third section focuses on the employment facilitation services of Japan PESOS (JPESOs), its key features, a briefer on the Shinjyuku PESO as an example, and the existence of other "players"; and the last section highlights some recommendations on how to improve PPESOs by drawing some lessons from the experience of JPESOs employment facilitation services, as well as possible areas for exploratory study.

Section II

A Briefer on the Philippine Employment Situation: 2001-03²/

For the period 2001-03, the Philippines received its share of debilitating events both local and international. In the local front, widespread poverty, high unemployment and underemployment, weak external demand, threats of terrorists attacks, political scandals and coup attempts continued to pervade the Philippine society. Meanwhile, the 11 September 2001 tragedy, global recession, Iraq war and the SARs epidemic have likewise done its share of damages. Despite of these, the Philippine economy (GDP) was able to grow at a modest rate of 4.0 percent during the period.

The growth, however, did not usher ample employment opportunities. In fact, for the last three years, unemployment rate remained at 11.4 percent.

Labor Force. The country's labor force for the period 2001-03 has expanded by 5.34 percent or roughly 1.752 million, increasing from 32.808 million in 2001 to 34.560 million in 2003.

Employment. During the three-year period, the annual employment growth rates were on a downtrend – from 6.2 percent in 2001, it went down to 3.1 percent in 2002, and down further to 1.9 percent in 2003. The rise and fall in employment were observed to be closely tied to the fluctuation in agricultural employment.

In terms of level, employment generally increased from 29.157 million in 2001 to 30.628 million in 2003. This corresponds to an annual average growth rate of 3.7 percent or an annual increment of 1.058 million a year. Considering that the labor force has been growing at an annual rate of 3.8 percent or 1.207 million each year, this is barely

² / A substantial portion of the write-up was culled from the report on *"The Resilient Filipino Worker Amid Difficulties (Labor and Employment Report Under the Arroyo Administration)"* prepared by the Institute for Labor Studies, March 2004.

sufficient to employ new entrants on top of the existing pool of unemployed.

By demographic characteristics, nearly two-thirds of the employed are male (61.2%), and majority of the workforce belongs to age group 25-54 years old. Moreover, a sizeable chunk of the employed had at least attended high school or reached college (60.7%).

The service sector remained at the helm, accounting for 47 percent of the total employment, and has been growing at a rate of 4.3 percent. Because of the ease of entry in the sector, it has served as a catch basin for those who cannot find employment elsewhere. Meanwhile, the combined agriculture, fishery and forestry sector constituted 37 percent of the overall employment. Industrial employment, on the other hand, continued to stagnate as its employment share was standstill at 15-16 percent.

Employment in the Philippines is largely labor-supply driven as persons who cannot find jobs in the formal labor market ends up creating their own employment. This explains the considerable share of own-account (37.6%) and unpaid family (12.9%) workers. Meanwhile, wage employment accounted close to 50 percent of overall employment.

By hours of work, part-time employment has been growing at a rate of 6.7 percent yearly compared to a slower rate of growth of full-time employment (2.2%). The significant changes in the production structure in recent years have to a large extent altered the employment arrangements paving for the proliferation of flexible forms of employment. This phenomenon has partly contributed to the growth of part-time employment.

By occupational desegregation, nearly one-third (29.7%) of the total employed were laborers and unskilled workers followed by farmers, forestry workers and fishermen (21%), trade and related workers (10%), civil servants (10.4%), service workers and shop and sales workers (9.2%), plant and machine operators and assemblers (7.6%), and

professionals and technicians and associate professionals (7.2%).

Underemployment. Underemployment is considered a more serious problem than unemployment in the Philippines since it cuts across age groups, and its magnitude is twice as that of unemployment. For the last three years, underemployment rate was almost in a standstill of 17 percent. In absolute terms, however, it registered an increase of 200,000, from 5.0 million in 2001 to 5.2 million in 2003. Underemployment in the Philippines is more of a rural phenomenon.

Unemployment. The high trend in the incidence of unemployment can be attributed to the faster growth of the labor force vis-à-vis growth in employment opportunities. For the last three years, the rate of unemployment remained at a double-digit level – 11.2 percent in 2001, 11.4 percent in 2002, and 11.4 percent in 2003.

The unemployed were mostly male comprising slightly more than one-half of total unemployed (59.4%). Meanwhile, unemployment in the Philippines is more of an urban phenomenon – roughly two in every three unemployed were urban residents.

It also largely a problem of young unskilled and inexperienced labor force. The youth^{3/} (48.7%) accounts for almost half of the total unemployed. Their rate is the highest across age groups, and is more than twice the national unemployment rate (23.8% vs. 11.1% in 2001, 22.9% vs. 11.4% in 2002, and 23.3% vs. 11.4% in 2003). Most of them were school leavers. Majority of the unemployed were relatively educated mostly comprised of those who have at least high school (42.7%) and college education (34.3%). This trend affirmed the persistence of “educated unemployed.”

Moreover, only one-third of the unemployed actively looked for work while the remaining two-thirds did not look for work due to various reasons such as the belief that no work was available, ill/sick, bad

³ / Defined in this report as persons 15-24 years old.

weather, waiting for job recall, to mention some.

Overseas Employment. A major component of the Philippine employment program is overseas employment. For the past three years, an annual average of 875,000 Filipino workers were deployed to work abroad. Almost a quarter of them were sea-based.

The evidence of skills mismatch can therefore be observed through the existence of a large number of “educated unemployed” and the widespread dissatisfaction among employed workers as indicated by the double-digit underemployment rate. The large population of Filipinos working abroad, on the other hand, mirrors both the lack and diminishing quality of employment opportunities in the country.

The Philippine PESOs: An Employment Strategy to Curb Unemployment

Addressing the unemployment and underemployment problems have been a topmost priority of the Philippine government. The Medium Term Philippine Development Plan (MTPDP) 2001-04 gives special cognizance to this concern with the inclusion of an employment chapter entitled “Promoting Full, Decent and Productive Employment.” The development plan espouses four (4) major strategies, namely, programs in support of employment generation, employment preservation, employment enhancement and employment facilitation.

Measures under the employment facilitation strategy essentially focus on the activities of public employment service office or PESO which include job solicitation, referrals, and placement; provision of career counseling or guidance; and administration of government-funded employment programs.

A Briefer on PESO. During the mid-80’s, the BLE developed the concept of community employment centers (CECs) lodged in cities and key municipalities. The CECs were envisioned as “a mini-employment exchange centers” that provide four (4) service components, namely, (1)

job assistance, (2) recruitment and technical advisory services, (3) maintenance and operation of labor market information system, and (4) information exchange and dissemination. The CECs were manned by only four (4) staff, one staff for each component.

In response to the economic crisis in the early 90's, an attempt was made to strengthen the CECs which were later on renamed as Public Employment Service Office. The Department of Interior and Local Government (DILG) helped in the propagation of PESO by issuing DILG Memo Circular No. 94-96 instructing all local government units' (LGUs) executives to establish, operate and maintain PESO in their respective areas jurisdiction. Even schools and non-governmental organizations (NGOs) located in strategic areas were encouraged to operate their own PESOs.

The active campaign of DOLE and DILG resulted into dramatic increase in the number of PESO. By December 1997, the number of PESOs reached 1,635, of which 1,579 were LGU-based and 56 were NGO/school-based. Almost all provinces, cities and big municipalities adopted the PESO Program. As of June 1998, the number of job applicants registered through PESOs totalled 2,382,366 while the number of applicants placed reached 1,521,284 or 64 percent placement rate. The progress made by the PESO elicited a call for its "institutionalization," recognizing it as the implementing arm of the National Facilitation Service Network (NFSN), allocation of regular budget, and full professionalization of the operations of the PESO at the LGU level.

The clamor was finally heeded with the passage of RA 8759 or "An Act Institutionalizing a National Facilitation Service Network Through the Establishment of PESO In Every Province, Key City and Other Strategic Areas Throughout the Country."

Functions of PESOs. The main functions of PESOs as stipulated in Section 5 of the law are as follow:

- encourage employers to submit on a regular basis a list of job vacancies;
- develop testing and evaluation instruments for effective job selection, training and counseling;
- provide persons with entrepreneurship qualities access to livelihood and self-employment programs;
- undertake employability enhancement trainings/seminars for job seekers;
- provide employment or occupational counseling, career guidance, mass motivation and values development;
- conduct pre-employment counseling and orientation to both local and overseas workers;
- provide reintegration assistance services to returning Filipino migrant workers, and
- perform other related functions.

In addition, the law mandates the PESO to administer employment government programs (Section 6). Based on the foregoing, the PESO has ample tasks to perform.

Structure and management of PESOs. The operation of and maintenance of a PESO program is managed by the local government. The Department, on the other hand, through its EPDs in the regional offices monitor and supervise the performance and programs of PESOs as well as provide them with technical assistance in report generations, inter-agency coordination, among others.

Cursory Assessment of PESOs Performance. To date, the vision of creating a nationwide chain of PESOs has been realized.

In terms of utility, not all of them are active or functional PESOs or those who makes regular reporting to the Department on registration of job seekers, listing of jobs solicited, referral of job seeker, placement of workers, facilitation of government employment programs' beneficiaries, to mention some. Based on cursory assessments and small-scale surveys conducted, such "inactivity" can be attributed to several factors

such as lack or absence of funding, lack of personnel, ill-equipped PESO office, absence of management support, and local labor market is simply too weak.

In terms of performance, recent statistics showed that in 2003, around 1.234 million workers registered in PESOs accounting for 30 percent of the total unemployed. Of those who registered, 837,903 were placed or a placement rate of 68 percent. The proportion of those who were placed to total unemployed, on the other hand, was recorded at 21.3 percent. Latest administrative report^{4/} from the BLE indicates that a sizeable chunk of those who were placed were those who availed of the regular employment government programs. Though the figures is quite sizeable, the number can only accommodate at least 65 percent of the new/re-entrants to the labor force.

In terms of occupational distribution of applicants, a BLE study showed that majority are unskilled workers (33%), followed by clerical workers (14.9%) and sales workers (14.8%). Based on related literature, most of the jobseekers who go to PESOs are young and unemployed workers with high school education and some years of college education. They also end up as semi-skilled workers doing peripheral or repetitive jobs, and having short-term employment contracts and rarely “regularized”.

One of the services provided by PESOs is job search through internet known as PhilJobNet, an automated or online job and applicant matching system. However, access to the facility is limited by difficulty of accessing and downloading data, breakdown connections, and added cost for the LGU paying monthly fees for ISP servers. Moreover, a local study noted that if the type of workers needed are casual, companies do not log in on the internet neither are the workers due to lack of computer literacy and budget for logging in.

Prior to 1999, the utilization level of PESO was quite low.

⁴ / As of 24 February 2004.

However, the trend was gradually reversed given the increasing number of job seekers who flocked to PESO as indicated by the results of the Labor Force Survey (LFS) for the period 1990-2003.

Number of Unemployed Persons (Actively Looking) by Job Search Methods (in thousands)

	1990	1992	1994	1996	1998	2000	2001	2002	2003
Private	33	27	29	26	30	46	37	57	61
Public	86	92	111	83	107	141	160	179	176
DE	290	307	308	272	324	374	432	479	449
F&R	288	335	311	280	332	413	449	435	429
Adds	62	71	71	67	80	95	117	99	101
Others	9	8	8	8	8	10	13	14	16

DE = Directly Approached Employer; F&R = Friends & Relatives

Source: National Statistics Office

However, its proportion compared to those who “approached employers directly” and who “approached relatives and friends” are still somehow low. The trend implies two observations: (1) that PESO is gaining ground as an avenue of job search; and (1) but there is still a need to scale-up the public information drive on its existence and services.

Since its institutionalization, the program did not undergo a thorough evaluation. However, in the light of persisting high incidence of unemployment in the country, policymakers believed that the considerable improvement in the delivery of employment facilitation services with PESOs as a major instrument would make a significant difference in addressing such concern. Hence, there are current attempts to improve the services of the PESOs particularly on its job placement and counseling services. One major activity in the offing is the plan to conduct a national assessment of the PESOs which will serve as the basis for developing new measures to improve its delivery of services as well as its internal operations.

Section III

For the period 1980-90, Japan's unemployment rate has been consistently low averaging around 2.0 percent. However, its unemployment rate made a turn-around during the late 90's, reaching 4.1 percent in 1998 and 4.7 percent in 1999, and worsened in succeeding years (2000-03) as it went up as high as 5.5 percent. The grim employment situation can be attributed to the sluggish growth of Japan's economy, persistence of skills mismatch and changing response of businesses to personal needs.⁵

According to the Labor Situation 2002-03 Report, the incidence of mismatch has escalated due to relatively low level of specialized vocational ability of large number of job seekers as well as increases in the number of young workers who keep changing jobs, and middle-aged and older workers with high salary requirements. On the other hand, companies have been compelled to reduce their number of hires, trim down their long-term permanent employee composition, and in turn, rely on part-time and dispatched workers to keep labor costs down. Hence, an uptrend in the number of part-time and dispatched workers can be observed.

The Public Employment Security Office in Japan played a major role in mitigating the incidence of unemployed through its various employment services notably job placement, career counseling and vocational guidance.

A Closer Look at Japan's Public Employment Security Office (JPESOs)

The Employment Security Law (ESL) clearly established the critical role of JPESOs in enhancing the country's labor market operations. The ESL referred to JPESOs "as agencies that perform necessary services and serve the public free of charge for the purpose of

^{5/} Japan Institute of Labor. The Labor Situation in Japan 2002-03. Chapter II Section 5. pp. 19-20

conducting employment placement, vocational guidance, employment insurance and other necessary matters” (Art.8).

JPESOs were created to facilitate the employment of jobseekers with suitable job opportunities, and respond to the manpower requirements of the employers by introducing to them job seekers imbued with right set of skills. In the process, addresses the problem of mismatch of skills which have been contributing in Japan’s increasing number of unemployed.

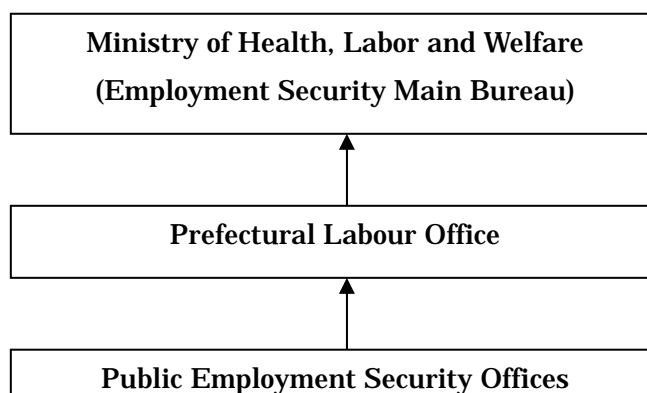
Since its enactment into law in 1947, the ESL undergo a number of amendments in the Japanese government’s bid to improve the country’s labor market situation. These moves included ensuring the efficiency and effectiveness of the delivery of employment services, continuous strengthening of the JPESOs as a prime precursor of facilitating employment opportunities, and deregulating employment placement/recruitment services.

Aside from the ESL, the Employment Measures Law also recognized the role of JPESOs in realizing the twin goals of (1) effecting a balanced development of the national economy, and (2) in achieving full employment (Art.1) by providing a wide range of assistance and options to job seekers to facilitate employment (Art. 4).

Supervision of JPESOs. As provided in the ESL, JPESOs are accountable to two offices, namely, the Employment Security Main Bureau of the Ministry of Health, Labor and Welfare (MHLW), and the Prefectural Labour Office.

The responsibilities of each offices are specifically stipulated in Articles 6-8. In a nutshell, the Employment Security Main Bureau’s tasks entail the formulation of policies and development of programs in relation to employment security. The Prefectural Labour Office, on the other hand, are tasked to ensure that these policies and programs are carried out by coordinating these to JPESOs. Meanwhile, the JPESOs serve as the implementing arm or the entities in charge of discharging the

employment programs.



The Prefectural Labor Office are tasked to supervise and monitor the activities of the JPESOs. The JPESOs, on the other hand, submit its accomplishment report and budgetary requirements, and discusses its special concerns/requests and proposals, if there are any, to the Prefectural Labor Office. The Prefectural Labor Office, in turn, study and make recommendations, and forward these concerns to the Ministry. The Employment Security Main Bureau of the Ministry will study the concerns, proposals and then make recommendations for the consideration/approval of the Minister. Whatever the outcome of the process, this will be transmitted down to the Prefectural Labor Office and then to JPESOs.

Functions/Services. To date, there are about 480 *harowa offices*, 109 branch offices and 28 supplementary offices all over Japan. These offices provide a wide range of services categorized into three (3) major services, namely, (1) job introduction/placement, (2) administering employment insurance transactions (applicability and payment), and (3) employment management services.

Aside from the JPESOs, there also exist other institutions augmenting the services of JPESOs, and are operating under the supervision of the JPESOs. These include the Bank of Human Resources (26), Part-Time Job Bank (97) and Part-Time Job Satellites (117), Hello Work to Support Combining Work and Family (12), Hello

Work Information Plaza (47), and Comprehensive Employment Support Centers and Counseling Rooms for Students (47).⁶

These institutions provide services that caters to the needs of specific groups of workers to enable them to get a job. For instance, the Bank of Human Resources extend job consultation and information, among others, to administrative, professional and technical workers while Part-time Job Banks specifically attend to the employment needs of part-time workers.

In terms of staff employed, the JPESOs is the government's most important instrument for implementing labor market policy. It typically accounts for more than half the central government payroll within the labor ministry. Its size reflects its role of handling unemployed workers and vacant jobs on an individual basis.⁷

To date, the network of JPESOs have approximately 20,000 personnel. Of the total, around 2,500 staff dealt directly with job seekers and employers.⁸ A big JPESO has 300 staff while a regular JPESO has 30 staff. Half of the personnel deals with general administration which covers evaluation of job seekers eligibility for unemployment benefits (applicability and payment), and awarding of subsidies/allowances/incentives, and the other half provides job placement and counseling. A small JPESOs has five (5) staff. Given the large volume of job seekers and employers who seek the assistance of JPESOs, part-time workers are hired to augment the services provided to its clients.

Each prefecture has its own JPESO, the number, however, varies depending on the volume of job seekers and labor situation in the prefecture. Tokyo-ken, for instance, due to its large number of

⁶ / Japan Institute of Labor. The Labor Situation in Japan 2002-03. Chapter V Section 3. p. 68

⁷ / The Public Employment Service in Japan, Norway, Spain and the United Kingdom. OECD Paper

⁸ / 2002 and 2003 World Association of Public Employment Services (WAPES) Survey; Administrative Statistics published by the International Labour Organization (ILO).

jobseekers and high concentration of economic activities has 15 JPESOs. Central Tokyo in particular has 74,000 companies which accounts for 10 percent of the total companies located in Tokyo and has 900,000 workers.⁹

Employment Placement Services and Performance. The employment placement service of JPESOs essentially covers job matching, provision of information to both job seekers as to list of job vacancies available and to employers on the volume and quality of jobseekers, conduct of vocational guidance and aptitude test, and administration of government-sponsored employment programs directed to specific group of workers (e.g., elderly, handicapped, part-time workers, graduates, etc.) including payment of subsidies and allowances.

According to key informants from a research institute, recent statistics showed that on the monthly average, around 4.7 million¹⁰ job seekers sought the assistance of JPESOs. Job seekers usually come to JPESOs once or twice a month to avail of its various assistance. They also revealed that roughly 20 percent of the job seekers secured a job through job listings and government-sponsored employed programs managed by JPESOs while the remaining 80 percent through private employment agencies, job adds in newspaper/magazines, friends, and relatives.

The evolving external and internal economic restructuring are indeed taking its toll on the Japanese labor market. Based on the Report on Employment Service, job vacancy opening rates has been declining over time, from 2.07 percent in 1990 it went down to 1.05 percent in 2000. Similar trend can likewise be observed on placement rates, from 8.8 percent in 1990 to 6.2 percent in 2000.

The period of job search also varies across groups of workers. Thirty percent of job seekers have to wait for one (1) year to find a job

¹⁰ / The figures cover those who seek unemployment benefits and employer management services.

while those in need of immediate employment have shorter job search duration covering only 2-3 months. Old workers and those who do not possess specific skills usually young workers have a hard time finding jobs or being re-employed in the case of the former. The aforementioned groups of workers comprised the bulk of workers who seek the assistance of JPESOs. For the past 10 years, the number of job offerings to young workers have been declining.

The results of the Recruit Survey showed that application ratio (willingness to work) of college graduates used to be more than 2 as compared to 1.3. This means that college graduate sends application for work once. The ratio is even lower among senior high school students which is less than one. This downtrend can be attributed to several factors such as (1) employers prefer to hire workers with work experience, (2) young workers have shown less willingness to work as evidenced by increasing number of “freeters”, and (3) increasing number of young people neither going to school nor working called “neit.”

Features of Employment Placement Services. In recent years, the Japanese government through its auspice the Ministry of Health, Labor and Welfare has channeled enormous efforts and resources to enhance the delivery of its employment services and programs lodged in the PESOs in its bid to curb the increasing incidence of unemployment. Aside from employing traditional employment facilitation approaches, the Ministry has extensively explored the use of as well as enhance access to internet and mobile phones to fast track job search and placement. Information on job seekers and employers can be both accessed through the internet and mobile phones.

Comprehensive database on jobseekers and employers. However, limited information such as name of the company, location and wages can only be obtained from these devices. In order to get a detailed information on job vacancies, the person should visit and register to a Hello Work Information Plaza, and logged in to the website. The person will be provided with registration number which he/she has to use as reference number or as a password to proceed with succeeding steps.

These entail getting the following information:

- ✧ listing of job vacancies by occupation, by industry;
- ✧ number of job vacancies by occupation;
- ✧ name, address, telephone numbers, email address, and nature of business of the company;
- ✧ location map
- ✧ skills requirements/qualifications for the job
- ✧ wages
- ✧ working days
- ✧ holidays
- ✧ working hours
- ✧ insurance/benefits/allowances
- ✧ age preference

Employers who registered in the JPESOs have to disclose critical information pertaining to their manpower demand, and terms and conditions of work.

Job seekers, likewise, are encouraged to be transparent in giving information about themselves, their level of skills and qualifications (educational attainment, trainings, and work experience), and the terms and conditions of work they are interested to apply.

Vocational guidance/career counseling. To improve their chances of being employed, counseling services such as how to prepare curriculum vitae, and how to behave during interviews were provided to job seekers especially to first-timers or newly graduates or to those who have been unemployed for quite a long time. More importantly, career counselors also assessed the skills and qualifications of the job seekers in relation to a particular job they are interested to apply. Afterwards, if the applicant is found to be suitable for the job, the staff arranged for a scheduled interview. Recommendation letter was also given to the applicant.

If the applicant's level of skills and qualifications are found to be

wanting for the job, the person will be advise to look for other job vacancies that match her/his skills if the person needs immediate employment or to be trained on the areas he/she is found to be lacking of as required by the job.

User -friendly job search devices. Employers can also browse on information pertaining to the kind of job seekers they need as well as coordinate with JPESOs for scheduled interviews with potential applicants. In fact, the use of internet for recruitment has been gaining grounds. According to the 2001 Survey on Employment Management conducted by the MHLW, firms with large number of employees used internet for recruitment. Nearly 95 percent of firms with 5,000 or more employees used internet for recruitment while 79.2 percent of firms employing 1,000-4,999 workers, 52.9 percent of firms with 300-999 workers, and 25.5% of firms with 100-299 workers. These firms favored the used of internet for the following reasons: for correspondence with applicants, receive requests for company brochures, answering queries from applicants, rescheduling interviews, contacting successful candidates, receiving application forms, 24-hour availability and simplifying recruitment activities and cutting costs.

Co-sharing of information structure. Another unique feature of the Job Information Network is the job vacancy entries of private recruitment agencies (PRAs). This enables job seekers a wide range of options. In order to post their job listing in the Network managed by JPESOs, PRAs are required to fill up and submit a form in order to secure a permit from the Ministry to operate. Activities of PRAs are governed by Articles 30-32 (1-15) of the Employment Security Law.

Incentives and subsidies. The unemployed who are on training, businesses in “distress,” companies which support government programs such as employment of disabled, old workers, and student trainees, and companies who enrolled in government programs are afforded with allowances and subsidies ¹¹ to facilitate the employment of the

¹¹ / Government policies dealing with unemployment have so far focused on granting subsidies to already existing firms to encourage them to hire unemployed workers.

unemployed, and for those businesses to stay on board, avoid dismissing workers albeit maintaining their stock of workers or hire more workers.

Reforms to Strengthen Employment Placement Services.

Due to the alarming incidence of unemployment rate in recent times, and increasing competition from private recruitment agencies as a result of a deregulation measure¹² in 1999, there were a series of moves to further re-strengthen the JPESOs' job information service.¹³ In April 2003, the MHLW began publishing the names and telephone numbers of companies¹⁴ with 70,000 job offerings in the internet, and which can also be accessed through mobile phones. This action does not warrant the job seekers to personally go to the JPESOs to obtain such information. This, in the process, has streamlined the number of job seekers which the JPESOs staff have to service in terms of employment placement. The resultant increase in unemployment has made it difficult to individually and adequately attend to the job seekers needs. Second, MHLW hired 94 advisors, stationed 500 full-time "job searching navigators" (help workers who had lost their jobs due to company measures on dealing with bad loans), and 1,000 promoters (help individual job seekers find suitable advertisement). In addition to that, the Ministry in 2001 launched a plan to create 50,000 career development advisors¹⁵ within five years within the public and private sectors.¹⁶

Moreover, the information provided by the JPESOs on the "Job

However, new measures have been launched to which aim to create new jobs by promoting new business start-ups. The new subsidy measures can be classified into three categories according to their purpose: (1) subsidies to reduce the number of overall unemployed people; (2) subsidies to improve the employment situation in a particular area or region; and (3) emergency subsidies to prevent an increase in unemployment resulting from the disposal of bad loans.

¹² / The deregulation measure allows private recruitment agencies (PRAs) in principle to freely participate in the job introduction business.

¹³ / Japan Labor Bulletin, April 2003

¹⁴ This measure applies only to companies which agree to such measure or for their name to be published..

¹⁵ / A career development advisor is a specialist who assists his/her clients in finding jobs that will satisfy them. The advisor together with his/her client establishes a target, and the advisor helps them improve their vocational skills. As of April 2003, there are about 1,200 qualified career development advisors.

¹⁶ / Japan Labor Bulletin, April 2003

Information Network” which previously covered only major cities has been expanded nationwide. The Job Information Network is an internet job information service jointly supported by government and private sectors (3,791 participating organizations with 490,000 job listings). However, these information can also be accessed via mobile phones.¹⁷

Employment Support Centers for Urban Areas particularly in Tokyo and Kansai areas were established to provide vocational counseling and job placement. Meanwhile, some JPESOs in designated major cities have been rendering extended working hours during weekdays and weekends to accommodate and provide assistance to those who are seeking jobs. On the other hand, to enhance its counseling services, some 800 employment assistance counselors and skill development assistance have been deployed in JPESOs. In 2002 alone, around 611,146 people were counseled while as of January 2003, new employment opportunities for 206,928 people were facilitated by JPESOs.

It is also worth mentioning the collaborative work of JPESOs and educational institutions in ensuring the employment of the students and the graduates. One area of collaboration is the provision of counseling service to students and graduates. Both PESO staff and career specialists from universities and colleges extend such service. Article 27-2 of the Employment Security Law allows heads of schools to undertake part of the functions of the JPESOs. These include conduct of vocational guidance, and guidance after placement, among others.

The Shinjuku Hello Work Office: A Showcase of Best Practice

The Shinjuku PESO and its ancillary offices located at the bustling heart of Tokyo are epitomes of well-manage, advance and efficient PESOs. It is considered as the 5th biggest PESO in Japan and ranked 2nd in terms of performance.

¹⁷ / Ohtake, F. Structural Unemployment Measures in Japan. Japan Labor Review. Vol. 1 Nos.2 Spring 2004

Well-trained staff and user-friendly technology. The Shinjuku offices are equipped with cutting-edge but user-friendly technology and well-trained staff that facilitate efficient and effective discharge of employment services. A total of 139 staff manned the Shinjuku PESO and its ancillary offices.

Like any public servants, PESO staff are required to pass the civil service eligibility examination to gain entrance to government service. However, once they are hired as PESO staff, they undergo several trainings which depend on their number of years of service. The Labour College being managed by the Japan Institute for Labor Policy and Training (JILPT) conducts trainings to the staff in the areas of labor laws and regulations, and counseling. University professors specializing in career counseling are also invited to provide 3-day training for the staff. The training is conducted once a year and focuses on case studies.

Based on a comparative study of public employment service among selected OECD countries, Japan “by any measure of vacancies and placements, had the greatest workload per staff member.” The Shinjuku case depicts such situation. In a day, a staff responsible for job matching has to service 15-16 persons while counseling services is provided to 8 applicants. The time devoted to counseling varies, depending on the group and needs of the worker. For instance, young workers, handicapped and older workers usually need in-depth interview and counseling. Meanwhile, to augment its counseling services, 100 part-time specialists/counselors are to be hired.

The Shinjuku PESO are equipped with 150 touch-panel type terminals which can retrieve information on job openings. A job seeker can easily access job information stored in the computer and proceed with the job search process by simply following the simple instructions posted in the monitor as well as in the guide boards/bulletins attached to computer.

Owing to its large number of job seekers, the Shinjuku PESO working hours have been extended. The office is open from 8:30am until

7:00pm on weekdays, and from 10:00am to 5:00pm on Saturdays.

“Different folks, different strokes.” Aside from the regular services, it has special services counters that cater to the needs and conditions (e.g., new graduates, elderly, handicapped, in immediate need of employment, etc.) and occupational category (e.g., clerical, sales/marketing, professional, technical, engineers, technicians, construction workers, etc.) of job seekers of the jobseekers. It also accommodates one on one consultation/advice with job seekers. The Office also dealt with the psychological effects brought about by losing one’s job through counseling. It is important to note that **not** all JPESOs provide comprehensive services.

Foreign Workers’ Employment Service Office. Another unique feature of Shinjuku PESO is the presence of a Foreign Workers Employment Service Office which provides employment placement services to exchange students and non-japanese workers looking for jobs. This kind of office is only available in Shinjuku and Roppongi in Tokyo prefecture, and in Osaka prefecture. Foreign workers can access these information through the internet but have to visit the Office to obtain a more detailed information as well as to avail of the other services such as employment guidance and counseling. To help those who are not articulate with Nihonggo, the Office has part-time interpreters adept in English, Portuguese, Chinese and Spanish. Most of the jobs available are part-time employment. In terms of occupations highly demanded, IT engineers topped the list followed by those engaged in trading, and interpreters and translators.¹⁸

Employment Placement Performance. To ensure the flow of job opportunities in the area, PESO staff diligently solicit job vacancies from the companies not only through internet but also by visiting the establishments.

In March 2004 alone, around 12,000 job vacancies were solicited

¹⁸ / Japan Labor Bulletin, June 2003

from the companies, 3,000 or 25 percent of which are obtained by establishing direct/personal contact with the companies. On the same period, around 1,500 people received job offers.

Everyday, the Shinjuku PESO accommodates an average of 3,000 job seekers while receives an average of 300 to 400 job vacancies from 1,000 companies. Even during bad times, companies has at least one job vacancy. The ratio of job offerings per person is said to be higher in Shinjuku as it even surpassed that of Tokyo and the national rate. In Tokyo, the ratio is 1.07 and 0.77 in Japan while in Shinjuku, its 1.6 per person. It simply means that in Shinjuku, almost two job vacancies are offered to a person, and only 1 in Tokyo per person.

In a month, the Shinjuku PESO receives an average of 6,300 job offerings, and places about 1,400 job seekers. Job placement in the area has increased by 30 percent. But while the quantity of jobs offerings are increasing, the quality is said to be diminishing. Despite the large number of job offerings, less than 10 percent of jobs offerings are accepted by job seekers. This is because many job seekers prefer job vacancies from famous companies as getting employment from such company is equated by job seekers as having good working conditions, and more stable. In fact, one job vacancy from a famous company would be flooded with job applications. In contrast, a not so famous company who have 10 or more job offerings only received a few job applications even if the terms and conditions of job offers are relatively good.

JPESOs Co-Existence With Other “Players”

There is a popular belief that employment services are state monopoly with the passage of ESL. However, this belief no longer holds with the prevalence of private employment placement agencies, and given the deregulation drives undertaken in recent years. In Japan, the following employment services are open to job seekers:

- ✚ Free employment services (schools, colleges, universities: but have to register with the MHLW; other organizations: have to get a license

from the MHLW);

- ✚ Fee-charging employment services (general placement agencies, executive search agencies; outplacement agencies)
- ✚ Worker dispatching business;
- ✚ Advertisements, magazines specializing in recruitment.

Aside from the aforementioned, job seekers also sought the assistance of their friends/acquaintances, relatives/members of the family, and previous employers in seeking jobs.

The ESL governs the operations of both free, and fee-charging employment services while the Worker Dispatching Law provides the scope of operations of dispatched workers.

Private employment placement agencies and dispatch work agencies indeed play vital roles in augmenting the employment placement services in Japan. The deregulation of employment placement and the expansion in the coverage of dispatched work were triggered by various factors, namely, deregulation drives, international trends and adoption of ILO Convention 181, high unemployment rate, and structural changes to the Japanese labor market which necessitate a new form of safety net.¹⁹

The revision of ESL in 1999 has placed private placement services as a coexisting player with JPESOs.²⁰ This move was welcomed by economic circles in Japan who have been clamoring for such reform. On the other hand, this move implies the cognizance of JPESOs' inadequacy in providing employment placement services to a growing number of job seekers who have peculiar needs.

In a country study on Japan by ILO (1998), JPESOs are observed to play a smaller role particularly in terms of providing job placement to white-collar jobs but are said to be more helpful to blue-collar, part-time and casual workers. The study further noted that

¹⁹ / Japan Labor Bulletin, September 1999

²⁰ / Ibid.

job applicants, including white-collar applicants visit the JPESO to get unemployment insurance benefits. This claim is somehow affirmed by a key informant from the JPESO who admitted that workers in high ranking positions prefer the services of private placement or head-hunting agencies in helping them find a job. They favor the services of private placement agencies due to their thoroughness in finding them a job that would really match their skills. Meanwhile, a private placement agency insider noted that it will not be cost-efficient for a company to hire the services of placement agency for blue-collar vacancies. Companies wanting the services of blue-collar workers usually course their adds through JPESOs or dispatching services.

JPESOs viewed private employment agencies as competitor and vice-versa. Competition has been the driving force for both entity in improving the efficacy of delivering their services. The presence of this factor is one reason on the current efforts to re-strengthen the job-matching role of JPESOs.²¹

In like manner, a key informant from the private sector reaffirmed this belief – regarding JPESOs as a stiff competitor. He believed that JPESOs has more mileage in terms of infrastructure and information, as time-old and highly-regarded institution, a free-service facility, and a financially-strong institution (e.g., enjoys government support). However, he contends that private employment placement agencies strong points are its being flexible, resourceful, and specialized and comprehensive “individualized” services (i.e., they cater to specific needs of individuals). But inspite of these, only one-tenth (1/10) of the job seekers avail of their services. As such, he felt that it is imperative that they should work on increasing the level of awareness of job seekers on their existence and the “personalized” services they provide. He aptly described the strengths and weaknesses of each other as *“the strengths of the other is our weaknesses, and vice-versa.”*

To further advance the welfare of the of the job seekers, there are

²¹ / Japan Labor Bulletin, April 2003.

moves to integrate the placement services of JPESO and private employment agencies. In the case of Tokyo where job seekers abound, JPESOs and private employment agencies staff shared one office. In addition, they shared one website known as Hataraku network where both offices post their listing of job vacancies.

Another attempt to combine the services of JPESOs and private employment agencies is the establishment of a Job Café, a one-stop shop and free of charge employment facility for young workers. The Job Café Program which will kick-off in October 2004 in Tokyo shall provide the administration of aptitude test, job placement services, and introduction to vocational training.

A private sector sector key informant revealed that placement agencies are having regular meetings with the Shibuya PESO in order to know the activities of each other. He imitated that they are planning to establish a “community center” – an employment facility that will look after the graduates, part-time workers and those people who keep on changing jobs.

The coexistence of JPESOs and private employment agencies, however, are not as smooth as it seems. For instance, JPESO and private employment agencies are sharing one website (hataraku). This, however, requires disclosure of name and telephone numbers of companies posting their job vacancies. Private employment agencies revealed some reservations on this part since they viewed it as a ploy to put them out of business. They argued that job seekers will directly contact the companies without purchasing job information magazines or consulting offices or agencies. They also asserted that this defeats the purpose of integrating the private sector in the overall system.²² An interview with a key informant from the private employment agency, however, revealed that this issue has been resolved by adopting some measures. For instance, most companies nowadays post their job vacancies in the website and at the same time, hire the services of

²² / Japan Labor Bulletin, March 2001

placement agencies to do the screening and interviews of applicants. If the job seeker applied directly to the company, he/she will be referred back to the private employment agency for screening and interview. As to the information posted on the Hataraku, some are withheld and are only disclosed if the job seeker is found to be suited to the job.

Section IV

Some Insights/Lessons from JPESOs Experience in Employment Placement Services and Proposed Areas for Exploratory Study

This section attempts to highlight some key features of JPESO employment services which the Philippines can feasibly adopt in its plan to improve its own network of PESOs given the country's condition and limited resources.

The report ends up by presenting proposed areas for possible exploratory study which the author gathered during the course of the interviews.

A. Insights/Lessons from JPESOs Experience

Improvement in the software and hardware of job search devices. The JPESOs is indeed a showcase of cutting-edge technology yet user-friendly job search devices particularly in the case of the Shinjuku PESO and its ancillary offices. This is one critical area which the PPESO administration particularly the Bureau of Local Employment (BLE) of the Philippine Department of Labor and Employment (PhilDOLE) should concentrate on establishing. The PPESO already provides automated job matching services through the internet known as PhilJobNet. However, the current system does not really provide "job-matching" service albeit only a listing of job vacancies. Moreover, because of the limited number of terminals available for job seekers, only a limited number of job seekers can browse the computers simultaneously. Speed of access is also another problem. The PPESO can also adopt the simple guide instructions in searching for job vacancies to ensure efficient use of time as well as to guide job seekers who are not familiar with its operations.

In terms of accessing job information via mobile phone, the PPESO is already considering tapping such device to expand coverage of job seekers access to job information.

In a nutshell, the Philippine government should seriously embark on investing on software and hardware job search devices to efficiently and effectively facilitate job placement services.

Feedback Mechanism in Updating List of Job Vacancies. One of the major drawbacks of the Philippine automated job matching device is the absence of a feedback mechanism that would facilitate updating the list and status of job vacancies posted in the website. In Japan's case, employers immediately inform the JPESOs if the job vacancy/ies they have posted is already filled-up. The JPESO staff, in turn, deletes the filled-up position in the list. This activity is being done regularly to prevent publication of wrong information, and to avoid inconvenience to job seekers.

Job vacancy/ies also have life-span. This means that a particular job vacancy will be posted and viewed only for only a specific period. Finally, it also indicates whether the job vacancy is a new listing or "arrival."

Comprehensive Database on Job Seekers and Employers. Another critical feature of the job placement service of JPESOs is the comprehensiveness of its database/information regarding the job seekers and employers. This characteristic enables the JPESO staff to render job matching service. Job seekers and employers can likewise embark on this activity on their own since the vital information they both need are already indicated.

Proactive Job Solicitation and Placement of Job Seekers. Another best practice which can be adopted from JPESOs are the diligence and proactive approach of its administrators and personnel in soliciting job vacancies and placement of job seekers by taking advantage of possible opportunities. This positive attitude can be observed regardless of the size of JPESOs. These are best illustrated in the following:

- ✓ Attendance in meetings where employers meet;

- ✓ Coordinating with the Chamber of Commerce in the area;
- ✓ Checking the employment certificates of those who got employed through the hello work office, i.e., it means that such company may be needing more workers;
- ✓ Regularly checking information on companies who have job vacancies from labor market centers;
- ✓ Closely coordinating and networking with adjacent prefectures which are in need of workers;
- ✓ Paying a visit to establishments;
- ✓ Posting of “fresh” job vacancies on bulletin boards in the lobby of JPESO and in so-called Public Recreation Center where young workers usually converge for various recreation activities;
- ✓ Conduct seminars re: how to fill-out CVs or prepare attractive CVs, how to write job history, how to behave during interviews, among others;

Continuous Capability Building for PESO Staff. Aside from job placement service, another critical activity of PESO is the provision of career guidance and counseling service. It is imperative that staff providing such service should be well-equipped to deal with the various and peculiar needs of the job seekers. In JPESOs’ case, staff dispensing vocational guidance/career counselors to job seekers are equipped with the necessary skills and knowledge by undergoing a ladderized-type of training, from general to highly-specialized courses. As the number of years in service of staff progresses, the type and depth of training also varies. A Labour College under the auspices of the MHLW, and being managed by JILPT, provides the trainings.

In terms of job placement, school-based career guidance counselors in the Philippines are encouraged to undertake proactive job placement for their students. This is to ensure them of jobs after graduation as well as to shorten the duration of their job search.

Administration and Supervision of PESOs. The ESL provides a clear-cut policy on the functions and responsibilities of JPESOs as well as on the role of the MHLW and Prefectural Labor Office in relation to its

administration and supervision.

Strengthen Linkages with Educational Institutions, Employers Group and Trade Unions. With educational institutions, by providing them regular information on the state of labor market condition, and government-employment program services which their students can access via PESOs.

With employers, to develop some kind of feedback mechanism to update the list of job vacancies posted in the website as well as to fast track exchange of information regarding the available pool of job seekers and the manpower requirements of the establishments.

With trade unions, to provide the PESOs a registration of the member-workers who will be displaced due to economic restructuring and to provide them with some kind of assistance through job referrals or access to government employment programs.

Service Counters for Large Groups of Unemployed. While this is a very ambitious goal given the country's limited resources, this is worth adopting. The provision of service counters that would cater for the needs of specific groups of workers or those groups with high incidence of unemployment is expected to usher positive developments. In the Philippine case, unemployment is pronounced among the youth, and female workers.

Maintaining Professional Credibility of Staff. In a country where corruption is rampant, the practice of rotating PESO staff or government servants directly providing services to the public in general should be adopted (e.g., every after 2-3 years of service). This is a preventive measure to avoid being involved in such unscrupulous acts as well as to encourage flexibility in work assignments. Moreover, this is also an effective means of allocating staff to PESOs that needs additional hands given the large number of transactions being discharged.

Provision of Training Allowance for the Unemployed Who are on

Training. Aside from employment insurance, the administration of subsidies and allowances to both job seekers and employers is one of the major functions of JPESOs as well as a major employment measure of government. While this is not feasible in the Philippine case given its current state of development, it is recommended that at least training allowance (for transportation and meals) be given to those who were recently displaced (due to economic restructuring) and who are enrolled in government-sponsored training programs to enable them finish their training without dipping on their savings or resources.

Safeguarding Personal Information of Job Seekers. The revised ESL of Japan takes stringent measures of safeguarding personal information of job seekers. Similar precautionary measure should be undertaken by PPESO as it embarked on collecting personal information on job seekers and employers.

Establishing PESO in Strategic Areas of the Country. As mentioned in the early part of the report, there are about 1,765 PPESOs all over the Philippines. However, not all are actively performing their functions. The reasons for these include the presence of small populace of job seekers and limited economic activities in a particular area, its establishment is politically-induced, its operation cannot be sustained due to lack of funds, and its location is inaccessible to the public.

In Japan, each prefecture has its own PESO. However, it can be more than one and have ancillary services depending on the labor situation in the prefecture as in the case of Tokyo which has 15 JPESOs given its large number of job seekers.

B. Proposed Areas for Future Study/Action

Assessment (?). Undoubtedly, Japan's Public Employment Security Office is one of those government offices saddled with heavy workload especially in recent years given the country's skyrocketing unemployment rates which already reached 5.5 percent.

Because of the burgeoning mass of unemployed, the number of job seekers who flocked the JPESOs has increased. Based on the two separate observation tours conducted to two JPESOs, a long queue of job seekers await for their turn to be serviced.

In 1999, the government has allowed the deregulation of employment placement activity to augment its existing measures of arresting the alarming incidence of unemployment. While the number of jobseekers who seek the assistance of JPESOs remain significant, this development somehow implies a slack in the employment placement service.

Based on a preliminary analysis and evaluation on the placement function of JPESOs by Nakamura,²³ it showed that the role of PESOs in supporting career transitions during recession is undoubtedly significant, and its utilization rate is high especially among workers who are rated relatively low in the labor market. However, it was observed that the efficiency of its job matching function has been declining due to “confusion”. One reason for the decline might be the confusion stemming from efforts to find job vacancies in response to increase in the unemployment, furnishing both applicants and employers detailed information, and coping with the administering of subsidies and allowances.

Since its inception, no assessment has been conducted yet with regards to its services. The purpose of the evaluation, therefore, is to identify specific services that could possibly be streamlined or what could and still needs to be done to further strengthen and improve the delivery of its services.

In connection with this, a private sector informant revealed that JPESOs should refer more applicants to them given the large volume of

²³ / Nakamura, Jiro (2002). “The Role of Public Employment Services: Preliminary Assessment of the Japanese Experiment,” *Japanese Journal of Labor Studies no. 506*, Tokyo Metropolitan University.

job seekers who register to JPESOs. He qualified that given the large volume of job seekers who flocked the JPESOs amid limited number of staff, it is most likely that the quality of job placement and counseling services that JPESO staff provide, may not constantly at its best or somehow diminishing. He reiterated that his statement is not intended to undermine the capability of JPESOs which he greatly recognized as a “pillar” in extending employment placement service and which integrity is highly regarded.

Meanwhile, a key informant from a JPESO proposed the establishment of “cost accounting system” which shall be used a basis in allocating resources to JPESOs as well as in making a “precise” analysis of its operations and in coming up with important decisions.

Improve and expand counseling services. A key informant from the JPESO admitted that despite the considerable work being allocated to counseling service, this area still remain wanting in terms of number of staff and quality of consultations/advice provided to the job seekers.

On the other hand, a key informant from a training institute revealed that capability build-up activities for JPESO staff are continuously being undertaken. Aside from the regular trainings being conducted, a new training module for those newly-hired career counselors/specialists has been recently developed and introduced this year. The trainings, however, are confined only to JPESOs staff and personnel. Since some functions of JPESOs are being undertaken by schools, colleges and universities particularly career counseling and administration of aptitude tests, perhaps it would also be beneficial if some of the trainings are also extended to these organizations.

JPESOs as “independent bodies.” The key informant also revealed that there are current discussions in the central government regarding the possibility of elevating the status of JPESOs as “independent bodies.” However, there is no clear direction yet as to whether such proposal would result into something concrete or not.

Exploring more meaningful co-existence with private placement agencies. The deregulation in the operations of placement and dispatching services is viewed as a strategic action to arrest Japan's increasing number of unemployed. It also places private employment agencies at the forefront of employment placement services together with JPESOs. With this development, there are now ongoing discussions on how to maximize this co-existence to further benefit the job seekers. Aside from what have been mentioned in the early part of this study, a private sector informant disclosed that there are some other strategic areas of collaboration which should be further explored. Essentially, this lies on the areas of information sharing, exchange of personnel, and conduct of orientation seminars on ESL and other relevant laws, i.e., to properly interpret the law and encourage high compliance.

Another avenue which should be looked into is the conduct of regular consultative meetings between private placement agencies and JPESOs. The purpose of these meetings is to facilitate exchange of information, address various concerns/issues impeding their operations and co-existence as well as those confronting the labor market, and to provide deeper understanding of existing laws governing their operations, and new employment measures/interventions of government. Some JPESOs and placement agencies in specific areas of the country have already started this set-up but the discussion has yet to go deeper into the basic issues.

Moreover, another possible area that can be explored is the participation of the private sector in providing substantive inputs in upgrading training modules, vocational guidance materials and aptitude tests given their vast immersion/experience, and knowledge on industry's needs and evolving developments.

The foregoing proposals are intended to serve as building blocks in enriching the co-existence of both "players" and at the same time, in ensuring a smoother flow of labor market operations.

Relaxation of some provisions of existing laws. While

deregulation has facilitated a conducive environment for private employment placement agencies to thrive, there are some provisions of existing laws which could be further relaxed. According to the private sector informant, these are in the areas of collection of fees from mid-career job seekers once the market becomes “liquid,” and placement of foreign workers. He also raised the possibility of coming up with a unified rules on placement and dispatching services given the similar nature of the activity. For instance, a company who provides the same services need not register separately.

C. Conclusion

Japan’s Public Employment Security Office vast experience in facilitating job placement and counseling services serves as a finer example which the Philippine PESO could draw valuable lessons and insights in line with the current moves to improve its performance. Imitating a semblance of Japan’s PESO experience would undoubtedly make a considerable significance in addressing the unemployment and underemployment problems of the Philippines.

However, this major feat can only be realized if the fundamental macro goals of the country would be restored. These include significant improvement in the economic condition (i.e., economic growth tantamount to employment opportunities), restoration of peace and order situation, bringing back investor’s confidence and encouraging investments in the countryside to stimulate local economies, and continuous human resource development (i.e., skills training, re-training and upgrading) to meet emerging changes in skills requirements of the global workplace, among others.

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