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Working Paper

Who are the youth NEET in the Philippines today?

PIDS Discussion Paper Series, No. 2021-21

Provided in Cooperation with:

Philippine Institute for Development Studies (PIDS), Philippines

Suggested Citation: Orbeta, Aniceto C.; Corpus, John Paul P.; Araos, Nina Victoria V. (2021) : Who are the youth NEET in the Philippines today?, PIDS Discussion Paper Series, No. 2021-21, Philippine Institute for Development Studies (PIDS), Quezon City

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*Aniceto C. Orbeta Jr., John Paul P. Corpus,
and Nina Victoria V. Araos*



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Who Are the Youth NEET in the Philippines Today?

Aniceto C. Orbeta Jr., John Paul P. Corpus,
and Nina Victoria V. Araos

PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES

August 2021

Abstract

Being not in employment, education, or training (NEET) can undermine young people's future employment and earnings prospects, leading to lasting economic disadvantage. Being NEET can also have adverse social consequences such as depression, weaker social engagement, and possibly deviant behavior. These outcomes come at a great cost to the economy and society. This study aims to address four research questions, namely: (a) what are the dropout points of learners across the education continuum; (b) how are NEET computed and monitored across government agencies; (c) how many NEET are potential TVET learners; (d) what barriers do NEET face in pursuing further training. We use a range of research strategies, namely document review, primary and secondary data analysis, and in-depth interviews with national government offices with programs for youth. The study finds that NEET is still an emerging concept in the Philippines. However, given the large number of youth NEET in the Philippines, and the social and economic implications of this, more attention needs to be directed toward youth NEET and the issues faced by this cohort. First, there is a need to adopt a standard definition of NEET, and promote the concept as an important cohort that needs attention from government and non-government programs. Second, there should be more comprehensive coverage of people in technical and vocational education and training (TVET) in official statistics in order to better understand the demand for TVET. Resolving issues in the definition of training participation in official statistics would provide a more comprehensive picture of TVET participation in official statistics, and lead to a more accurate measurement of NEET in the country. Third, more in-depth studies should be conducted to identify other important determinants of being NEET. This will help in finding effective levers of drawing out the NEET into either learning a trade and/or being productively employed. Fourth, given the high proportion of inactivity among female youth observed by the study, further inquiry into the reasons behind this is recommended. Fifth, the study estimated that only one in four NEETs will demand TVET training. Given this low potential take up rate, there is scope for promoting TVET among the NEET. Lastly, barriers and challenges of those who are desiring and are currently in TVET training should be addressed by government and other key stakeholders. This includes addressing financial constraints of participants through re-examination of existing allowance benefits, conduct of better information dissemination on training opportunities, provision of labor market information and employment facilitation, and consideration of solutions to connectivity and digital device issues experienced by trainees.

Keywords: TVET, technical and vocational education, training, youth NEET

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Executive Summary

1. This study is commissioned by the Technical Education and Skills Development Authority (TESDA) as part of its policy research series on youth NEET, in partnership with the Philippine Business for Education (PBEd). It aims to address four research questions, namely: (a) what are the dropout points of learners across the education continuum; (b) how are NEET computed and monitored across government agencies; (c) how many NEET are potential TVET learners; (d) what barriers do NEET face in pursuing further training.
2. The Philippines has about 20 million young people (ages 15-24) in January 2020. Among them, an estimated 3.9 million youth, or 16.9 percent, were not in employment, education, or training (NEET) (PSA 2020). NEET are young people who are not accumulating human capital through education and employment as they transition to adulthood. The NEET concept provides a more holistic view of youth underutilization than OSCY (out-of-school children and youth) or youth unemployment, but is less well known than the two. Reducing the NEET rate was adopted as one of the targets under Sustainable Development Goal 8.
3. The study employs a range of research strategies. We analyze definitions of the NEET concept by reviewing relevant documents of the International Labour Organization, Eurostat, and the Philippine Statistics Authority. To provide a profile of NEET and identify dropout points of youth from the education continuum, we conduct a descriptive analysis of data from the Labor Force Survey (LFS), Annual Poverty Indicators Survey (APIS), and Family Income and Expenditure Survey (FIES). To determine how NEET are measured and monitored in the government, we analyze primary data collected from in-depth interviews with national government offices with programs for youth. To estimate potential TVET learners among NEET, we perform regression analysis using merged APIS-LFS data. Finally, we investigate the barriers that NEET face from pursuing training by analyzing primary data collected from a rapid online survey of applicants and trainees in TESDA Technology Institutes and the YouthWorks PH program of the Philippine Business for Education (PBEd) and United States Agency for International Development (USAID).
4. Results of the study are summarized as follows:
 - **The LFS only captures a subset of the population that TESDA counts as TVET learners.** As in many countries, the labor force survey is the source of data for identifying the NEET. There appears to be an under-coverage of those considered by TESDA to be in TVET by PSA's Labor Force Survey. The PSA considers as post-secondary education only those programs conducted by higher education institutions (college or university) with at least one year duration and requiring completion of high school. More recently, PSA has created a category called informal training for those conducted by TESDA-administered or TESDA-accredited TVIs or any school-based training with no specified duration and education entry requirements. TESDA, however, has community-based, enterprise-based, and monitored programs that are still not covered by current definitions in the LFS. It is noteworthy that based on TESDA statistics, community-based TVET programs alone constitute 46 percent of TVET enrollment in 2019.
 - **Labor Force Survey data in 2019 shows that the proportion of the youth NEET in the country is 18.7 percent.** The highest incidence of youth NEET is in BARMM and the regions above the national average incidence include Region XI, IV-B, IX, and III. They are more likely among those in the age group 20-24 compared to 15-19. The incidence among females is nearly double than that among males. The incidence in urban and rural areas is nearly the same. As expected, the incidence is higher among the poorer income classes as two-thirds of the NEETs come from families of the bottom half of the income

distribution. Finally, nearly three-quarters of the NEET population are economically inactive.

- **Most males leave school earlier compared to females in order to enter the labor force; meanwhile, a larger proportion of females leaving school transition into inactivity compared to males.** In terms of dropout points of learners across the education continuum, secondary data shows that school attendance starts to consistently drop at around age 12 although the first big drop does not happen until the age 17 (around Grade 11 or 12), then at ages 18 and 19 (the transition from upper secondary to bachelor level), and finally at ages 20 and 21 (around second to fourth year college). Males leave the education and training system earlier than females. By age 15 to 19 the proportion of enrollment of females is 7 percentage points higher than males. Most males leave school for the labor force and into employment. In contrast, a smaller proportion of females leaving school transition to the labor force and employment and a larger proportion transition to inactivity.
- **Youth NEET is still an emerging concept in the Philippines.** Only one (DOLE BLE) of the nine agencies working with the youth mentioned they have an institutional definition for NEET. Other agencies use related terms that are more general such as youth, out-of-school youth, and disadvantaged youth, and NEET do benefit from programs targeted to these groups. Thus, youth NEET are not yet specifically targeted by most offices interviewed except for the DOLE's Bureau of Local Employment (BLE) and TESDA. Only two of the offices interviewed, the DOLE BLE and TESDA have programs that target NEET. However, none of the agencies reported to be monitoring NEET beneficiaries of their programs, and only one of the nine offices interviewed reported that they monitor NEET statistics. Given this, awareness of the concept among government agencies is not very high.
- **The study estimates that about a million out of the 4 million NEET will be demanding TVET training.** To estimate the potential demand of TVET learners, a model specifying factors influencing training participation among the youth was estimated. The study observed that there is a small proportion (2.6 percent) of the non-NEET youth in TVET training. Another observation is that while there are differences in characteristics between trainees and non-trainees, none are large enough in magnitude to allow strong generalization about distinguishing characteristics. Only a few explanatory variables have statistically significant effect on the probability of training participation. These include: (a) age, (b) being unemployed, (c) being economically inactive, (d) education and (e) employment status of spouse.
- **Financial constraints are the main barriers of NEET in pursuing further training.** Specifically, this is having no funds for allowance or no funds for tuition. Surprisingly, a large proportion of respondents reported not experiencing any hindrance in getting into training. The other significant hindrances mentioned are lack of information on TVET programs, housework, having to work or seek work, and school accessibility. The survey conducted among applicants and current trainees to generate information on the barriers the NEET face in pursuing training reveal that the main reason for pursuing TVET training was the desire to learn technical and vocational skills. This is closely followed by getting a job after training. In terms of assistance needed to pursue TVET, the top five responses include allowance support, information on available jobs, tuition support, assistance in finding employment, and information on TVET programs. The most frequently cited challenge experienced while on training is poor or no internet connection, followed by no or insufficient allowance, and digital device issues. A substantial proportion say they did not experience any challenges during training.

5. NEET is still an emerging concept in the Philippines. However, given the large number of youth NEET in the Philippines, and the social and economic implications of this, more attention needs to be directed toward youth NEET and the issues faced by this cohort. First, there is a need to adopt a standard definition of NEET, and promote the concept as an important cohort that needs attention from government and non-government programs. Second, there should to be more comprehensive coverage of people in TVET in official statistics in order to better understand the demand for TVET. Resolving issues in the definition of training participation in official statistics would provide a more comprehensive picture of TVET participation in official statistics, and lead to a more accurate measurement of NEET in the country. Third, more in-depth studies should be conducted to identify other important determinants of being NEET. This will help in finding effective levers of drawing out the NEET into either learning a trade and/or being productively employed. Fourth, given the high proportion of inactivity among female youth observed by the study, further inquiry into the reasons behind this is recommended. Fifth, the study estimated that only one in four NEETs will demand TVET training. Given this low potential take up rate, there is scope for promoting TVET among the NEET. Lastly, barriers and challenges of those who desire to be and are currently in TVET training should be addressed by government and other key stakeholders. This includes addressing financial constraints of participants through re-examination of existing allowance benefits, conduct of better information dissemination on training opportunities, provision of labor market information and employment facilitation, and consideration of solutions to connectivity and digital device issues experienced by trainees.

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1. Introduction

The Philippines has about 20 million young people (ages 15-24) in January 2020. Among them, an estimated 3.9 million youth, or 16.9 percent, were not in employment, education, or training (NEET) (PSA 2020). NEET are young people who are not accumulating human capital through education or employment as they transition to adulthood. Being NEET can undermine young people's future employment and earnings prospects, leading to lasting economic disadvantage. Being NEET can also have adverse social consequences such as depression, weaker social engagement, and possibly deviant behavior. These outcomes come at a great cost to the economy and society.

Originating in the United Kingdom in the 1980s, the NEET concept gradually gained a foothold in other developed countries. The European Union adopted a standard definition of the concept in 2010, in the aftermath of the global economic crisis. It gained further global prominence in 2015 when reducing the NEET rate was adopted as one of the targets under Sustainable Development Goal 8 (Promote inclusive and sustainable economic growth, employment and decent work for all).

In the Philippines, the NEET concept is less well-known in policy circles compared to traditional indicators of youth exclusion, such as out-of-school children and youth (OSCY) and youth unemployment rate. These indicators, however, have limitations. Measuring OSCY is less relevant for youth ages 20-24, who are expected to be exiting education and joining the labor market. Meanwhile, the youth unemployment rate is less relevant for youth ages 15-19, who are mainly economically inactive due to being in school. The NEET rate's advantage is it offers a more holistic picture of youth underutilization.

This study is commissioned by the Technical Education and Skills Development Authority (TESDA) as part of its policy research series on youth NEET, in partnership with the Philippine Business for Education (PBEd). The study aims to answer four research questions:

- What are the dropout points of learners across the education continuum?
- How are NEET computed and monitored across government agencies?
- How many NEET are potential TVET learners?
- What barriers do NEET face in pursuing further training?

The study finds that NEET is still an emerging concept in the Philippines. However, given the large number of youth NEET in the Philippines, and the social and economic implications of this, more attention needs to be directed toward youth NEET and the issues faced by this cohort. First, there is a need to adopt a standard definition of NEET, and promote the concept as an important cohort that needs attention from government and non-government programs. Second, there should to be more comprehensive coverage of people in TVET in official statistics in order to better understand the demand for technical and vocational education and training (TVET). Resolving issues in the definition of training participation in official statistics would provide a more comprehensive picture of TVET participation in official statistics, and lead to a more accurate measurement of NEET in the country. Third, more in-depth studies should be conducted to identify other important determinants of being NEET. This will help in finding effective levers of drawing out the NEET into either learning a trade and/or being productively employed. Fourth, given the high proportion of inactivity among female youth observed by the study, further inquiry into the reasons

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behind this is recommended. Fifth, the study estimated that only one in four NEETs will demand TVET training, given this low potential take up rate, there is scope for promoting TVET among the NEET. Lastly, barriers and challenges of those who desire to be and are currently in TVET training should be addressed by government and other key stakeholders. This includes addressing financial constraints of participants through re-examination of existing allowance benefits, conduct of better information dissemination on training opportunities, provision of labor market information and employment facilitation, and consideration of solutions to connectivity and digital device issues experienced by trainees.

The paper is structured as follows. Section 2 discusses the methodology of the report. Section 3 discusses how NEET are defined and measured by international organizations and the Philippine Statistics Authority. Section 4 provides a profile of NEET in the Philippines. It also discusses the dropout points of learners from education in the context of the youth's school-to-work transition. Section 5 discusses how selected government offices measure and monitor NEET in the context of their education and employment programs. Section 6 presents an effort to estimate potential TVET learners among NEET using estimated probabilities of training participation among non-NEET youth. Section 7 discusses the results of a rapid online survey of NEET and former NEET with a focus on the barriers that hindered their pursuit of training. Section 8 summarizes the findings, and Section 9 provides recommendations.

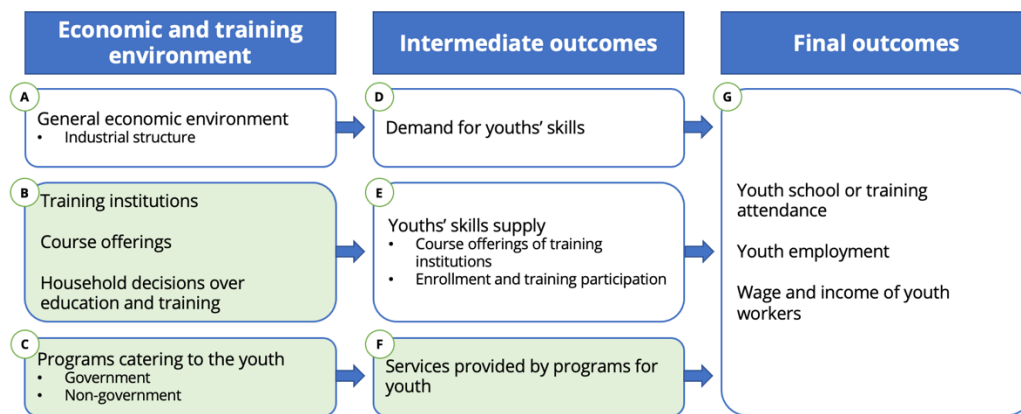
2. Methodology

2.1. Conceptual Framework

Figure 2.1 provides a conceptual framework describing the comprehensive environment surrounding the youth being NEET – the focus of the series of studies.

To understand the employment, education, and training outcomes of the marginalized youth, one must understand the underlying economic development structure, the education and training environment, and household decisions on schooling and training. It also requires cataloging the programs offered that cater to the youth. The underlying general economic development determines the industrial structure that, in turn, determines the demand for skills. On the flip side of this is the supply of skills. The supply of skills is the product of the interaction of courses offered by the education and training institutions and the enrollment and participation decisions of households. Unsatisfied with market outcomes, often government and non-government organizations implement programs aimed at altering educational and employment outcomes of the youth. The programs are characterized by the services offered to the youth. The final outcomes will consist of: a) school/training attendance, b) employment and unemployment, and c) wage and income of youth workers.

Figure 2.1. Conceptual framework



2.2. Research design

This study uses a range of research strategies. We analyze definitions of the NEET concept by reviewing relevant documents of the International Labour Organization, Eurostat, and the Philippine Statistics Authority. To provide a profile of NEET and identify dropout points of youth from the education continuum, we conduct a descriptive analysis of data from the Labor Force Survey (LFS), Annual Poverty Indicators Survey (APIS), and Family Income and Expenditure Survey (FIES). To determine how NEET are measured and monitored in the government, we analyze primary data collected from in-depth interviews with national government offices with programs for youth. To estimate potential TVET learners among NEET, we perform regression analysis using merged APIS-LFS data. Finally, we investigate the barriers that NEET face from pursuing training by analyzing primary data collected from a rapid online survey of applicants and trainees in TESDA Technology Institutes and the YouthWorks PH program of the Philippine Business for Education (PBed) and United States Agency for International Development (USAID). Subsequent sections discuss the details of each strategy.

Due to time limitations, the online survey only included TESDA trainees as well as Youthworks scholars and applicants. As of writing this report, the planned interview with PSA to clarify the agency's definition of NEET was granted yet. These constitutes the limitations of the study.

3. Defining and measuring NEET

3.1. International organizations

International Labour Organization (ILO)

ILO manuals on labor market indicators (2013, p. 38, 2018, p. 31) define the NEET rate as the “proportion of young people not in education, employment or training”, and recommend measuring it using labor force survey data. The youth NEET rate is calculated as:

$$\text{NEET rate} = \frac{\text{Youth} - \text{Youth in employment} - \text{Youth not in employment but in education or training}}{\text{Youth}} \times 100$$

Youth are defined as persons aged 15-24 years. Employment is defined as “[engagement] in any activity to produce goods or provide services for pay or profit” (ILO 2018, p. 26) during the reference period. For education participation, the ILO manuals follow the definition of formal, non-formal, and informal education in the 2011 International Standard Classification of Education (ISCED). Based on the 2011 ISCED, *formal education* is defined as education that:

- Is institutionalized,¹ intentional and planned, commonly taking place in educational institutions designed to provide full-time education in a system designed as a continuous pathway;
- Leads to qualifications that are recognized by national education authorities;
- Consists mostly of initial education, i.e., the education of individuals before their first entry to the labor market, but also includes education for all age groups with program content and qualifications equivalent to those in initial education;
- Can include vocational education, special needs education, and adult education, as well as programs that take place partly in the workplace, if they lead to a qualification recognized by national education authorities (UIS 2011).

Non-formal education is defined as education that:

- Is institutionalized, intentional, and planned education that takes place in addition to, or as a complement or alternative, to formal education;
- Is not necessarily structured as a continuous pathway;
- Leads to no qualifications, or to qualifications that are not recognized as formal or equivalent to formal qualifications by national education authorities;
- May be shorter and less intense, and is typically provided in the form of short courses, workshops or seminars (UIS 2011).

Informal education is intentional but non-institutionalized learning, and is less structured and less organized than formal or non-formal education. It includes learning that takes place in the family, workplace, community or daily life.

The ILO recommends that for the purpose of the NEET indicator, persons in education consist only of those in formal or non-formal education, and exclude those in informal education (ILO 2013, 2018).

Meanwhile, training refers to “non-academic learning in which trainees acquire specific skills intended for vocational or technical jobs” (ILO 2013, p. 39). Vocational training “prepares trainees for jobs that are based on manual or practical activities, and for skilled operative jobs, both blue and white collar related to a specific trade, occupation or vocation”, while technical training “imparts learning that can be applied in intermediate-level jobs, in particular those of technicians and middle managers” (ILO 2013, p. 39). For the purpose of the NEET indicator, the ILO recommends that only school-based vocational and technical

¹ Education is institutionalized when “an organization provides structured educational arrangements, such as student-teacher relationships and/or interactions, that are specially designed for education and training. (UNESCO 2011, p. 11)”

training be considered as constituting training activities (ILO 2013, 2018). The ILO manuals are silent about the rationale behind this standard.

The NEET rate serves as the indicator for SDG 8's NEET reduction target. The UN classifies the NEET rate as a Tier I SDG indicator, or an indicator that has a "well-established methodology, agreed upon at the international level and for which data is regularly produced and widely available for at least half of the countries and half the population of the relevant regions" (ILO 2018, p. 7).² At the time of writing, 155 countries have NEET rate data available in ILOSTAT, the ILO's labor statistics portal. However, comparability of NEET rate data across countries may be limited due to differences in definitions of youth, employment, education, and training.

European Union

Eurostat, the European Union's statistical office, produces NEET rate statistics for the EU and EU member states through data collected from the quarterly EU Labor Force Survey.³ Eurostat defines youth NEET as persons of a given age group who are not employed (following the standard ILO definition), and who have not received any formal education or training in the four weeks preceding the survey (Eurostat 2019).⁴ NEET rate statistics are available for different age subgroups within the age group of 15 to 34 years, including ages 15-24 years and ages 15-29.

Participation in education and training is captured in two Eurostat LFS variables: EDUCSTAT and COURATT (Eurofound 2016).⁵ EDUCSTAT determines if a person at least 15 years was a student or apprentice in the four weeks preceding the survey (European Commission [EC] 2020). Those who were a student or apprentice during the reference period, or were in regular education but on holiday during the reference period, are considered in education. Meanwhile, COURATT determines if a person aged at least 15 years attended any courses, seminars, conferences, or received private lessons or instructions outside the regular system of education in the four weeks preceding the survey (EC 2020). Those who did are considered in training.

3.2. Philippine Statistics Authority definition

The only publicly available PSA definition of NEET can be found in the metadata section of OpenSTAT, PSA's online open data platform. OpenSTAT has annual NEET population and NEET rate estimates from 2006 to 2018. The metadata entry for NEET rate (dated September 21, 2018) defines the indicator as:

*Total youth who are not currently attending school plus total youth not in the labor force who are not currently attending school, as a percentage share of total youth household population (PSA 2018)*⁶

Its method of computation using Labor Force Survey data is defined as follows:

$$NEET\ rate = (YNEE/YPOP) * 100$$

where:

NEET = Youth not in education and not in employment, 15-24

² SDG indicators are classified into three tiers, according to whether or not there is already an internationally agreed methodology for them and also according to their data availability (ILO 2018, p. 7).

³ Eurostat processes data derived from national labor force surveys conducted by European national statistics offices. <https://ec.europa.eu/eurostat/web/microdata/european-union-labour-force-survey>

⁴ <https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:NEET>

⁵ We refer to microdata variables rather than questionnaire variables. Core variables are variables transmitted by European national statistics offices to the Eurostat. These follow regulations on codification set by the European Commission. There are differences in how questions are asked across national LFS questionnaires.

⁶ <https://openstat.psa.gov.ph/Metadata/3K3F2030>

$YNEE = \text{total unemployed youth who are not currently attending school} + \text{total not in the labor force, 15-24}$

$YPOP = \text{total youth household population, 15-24 (PSA 2018)}.$

The expression defining YNEE, the numerator for the NEET rate, is visibly incorrect. It should read “total unemployed youth who are not currently attending school + total *youth* not in the labor force *who are not currently attending school, 15-24*”, to conform with the definition of NEET rate first quoted.

The OpenSTAT definition and computation method for the NEET indicator consists of criteria on employment and education participation but lacks one on training participation. As recently as November 2019, an issue of the *Labstat Updates* – a PSA monograph on labor and employment statistics – referred to the indicator as “not in employment or education” or NEE, rather than NEET (PSA 2019). The said document reports annual NEE estimates from 2006 to 2018. A review of recent LFS microdata reveals that PSA introduced a question on current training participation only in the LFS’s July 2018 round (“Is ___ currently attending a non-formal training for skills development?”). The July 2020 LFS and Annual Poverty Indicators Survey (APIS) Manual states that this question is used to compute the NEET population (PSA 2020a p. 54), indicating a break in the definition starting July 2018. Starting September 2019, the PSA has been publishing quarterly estimates of the indicator, this time referred to as “NEET”, alongside other labor market indicators in statistical releases called “Key Employment Indicators”. Table 3.1 summarizes the Labor Force Survey variables and corresponding questions that are used to construct the NEET population before and after the LFS’s July 2018 round.

Table 3.1. LFS variables used to identify NEE or NEET

LFS variable	LFS question	Availability	
		April 2005 - April 2018	July 2018 onwards
Employment	<i>Did ___ do work for at least one hour during the past week?</i>	✓	✓
	<i>Although ___ did not work, did ___ have a job or business during the past week?</i>		
Education participation	<i>Is ___ currently attending school?</i>	✓	✓
Training participation	<i>Is ___ currently attending training for skills development?</i>		✓

Source: PSA (2020a).

Table 3.2 shows the education, training, and employment status of youth in 2019 as measured by the LFS. Out of 19.9 million youth, 10.8 million were in education, 6.5 million were in employment, and only 231 thousand were in training. Panel B breaks down the youth population into mutually exclusive statuses. Most youth were either in education only (48.2 percent) or in employment only (32.4 percent), and just 0.2 percent were in training only. Finally, Panel C shows the number of youth who were NEET and NEE in 2019. The two figures are not far apart: there were 3.69 million NEET and 3.73 million NEE, the difference being accounted for by the 41.4 thousand youth counted by the LFS to be in training only.

Table 3.2. Youth education, training, and employment status, 2019

Total youth	19,929.2	100.0
A.		
In education	10,785.3	54.1
In training	231.2	1.2
In employment	6,460.1	32.4
B.		
In education only	9,606.0	48.2
In training only	41.4	0.2

In education and training	130.7	0.7
In education, training, and employment	22.1	0.1
In education and employment	1,026.5	5.2
In training and employment	37.0	0.2
In employment only	5,374.5	27.0
<hr/>		
C.		
Youth not in employment, education or training (NEET)	3,691.0	18.5
Youth not in employment or education (NEE)	3,732.3	18.7

Note: Figures are obtained by averaging quarterly statistics. Source: Labor Force Survey January 2019, April 2019, July 2019, and October 2019 microdata.

Issues in the PSA's definition of education and training

It is worth discussing the types of education and training captured by the LFS. We pull together information from LFS and APIS manuals from recent years, and PSA's written response to clarificatory questions on the definition of post-secondary education.

The LFS defines "current school attendance" as attendance in a "regular educational institution, public or private, to obtain formal education" (PSA 2020a p. 48). It defines formal education as the "systematic and deliberate process of hierarchically structured learning" where "[a]t the end of each level the learner needs a certification in order to enter or advance to the next level" (PSA 2020a p. 48). The LFS does not define what formal educational institutions are, but they are taken to mean primary schools, secondary schools, colleges, and universities. Those attending certain education programs outside of the traditional formal education pathway are also considered attending formal education if these programs are accredited by the Department of Education or offered by formal educational institutions.⁷

The LFS captures a narrow subset of technical and vocational education and training (TVET) participants as education participants (i.e., "attending school"). Learners that are taking TVET programs in post-secondary or vocational schools "within the regular system of education in universities and colleges" are considered attending school (PSA 2020a p. 49). However, the LFS excludes those attending "vocational schools outside the regular system of education", as well as "trainings conducted by the Technical Educational and Skills Development Authority (TESDA) and its accredited institutions" (PSA 2016 p. 35, 2017b p. 35, 2020a p. 50). Further, PSA manuals delimit technical and vocational courses that are considered formal education at the Post-Secondary level to those that require a high school diploma for entry (PSA 2016 p. 35, 2017b p. 35, 2020a p. 54). Finally, it appears that only TVET programs lasting a minimum of one year are considered as formal education. None of the PSA manuals we obtained explicitly state this rule. However, in their response to our clarificatory questions, the PSA wrote that:

Trainings or programs conducted by the Technical Education and Skills Development Authority (TESDA) and its accredited institutions with program duration of less than one year were not considered as formal education. Hence, in the 2017 July LFS-APIS, these are not classified as their highest grade completed nor current grade (PSA 2021a).

The LFS's question on training participation captures some forms of TVET that are excluded from education participation. Persons who are "in a nonacademic learning activity through which they acquire specific skills intended for vocational or technical jobs" are considered to be in training (PSA 2020a p. 54). However, the coverage includes only school-based vocational and technical training programs, taking the cue from the ILO rule on trainings described earlier. Employer-based trainings are explicitly excluded. It is not clear whether programs provided in TESDA-administered and TESDA-accredited TVIs are considered school-based programs.

⁷ These include Special Education (SPED); home study programs, home education programs, or open high school programs; Madrasah; Indigenous People's Education (IPED); night classes which are organized as part of the school system; Alternative Learning System (ALS); and distance learning programs (PSA 2020a).

Box 1. TVET programs in the Philippine Standard Classification of Education

The standardized classification of education levels in the country are described in the PSA's Philippine Standard Classification of Education (PSCED). The LFS uses PSCED to classify educational attainment in survey households. The LFS started to use the latest PSCED edition (2017) only in its July 2020 round. PSCED 2017 has ten education levels (Level 0 through Level 9). Among the changes in the 2017 edition is that TVET now spans three levels – Upper Secondary (Level 3), Post-Secondary Non-Tertiary (Level 4) and Short-Cycle Tertiary Education (Level 5) – compared to just one level in the previous (2008) PSCED edition (Level 4: Post-Secondary Non-Tertiary/Technical-Vocational Education), (PSA 2017, xxxi).

PSCED 2017 describes both Post-Secondary Non-Tertiary and Short-Cycle Tertiary as being competency-based and labor-market driven; following industry-defined requirements; and aimed at preparing students for entry into the labor market (PSA 2017, p. 4-1; p. 5-1). However, Short-Cycle Tertiary programs – which cover the “lowest level of tertiary education and advanced TVET” – are more complex than Post-Secondary Non-Tertiary programs. TVET programs that lead to a National Certificate (NC) I, II, or III fall under Post-Secondary Non-Tertiary education, while programs that lead to NC IV or Diploma fall under Short-Cycle Tertiary education. TVET also spans the Upper Secondary level because under the reformed basic education program, Senior High School students (Grades 11 and 12) in the Technology-Vocational-Livelihood (TVL) track take TVET programs leading to an NC I or II as specialized subjects. TVET programs that lead to an NC are programs with a TESDA-promulgated Training Regulation (TR).⁸ Outside of programs with a TR (or WTR programs), there are also TVET programs that are registered to TESDA, or are monitored by TESDA, but are not governed by TRs and therefore do not lead to an NC. The PSCED is silent about whether these programs are within or beyond its scope.

It is worth mentioning that education levels in PSCED 2017 are aligned with qualification levels in the Philippine Qualification Framework (PQF). The PQF is a national policy that classifies educational qualifications awarded by TVET and Higher Education institutions into qualification levels based on standard learning outcomes.⁹ The PQF has eight levels of qualifications. National Certificates I through IV are equivalent to PQF Levels 1 through 4; a Diploma is equivalent to PQF Level 5; while Baccalaureate, Post-Baccalaureate, and Doctoral degrees are equivalent to PQF Levels 6, 7, and 8, respectively. Table 3.3 shows how PQF levels map into education levels in the PSCED 2017. PQF Levels I through III (NC I through III) map to Post-Secondary Non-Tertiary education. Since NC I and II can also be attained in Grades 11 and 12, PQF Levels 1 and 2 also map to the Upper Secondary level. Meanwhile, PQF Levels IV and V (NC IV and Diploma) map to Short-Cycle Tertiary education.

Table 3.3. Philippine Qualification Framework levels mapped to PSCED levels

2017 PSCED		Philippine Qualification Framework	
Level	Program	Level	Qualification
Level 0	Early childhood		
Level 1	Primary		
Level 2	Lower secondary		
Level 3	Upper secondary	Level 1	National Certificate I
		Level 2	National Certificate II
Level 4	Post-secondary non-tertiary	Level 1	National Certificate I
		Level 2	National Certificate II

⁸ TRs are official documents developed by industry experts commissioned by TESDA that contain the competency standards as well as training and assessment arrangements that govern the delivery of TVET programs leading to a National Certificate. The National Certificate is awarded to the learner after passing the competency assessment. TESDA commissions industry experts to develop Training Regulations.

⁹ The learning outcomes for each PQF level are defined along three domains: skills, knowledge and values; application; and independence.

Level 5	Short-cycle tertiary	Level 3	National Certificate III
		Level 4	National Certificate IV
		Level 5	Diploma
Level 6	Bachelor level	Level 6	Baccalaureate degree
Level 7	Master's level	Level 7	Post-baccalaureate degree
Level 8	Doctoral level	Level 8	Doctoral degree

Source: PSA (2017a).

In terms of requirements to progress to the Post-Secondary Non-Tertiary and Short-Cycle Tertiary levels, the PSCED 2017 states that entry into Post-Secondary Non-Tertiary programs “may require” the completion of Upper Secondary level (PSCED Level 3), and entry into Short-Cycle Tertiary programs “may require” the completion of Upper Secondary (PSCED Level 3) and Post-Secondary Non-Tertiary (PSCED Level 4) programs, depending on “industry-defined requirements” (PSA 2017 p. 4-1, 5-1). For TVET programs leading to an NC, entry requirements are specified in their respective TRs. Most do not require academic qualifications for entry. Our review of the 306 TRs that were in existence as of October 2020 showed that 189 or 61.8 percent lack an academic entry requirement (see Box 2). In fact, TESDA awards NC qualifications on the basis of candidates’ performance in the standard competency assessment rather than their attendance and completion of a TVET program. Persons who acquired competencies in learning environments other than formal training, such as employment, may undergo assessment towards an NC, applying the principle of “recognition of prior learning”. According to TESDA, individuals who attained TVET qualifications (NCs I through IV or Diploma) are to be considered as having a Post-Secondary or Short-Cycle Tertiary education regardless of whether they completed the Upper Secondary level. In TESDA’s view, the paths to achieving a Post-Secondary or Short-Cycle Tertiary education do not necessarily entail a linear progression from the Upper Secondary level.

There are issues with the LFS’s definition of education and training participation, particularly in regard to how TVET participants are captured. First, some of the LFS’s rules for delineating TVET that passes as formal education conflicts with PSCED 2017’s classification of WTR TVET programs. As discussed in Box 1, WTR TVET programs, if taken outside of the Upper Secondary level, are classified in the PSCED as Post-Secondary Non-Tertiary level (for NCs I through III) or Short-Cycle Tertiary level (for NC IV and Diploma). Entry into WTR TVET programs do not necessarily require the completion of Upper Secondary level, and many of these programs have a nominal duration of less than a year (see Box 2).

Second, the LFS’s definition of TVET that counts as education or training participation is inconsistent with that of TESDA, the government agency supervising TVET in the Philippines. Table 3.4 compares the LFS’s notion of TVET participation with that of TESDA. For the LFS, only TVET programs that are delivered in formal educational institutions are considered as education (provided that they last at least one year and high school is an entry requirement), while only school-based TVET programs are considered as training. For TESDA, TVET encompasses a broader range of delivery modes. These include institution-based programs, enterprise-based programs, community-based programs, and monitored programs. Moreover, TESDA does not delineate the scope of TVET using academic entry requirements or program duration.

Table 3.4. TVET participation according to the PSA and TESDA

PSA	TESDA
TVET participants are in formal education at the Post-Secondary Non-Tertiary level if TVET program is: provided by school/college/university; high school diploma is an entry requirement; and program duration is at least one year. Programs provided in vocational schools outside of the regular system of education, including those provided by TESDA and TESDA-accredited TVIs, are excluded.	TVET participants are those that are enrolled in institution-based, enterprise-based, community-based, or monitored TVET programs. There is no reference to a minimum program duration or academic entry requirements. Institution-based programs are programs delivered in TESDA Technology Institutions (TTIs), Private Technical Vocational Institutions (TVIs), Higher

TVET participants are in **training** if they participate in a school-based non-academic learning activity to acquire specific skills intended for vocational or technical jobs. Employer-based training is excluded.

Education Institutions (HEIs), Public TVIs such as State Universities and Colleges (SUCs), Local Colleges and Universities (LUCs) and training centers established by the Local Government Unit (LGU).

Enterprise-based programs are programs delivered in the enterprise which maybe in-plant or stand-alone (such as apprenticeship and learnership programs), or maybe linked with a training provider (such as Dual Training System or Dual Training programs).

Community-based programs are programs intended to address the specific needs of the community. Training programs may be delivered in an informal or formal setting in the community. These are commonly short-term courses implemented by LGUs with TESDA assistance.

Monitored programs are programs that have a TVET component conducted by other National Government Agencies, and other skills training which have to be reported to TESDA.

Source: Authors' compilation based on PSA (2016, 2017b, 2020a, 2021a) and TESDA online glossary of terms (TESDA n.d.).

Thus, the PSA's definition results in excluding a substantial number of TVET learners from being counted as education or training participants. Table 3.5 shows the scope of TVET learners that are captured as education or training participants when LFS definitions are applied to TVET program characteristics (mode of delivery, training provider, program duration, and academic entry requirements). Only learners in institution-based programs are counted as being in education or training. Among them, only learners taking TVET programs requiring high school completion and lasting at least one year at higher educational institutions (HEIs) are considered to be in formal education at the post-secondary level. TVET learners in institution-based programs that do not meet any of these three criteria (type of provider, program duration, and entry requirements) are classified as in training. Meanwhile, TVET learners in enterprise-based, community-based, and monitored training programs are not counted as being in training at all. Based on TESDA data (Table 3.6), these types of programs collectively account for 66.2 percent of total TVET enrollment in 2019 (2.49 million). The exclusion of these TVET participants means that current NEET estimates are potentially overstated.

Table 3.5. Scope of TVET learners captured by LFS/APIS based on TVET program characteristics

TVET program characteristics				Education or training participation status
Mode of delivery (TESDA categories)	Program provider	Program duration	Academic entry requirement	
Institution-based	Higher educational institution (college or university)	At least one year	Completed high school	In formal education
		Less than one year	Any/none	In training
	TESDA-administered or TESDA accredited TVIs	Any duration	Any/none	In training
		Any duration	Any/none	In training
Enterprise-based	Any provider	Any duration	Any/none	Not captured

Community-based	Any provider	Any duration	Any/none	Not captured
Monitored	Any provider	Any duration	Any/none	Not captured

Table 3.6. 2019 enrollment in TVET programs by mode of delivery

Mode of delivery	Enrollment	
	Freq.	Percent
Institution-based	840,295	33.8
Enterprise-based	97,517	3.9
Community-based	1,109,245	44.6
Monitored	441,865	17.8
Total	2,488,922	100

Source: TESDA (2021a).

Furthermore, the LFS's the institutional training provider as a basis for distinguishing between learning activities leads to differing treatment of TVET programs with identical or similar content. For instance, between a college and a TESDA-accredited TVI offering the same one-year WTR TVET program requiring high school completion for admission, the PSA would consider learners attending the former as education participants and the latter as training participants. To illustrate further, between two training programs – one enterprise-based and another school-based – that otherwise lead to the same qualification, the PSA would consider only those taking the latter as training participants.

Finally, the LFS appears to lump together all TVET programs that are considered formal education into the Post-Secondary Non-Tertiary level. This appears to be a holdover from the previous PSCED edition (2008), which classified all TVET as Post-Secondary education. As discussed in Box 1, PSCED 2017 recognizes that TVET spans the Upper Secondary, Post-Secondary Non-Tertiary, and Short-Cycle Tertiary levels.

Box 2. Program duration and academic entry requirements of TVET programs with Training Regulations

Training Regulations (TRs) refer to documents issued by the TESDA Board specifying competency standards, training arrangements, and assessment and certification arrangements, which serve as guidelines for the development and delivery TVET programs leading to a National Certificate (NC) qualification. As of October 2020, there were 306 TRs for as many TVET programs. These TVET programs are called with Training Regulation (WTR) programs.

Among the training arrangements spelled out in TRs are the program's nominal training duration and its entry requirements for trainees. The nominal duration is an estimate of the number of hours required for an average person to achieve the learning outcomes of the program's units of competency (TESDA 2020a). According to TESDA, the actual length of training programs may vary depending on how curricula are designed to achieve the required learning outcomes. Nevertheless, the nominal duration gives an indication of the length of WTR programs. Meanwhile, trainee entry requirements may include some combination of the following: age, basic literacy, communication skills, good moral character, work experience, holding a relevant NC, educational attainment, and other qualities required to perform the occupation.

Table 3.7 shows the distribution of WTR programs in terms of nominal training duration expressed in months. We assume that there are eight training hours in one day (per TESDA), and 16 training days per month (our own assumption). Seven out of 10 (70.3 percent) WTR programs have a nominal duration of less than three months, while about one-fifth (19.9 percent) last between three months to less than six months. Only five programs have a nominal duration of at least one year.¹⁰

Table 3.7. Nominal training duration of WTR programs

Duration in months	Freq.	Percent
<3	215	70.3
At least 3 but <6	61	19.9
At least 6 but <9	21	6.9
At least 9 but <12	4	1.3
At least 12	5	1.6
Total	306	100.0

Source: Authors' calculations based on TESDA (2021b).

Meanwhile, Table 3.8 shows the distribution of WTR programs in terms of academic entry requirements specified in their TR. The majority of programs (61.8 percent) have no academic entry requirement. Less than a quarter (23.5 percent) require completion of 10-year basic education (Junior High School or Grade 10) or its equivalent in the Alternative Learning System (ALS), while 6.9 percent require completion of high school or its equivalent.

Table 3.8. Academic entry requirement for WTR programs

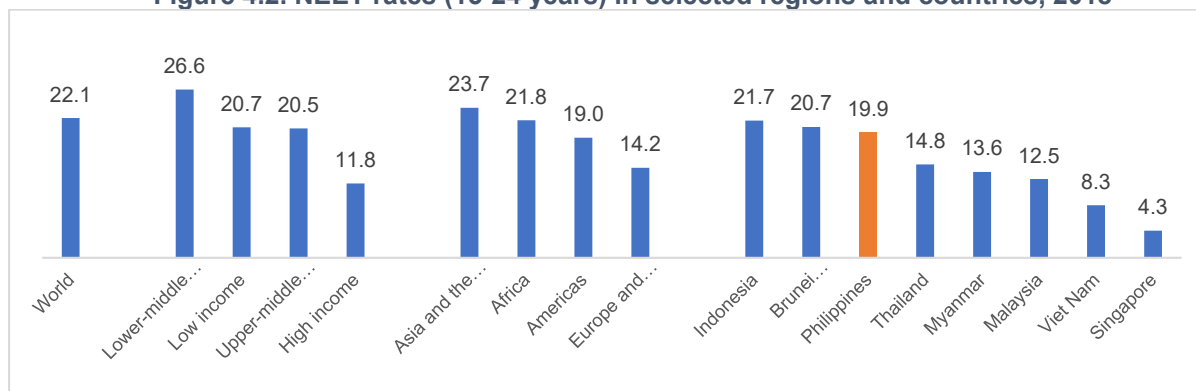
Academic entry requirement	Freq.	Percent
None	189	61.8
Elementary level	1	0.3
High school graduate, including equivalent	21	6.9
High school or vocational school graduate	1	0.3

¹⁰ These are Dental Hygiene NC IV (437.375 days), Dental Technology NC IV (569.375 days), Jewelry Making (Fine Jewelry) NC III (245.5 days), Lifeguard Services NC II (222.5 days), and Machining NC I (198.75 days).

High school graduate or work experience	1	0.3
High school level or graduate	1	0.3
High school level or graduate or equivalent	1	0.3
Junior high school graduate, including if ALS equivalent is allowed	71	23.2
Junior high school graduate, ALS equivalent, or relevant NC	2	0.7
Junior high school graduate or work experience	2	0.7
Junior high school graduate or level	1	0.3
Senior high school graduate, including if ALS equivalent is allowed	4	1.3
Senior high school level or graduate	1	0.3
Senior high school level	1	0.3
Senior high school level or relevant NC	1	0.3
Senior high school level or work experience	1	0.3
Two years college/technical course or work experience	2	0.7
Technology graduate or completed basic	2	0.7
Bachelor's degree or equivalent	1	0.3
Bachelor's degree or training/work experience	2	0.7
Total	306	100

Source: Authors' calculations based on TESDA (2021b).

Figure 4.2. NEET rates (15-24 years) in selected regions and countries, 2018



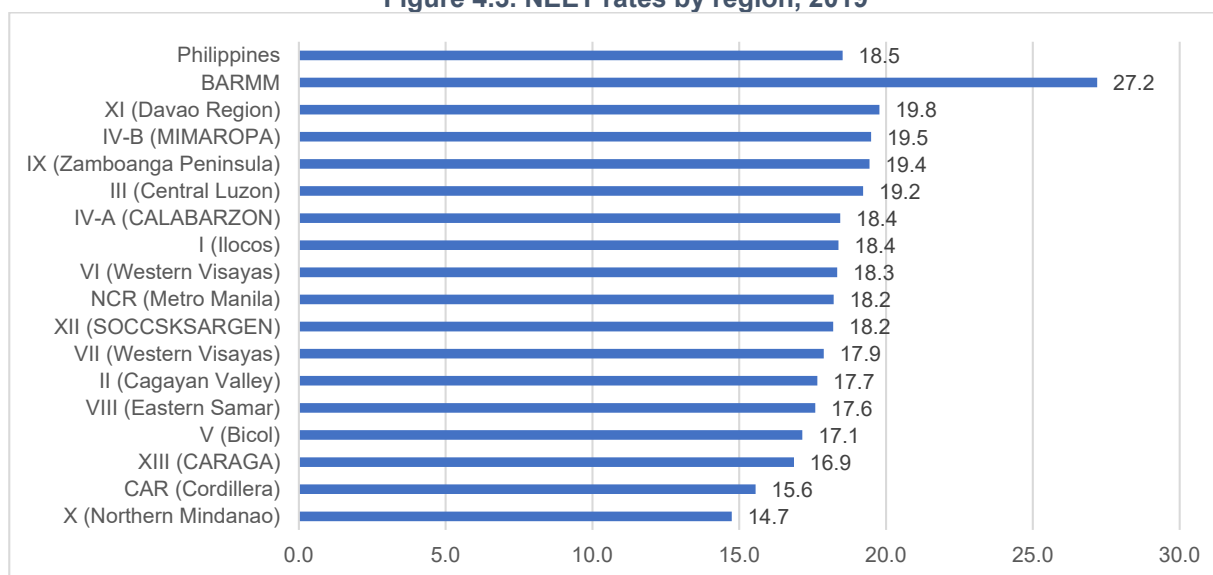
Note: NEET rates for World, country income groups, and regions are ILO estimates. Country NEET rates are estimated from labor force surveys. Data for Cambodia, Laos, and Timor-Leste are not available. Data across countries may not be fully comparable. Source: ILO (2021).

4.2. Profile of Filipino NEET

NEET rates by region

Figure 4.3 shows NEET rates by region in 2019 using averaged quarterly regional NEET rate estimates. Being NEET is most prevalent among youth in the Bangsamoro Autonomous Region in Muslim Mindanao (27.2 percent), followed by Davao Region (19.8 percent), MIMAROPA (19.5 percent), Zamboanga Peninsula (19.4 percent), and Central Luzon (19.2 percent). NEET incidence among youth was lowest in Northern Mindanao (14.7 percent) and the Cordillera Administrative Region (15.6 percent).

Figure 4.3. NEET rates by region, 2019



Note: Figures are obtained by averaging quarterly statistics. Source: Labor Force Survey January 2019, April 2019, July 2019, and October 2019 microdata.

NEET rates and NEET distribution by demographic characteristics

An analysis of NEET incidence and NEET distribution by age, sex, and urbanization as shown in Table 4.1 reveals notable patterns. In terms of NEET rates:

- Youth aged 20-24 are more likely to be NEET than youth aged 15-19. This is expected as youth tend to be in school at ages 15-19, and leave education as they approach and reach their 20s. The NEET rate increases slowly from age 15 to 17, then climbs sharply from age 18 to 21. From age 21 to 24, the NEET rate remains essentially flat at around 30 percent.
- The NEET rate among females (24.1 percent) is nearly double that among males (13.7 percent). In particular, females aged 20-24 have the highest NEET rate at 40.2 percent.
- In terms of marital status and sex, the NEET incidence is highest among married females at 67.4 percent, followed by separated females (including divorced or annulled) at 44 percent. In contrast, the incidence among other subgroups are all below 15 percent, and is lowest among married males (9.2 percent). This suggests that marriage is a major factor to being NEET among female youth.
- In terms of educational attainment, youth that did not reach primary level have the highest NEET rates. About three-quarters (74.5 percent) of youth with no grade completed, and nearly two-thirds (63.4 percent) of youth that only reached pre-primary, are NEET. Youth that reached the upper secondary level have the lowest NEET rate (8.3 percent), next to those who reached the doctoral level.
- NEET rates in urban and rural areas are nearly the same at 18-19 percent.
- Youth from poorer families are more likely to be NEET. The NEET rate is highest among youth in the poorest 20 percent of families in terms of per capita income in 2018 (24 percent), and lowest for youth in the richest 20 percent (11.4 percent).

In terms of NEET distribution:

- NEET aged 20-24 account for nearly seven out of 10 (69.3 percent) of all NEET.
- More than three out of five NEET (62.6 percent) are female. In particular, female NEET aged 20-24 comprise the largest NEET subgroup (46.5 percent), followed by male NEET aged 20-24 (22.9 percent).
- In terms of marital status and sex, NEET are mainly made up of single males (35.1 percent), single females (31.2 percent), and married females (30.7 percent).
- In terms of education, youth that reached lower secondary education (Grades 7 to 10, or 1st year to 4th year High School) comprise the largest share of NEET (42.9 percent), followed by those that reached the Bachelor level (23.8 percent), and those that reached the primary level (16.6 percent).
- NEET from the poorest income classes make up the majority of the NEET population. Over half of NEET (56 percent) come from families in the bottom 40 percent of the income distribution, and about two-thirds (67.2 percent) come from the bottom 50 percent. NEET from the richest quintile make up just 8.3 percent of NEET.

Table 4.1. NEET rates and NEET distribution by age group, sex, and urbanization, 2018 or 2019

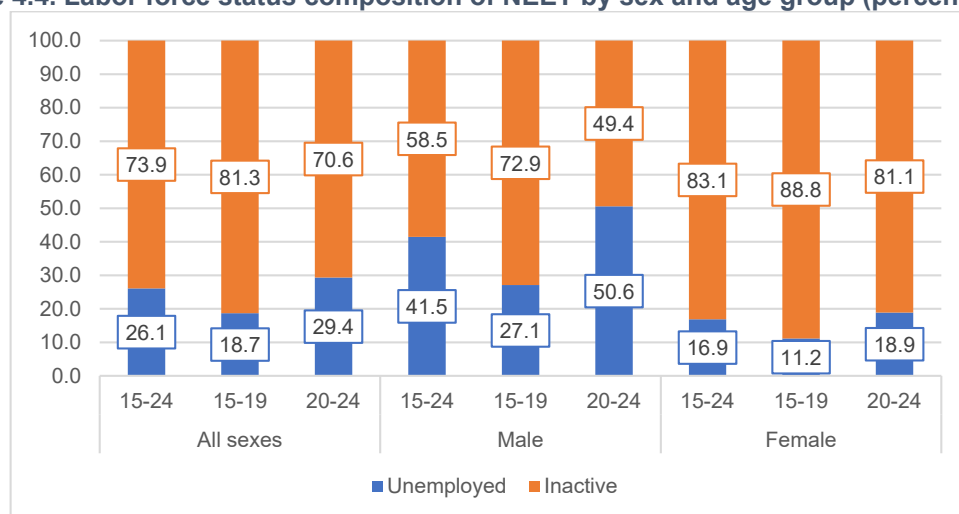
	NEET rate (percent)	Distribution (percent)
<i>Age (2019)</i>		
15	5.9	3.7
16	7.2	4.4
17	8.8	5.1
18	13.3	8.1
19	16.8	9.2
20	24.4	12.3
21	29.8	15.5
22	30.2	14.6
23	30.8	14.1
24	29.3	12.8
<i>Sex (2019)</i>		
Female	23.9	62.6
Male	13.5	37.4
<i>Sex and age group (2019)</i>		
Male, 15-19 years	9.4	14.6
Male, 20-24 years	18.5	22.9
Female, 15-19 years	11.1	16.1
Female, 20-24 years	39.9	46.5
<i>Sex and marital status (2019)</i>		
Single male	13.9	35.1
Married male	9.2	2.2
Widowed male	16.1	0.0
Divorced, annulled, or separated male	14.7	0.1
Single female	14.6	31.2
Married female	67.4	30.7
Widowed female	19.3	0.0
Divorced, annulled, or separated female	44.1	0.7
<i>Educational attainment (2019)</i>		
No grade completed	74.5	3.0
Pre-primary	63.4	0.2
Primary	29.9	16.6
Lower secondary	17.1	42.9
Upper secondary	8.5	8.3
Post-secondary non-tertiary	21.8	2.3
Short-cycle tertiary	25.4	3.0
Bachelor level	21.8	23.8
Master's level	12.9	0.0
Doctoral level	0.0	0.0
<i>Urbanization (2019)</i>		
Urban	18.2	44.1
Rural	18.8	55.9
<i>Family income class (July 2018)</i>		
Bottom quintile	24.4	31.5
Second quintile	21.8	25.0
Third quintile	19.4	20.3
Fourth quintile	15.6	14.8
Richest quintile	11.4	8.3
Bottom 50 percent	22.6	67.2
Upper 50 percent	14.9	32.8

Note: Figures obtained by averaging quarterly frequencies. Source: Labor Force Survey microdata for January 2019, April 2019, July 2019, and October 2019. Source for income class data is the merged July 2018 Labor Force Survey and 2018 Family Income and Expenditure Survey microdata.

Labor force status of NEET

Figure 4.4 breaks down the NEET population into their labor force status (i.e., unemployed or inactive) by sex and age group (15-19 years and 20-24 years). The economically inactive dominate the NEET population. Nearly a quarter of NEET are inactive (73.9 percent) and only about a quarter (26.1 percent) are unemployed. The unemployed comprise a larger proportion of male NEET (41.5 percent) compared to female NEET (16.9 percent). Unemployment is more prevalent among older NEET (29.4 percent) compared to younger ones (18.7 percent). However, 27.1 percent of younger male NEET are already unemployed compared to 11.2 percent of their female counterparts, indicating that more males start to look for work at a younger age than females. At ages 20-24, the share of the unemployed increases to half (50.6 percent) for male NEET and to under one-fifth (18.9 percent) for female NEET.

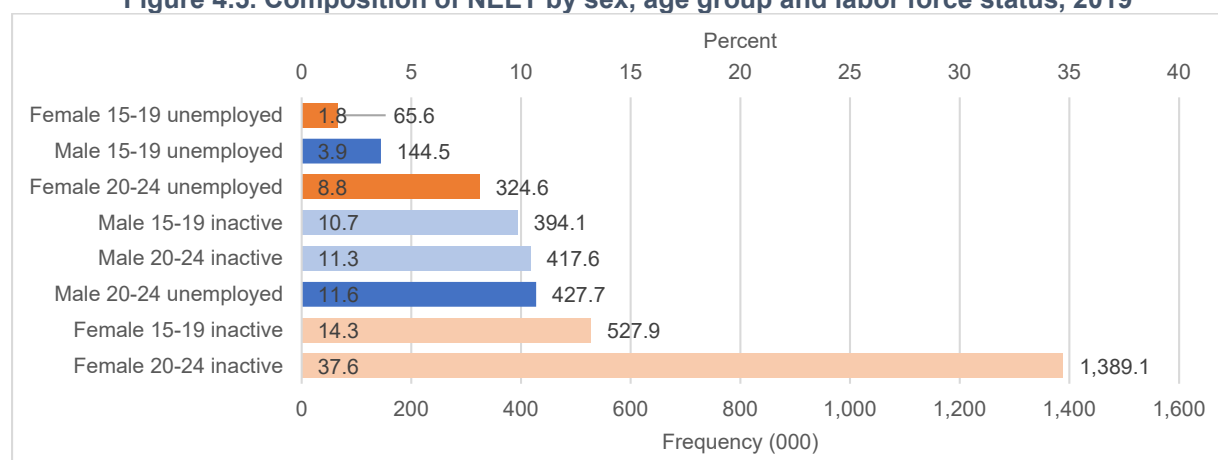
Figure 4.4. Labor force status composition of NEET by sex and age group (percent), 2019



Source: Labor Force Survey microdata for January 2019, April 2019, July 2019, and October 2019.

Figure 4.5 shows the composition of the NEET population by sex, age and labor force status. Economically inactive females aged 20-24 are the largest single subgroup, accounting for more 1.39 million youth or more than one-third (37.6 percent) of the NEET population. The second largest subgroup are inactive females aged 15-19 at 14.3 percent. Combined, inactive females comprise half (51.9 percent) of the NEET population. Inactive males make up 22 percent, unemployed males 15.5 percent, and unemployed females 10.6 percent.

Figure 4.5. Composition of NEET by sex, age group and labor force status, 2019



Source: Labor Force Survey microdata for January 2019, April 2019, July 2019, and October 2019.

Table 4.2 presents a detailed disaggregation of the NEET population in terms of labor force status, utilizing responses to LFS questions on seeking work, reasons for not seeking work, and availability to do work. This disaggregation takes after the classification proposed by Eurofound (2016) for EU NEET using the EU LFS. Home carers – or those who are economically inactive due to household or family duties – are the largest single NEET subgroup, comprising 45.2 percent of the NEET population and 61.1 percent of inactive NEET. Next are the unemployed NEET who are not seeking work but are otherwise available for work (14.2 percent), followed by unemployed NEET who are seeking and available for work (11.9 percent). “School reentrants” (4.8 percent) are inactive youth who are not seeking work because they plan to be in school within the next few months. “Labor market reentrants” (2.9 percent) are those who are not seeking work because they are awaiting results of a previous job application (including application for business permits), or are waiting to be rehired or recalled by their employer. Discouraged workers (2.3 percent) are those who are not seeking work because they are tired or believe that no work is available.

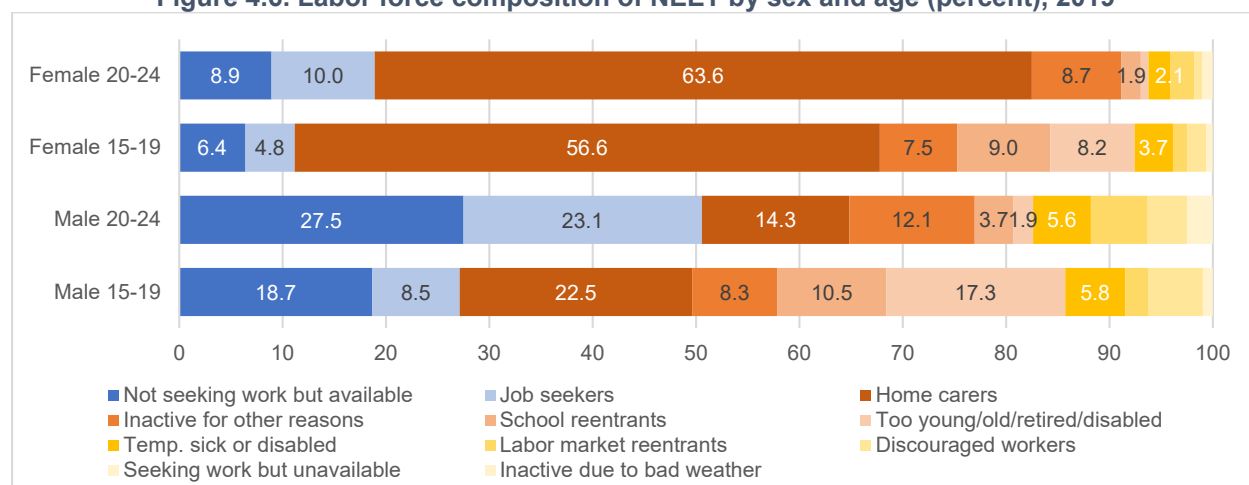
Table 4.2. Composition of NEET by disaggregated labor force status, 2019

	Freq.	Share of NEET	Share of unemployed or inactive
Total	3,691.0	100.0	
<i>Unemployed</i>	<i>962.3</i>	<i>26.1</i>	<i>100</i>
Not seeking work but available	523.2	14.2	54.4
Job seekers	439.1	11.9	45.6
<i>Inactive</i>	<i>2,728.7</i>	<i>73.9</i>	<i>100</i>
Home carers	1,666.7	45.2	61.1
Inactive for other reasons	339.3	9.2	12.4
School reentrants	175.8	4.8	6.4
Too young, too old, retired, or disabled	170.0	4.6	6.2
Temporarily sick or disabled	135.6	3.7	5.0
Labor market reentrants	108.0	2.9	4.0
Discouraged workers	85.0	2.3	3.1
Seeking work but unavailable	45.0	1.2	1.6
Inactive due to bad weather	3.3	0.1	0.1

Source: Labor Force Survey microdata for January 2019, April 2019, July 2019, and October 2019.

Figure 4.6 shows the labor force composition of NEET by sex and age. Home carers consist the large majority of female NEET (and 56.6 percent among those aged 15-19 and 63.6 percent among those aged 20-24,), but a much smaller proportion of male NEET. Among male NEET, the share of job seekers rise from 8.5 percent among those aged 15-19, to 23.1 percent among those aged 20-24.

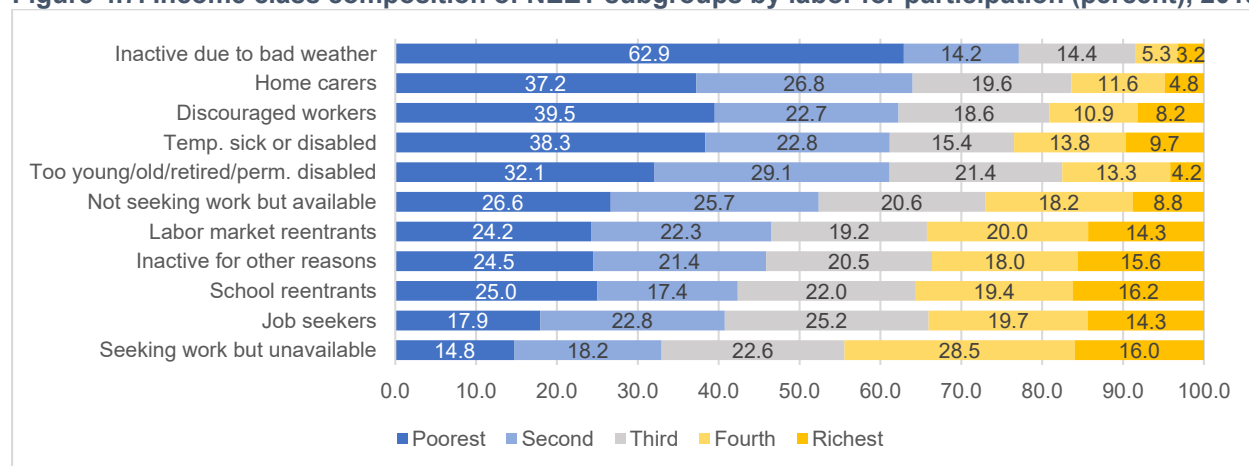
Figure 4.6. Labor force composition of NEET by sex and age (percent), 2019



Source: Labor Force Survey microdata for January 2019, April 2019, July 2019, and October 2019.

Figure 4.7 shows the income class composition of each NEET subgroup, giving a picture of NEET subgroups that are most economically disadvantaged. Youth belonging to the poorest 40 percent of families are overrepresented among NEET who are inactive due to bad weather (77.1 percent), home carers (64 percent), discouraged workers (62.2 percent), and those with temporary sickness or disability (61.1 percent).

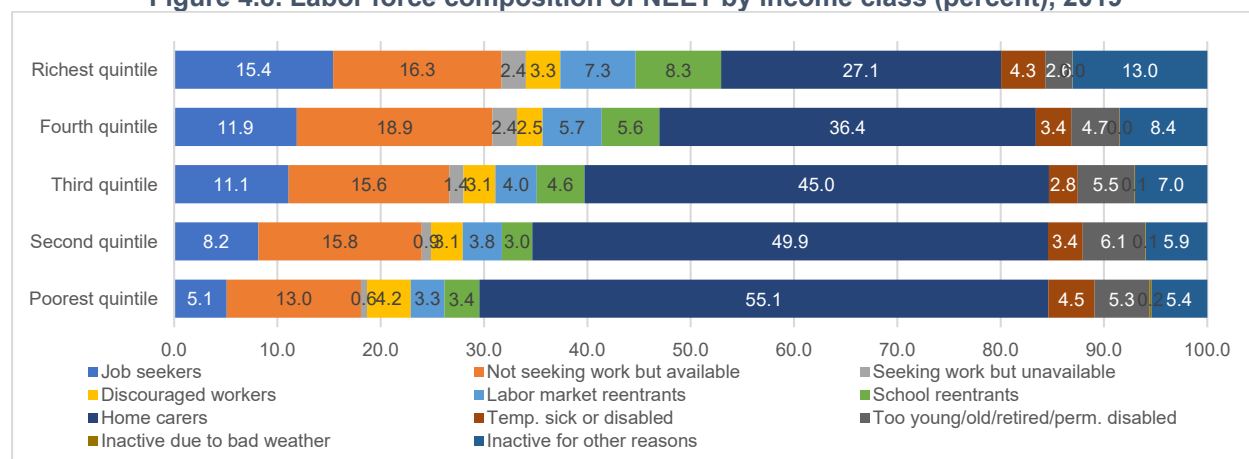
Figure 4.7. Income class composition of NEET subgroups by labor for participation (percent), 2019



Source: Labor Force Survey microdata for January 2019, April 2019, July 2019, and October 2019.

Meanwhile, Figure 4.8 shows a detailed labor force disaggregation of NEET by income class. The share of unemployed NEET is lowest among NEET in the poorest quintile (18.1 percent) and highest among NEET in the richest quintile (31.7 percent), driven mainly by the increasing share of jobseekers. Home carers are the single largest subgroup of inactive NEET across all income classes. However, their share decreases moving up the income ladders, from 55 percent among NEET in the poorest quintile, to 27.1 percent in the richest quintile. In contrast, the share of school reentrants and labor market reentrants among inactive NEET increases the farther up the income ladder. These patterns suggest that NEET in the poorest income groups tend to be more removed from participating in the labor force or education than their higher income counterparts.

Figure 4.8. Labor force composition of NEET by income class (percent), 2019



Source: Labor Force Survey microdata for January 2019, April 2019, July 2019, and October 2019.

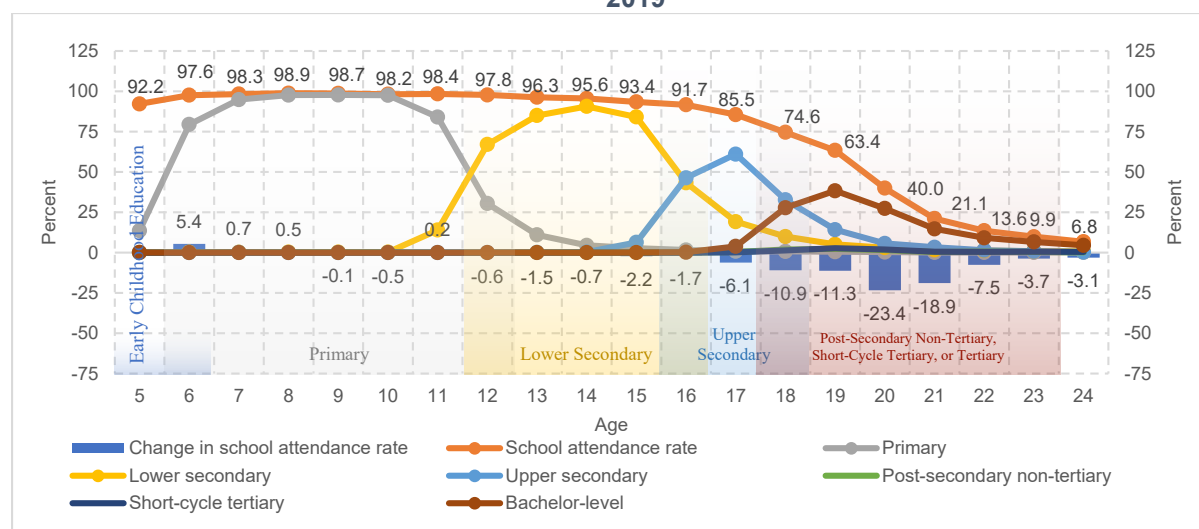
Dropout points from education and transition to NEET-hood

This subsection documents the transition of youth from being in education to being NEET. Figure 4.9 shows the proportion of youth attending school and attending in different education levels from ages 5 to 24 in 2019, tracing their trajectory through age cohorts. Though the distributions are taken from a snapshot of the population (and not from observing the same cohort every year from 5 to 24), the shifting distributions give an approximation of the transition of children and youth through education levels, and from being in school to leaving school, as they progress in age. Figure 4.9 also shows the percentage change in school attendance rate from the previous age cohort.

School attendance starts very high among children in Primary school age (6 to 12), averaging 98 percent. From ages 12 to 16 (Lower Secondary schooling age) the school attendance rate falls gradually at an average of 1.3 percentage points from the previous age cohort. The first big drop – 6.1 percentage points – occurs at age 17 (around Grade 11 or 12). From there until the age of 20, the school attendance declines at a faster rate. It falls by an average of 11 percentage points at ages 18 and 19 during the transition from Upper Secondary to Bachelor or Post-Secondary Non-Tertiary. The largest declines occur at ages 20 and 21 (around second- to fourth year college), with school attendance falling by an average of 21 percentage points. The fall in school attendance at this stage would be from college graduates and undergraduates leaving school. From there school attendance continues to fall, but a slower pace. At age 24, only 6.8 percent are in school – most of them at the Bachelor level.

It is worth briefly discussing how the entry of graduates of the six-year High School curriculum into college may have affected school attendance rates for youth aged 20 and 21 in 2019. In that year, the first two batches of Senior High School graduates (who left upper secondary school in 2018 and 2019) would have been in their second year and first year of college education, respectively, in school-year 2019-2020. There would have been no enrollment yet from these cohorts for second year and third year college in school-year 2018-2019, and for third year and fourth year college in school-year 2019-2020. Meanwhile, the last cohort of four-year High School graduates would have started graduation from college in school-year 2018-2019. These factors would have contributed to the large drops in school attendance rates from ages 19 to 20, and from ages 20 to 21, in 2019.

Figure 4.9. School attendance rates and change in school attendance rates through age cohorts, 2019



Source: Labor Force Survey microdata for January 2019, April 2019, July 2019, and October 2019.

Figure 4.10 Panel A shows the distribution of male and female youth by education and employment status for each age cohort from 15 to 24 in 2019. Young people are classified into six groups: 1) in education; 2) in education and unemployed; 3) in education and employed; 4) employed; 5) unemployed NEET; and 5) unemployed NEET.

inactive NEET. Panel B shows the change in shares of each group from the previous age cohort. The shifting shares through age cohorts provides approximation of the youth's transition from school to the labor force.

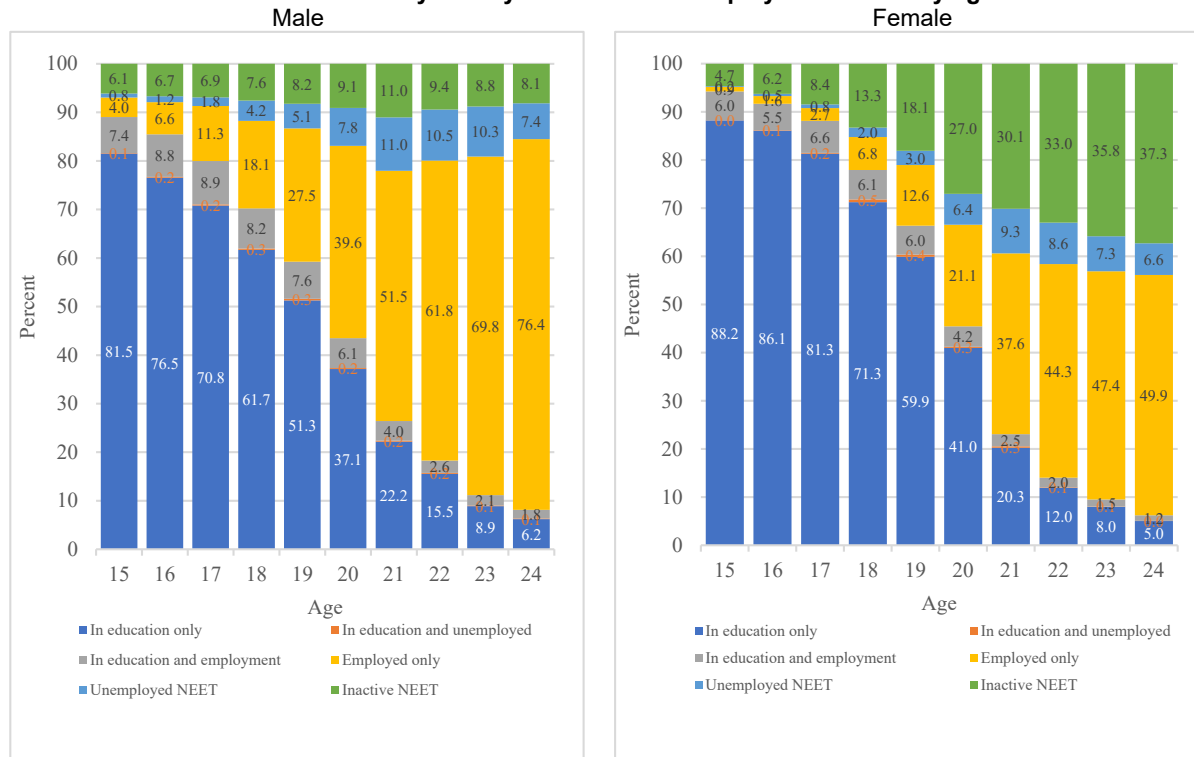
The graph reveals differences in the transition to the labor force between males and females. Young males tend to leave education earlier, while young females tend to stay longer. At ages 15 to 19, education participation among females is about 7 percentage points higher than that of their male counterparts. The largest exits from education occur at ages 20 and 21 for both sexes. This suggests that more females tend to complete Bachelor level education than males. The female exit from school at age 21 flips the gender gap in education participation in favor of males. From ages 21 to 24, education participation among males exceeds that of females by an average of 2.8 percentage points.

Most young males leaving school through all age cohorts transition to the labor force, mainly to employment. The share of employed male youth (employed only) rises from four percent at age 15 to 51.5 percent at age 21. The share of the economically inactive is fairly steady throughout the transition, rising from 6.1 percent at age 15 to a peak of 11 percent at age 21. Similarly, the share of the unemployed NEET also grows to a peak of 11 percent at age 21 from a much smaller base (0.8 percent at age 15). After age 21, the share of the inactive and employed males would shrink, suggesting that even inactive and unemployed males are transitioning to employment as well. At age 24, three in four young males (76.4 percent) are employed (employed only).

Meanwhile, compared to males, a smaller proportion of young female school-leavers transition to employment and a larger proportion transition to inactivity. Between ages 15 to 20, the share of inactive females grows faster or just as fast as the growth in the share of the employed females. By age 20, 27 percent of females are inactive. Beginning age 21, the share of females transitioning to employment exceeds those going to inactivity. This seems to suggest that females that completed college at 21 are more successful at finding employment than females who leave school at a younger age. However, in contrast to males, increases in the share of employed females after age 21 are smaller, and the inactive female population would keep increasing.

Figure 4.10. Distribution of youth by education and employment status by age cohort, 2019

Panel A. Distribution of youth by education and employment status by age cohort



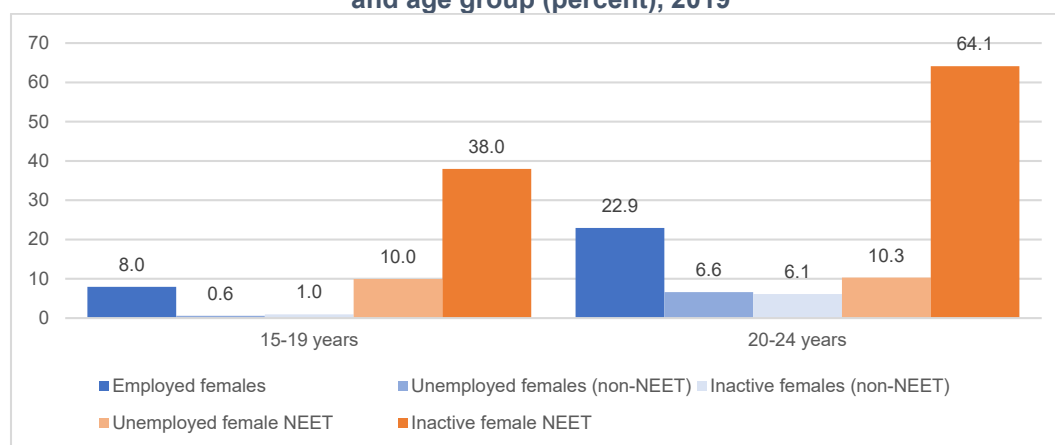
Panel B. Change in shares from previous age cohort



Source: Labor Force Survey microdata for January 2019, April 2019, July 2019, and October 2019.

Marriage and family formation appear to be major factors behind the exit of female youth out of education/training into inactivity. Figure 4.11 shows the proportion of married persons among female NEET (orange bars) and non-NEET female youth (blue bars). In 2019, among female youth aged 15-19, 38 percent of inactive female NEET were already married, compared to just 10 percent of unemployed female NEET, and 8 percent of employed female youth. Meanwhile, 64.1 percent of inactive females aged 20-24 were already married, compared to just 23 percent among employed females, and 10.3 percent among unemployed female NEET.

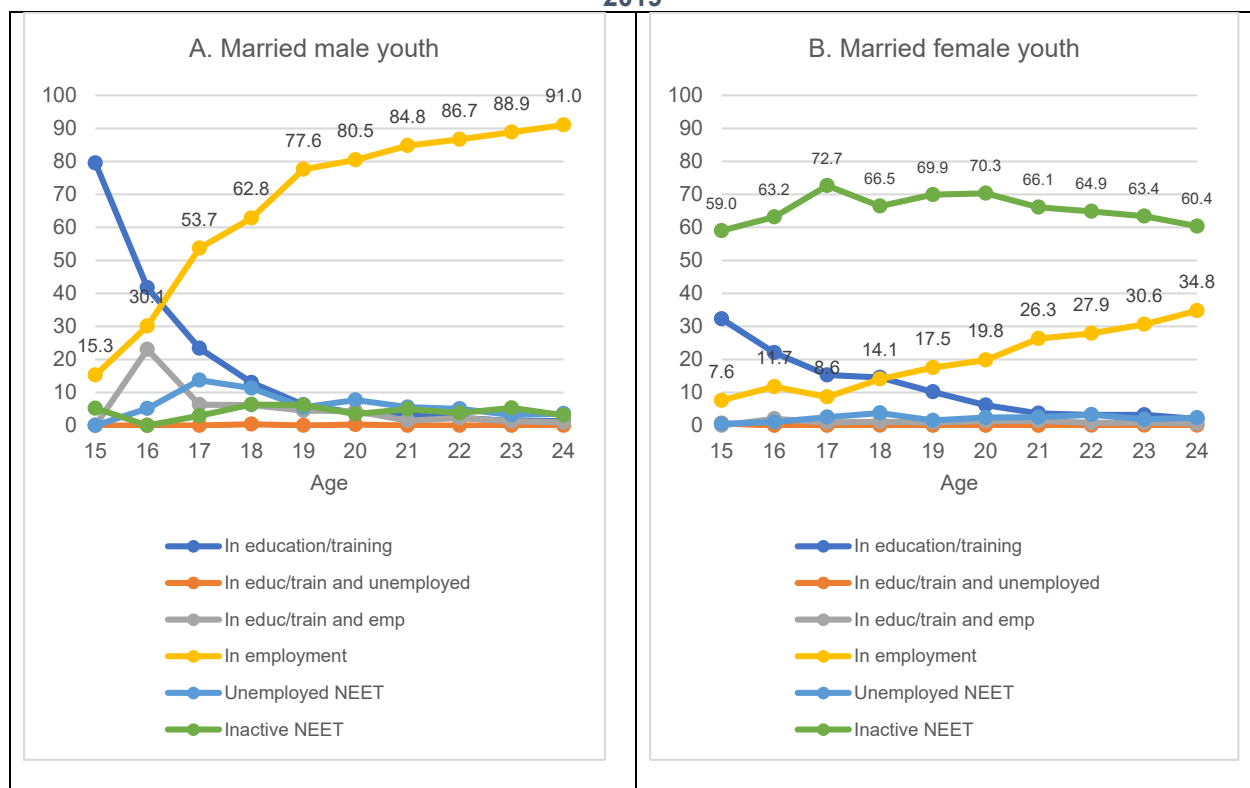
Figure 4.11. Share of married persons among female youth, by NEET status, labor force status, and age group (percent), 2019



Source: Labor Force Survey microdata for January 2019, April 2019, July 2019, and October 2019.

Figure 4.12 depicts the education, training, and employment status of married male and female youth by age cohort in 2019. Married male youth leave education or training to go into employment. Initially, most married males aged 15 stay in education/training (79.5 percent). By age 17, about 53.7 percent of married male youth are already employed, and this proportion rises to 91 percent at age 24. Meanwhile, inactive NEET consist the majority of married female youth at every age cohort (about 60-70 percent). In contrast to males, most female youth who marry immediately leave school and go into inactivity. From age 18 to 21, employment appears to absorb most of the married females leaving school, and from age 22 onwards, some the married inactive females appear to join employment. However, the share of married females who are employed only reaches a maximum of 34.8 percent, at age 24.

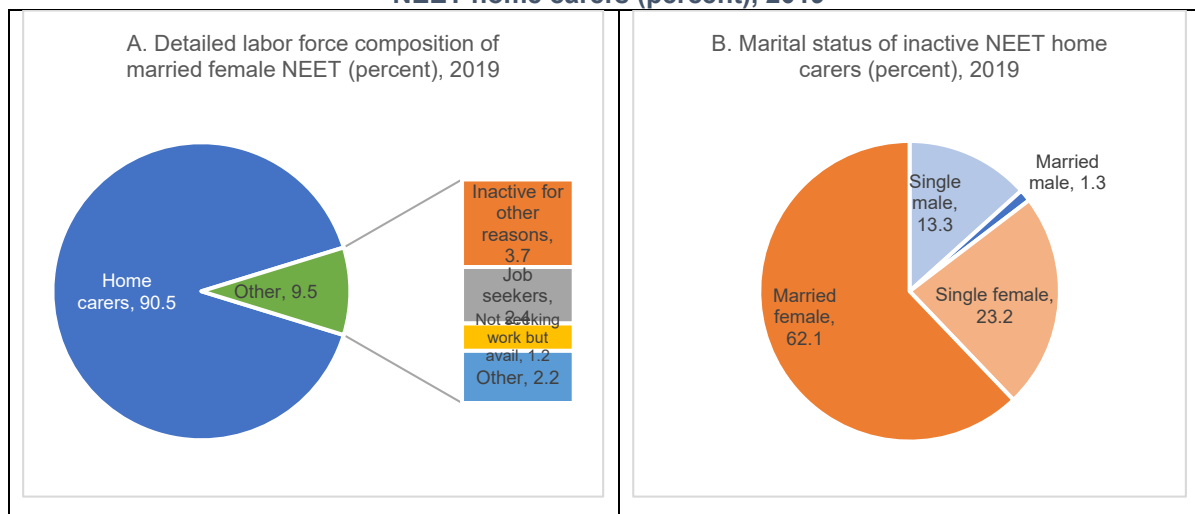
Figure 4.12. Employment, education, and training status of married youth by age cohort (percent), 2019



Source: Labor Force Survey microdata for January 2019, April 2019, July 2019, and October 2019.

When married females go into inactivity, the vast majority engage in home care. As shown in Figure 4.13 90.5 percent of female NEET who are married are inactive due to home care (Panel A). Married females make up over three out of five (62.1 percent) inactive NEET who are home carers (Panel B).

Figure 4.13. Labor force composition of married female NEET, and marital status composition of NEET home carers (percent), 2019



Source: Labor Force Survey microdata for January 2019, April 2019, July 2019, and October 2019.

5. How do government agencies measure and monitor NEET?

One of the main objectives of the study is to know and compare how NEET are computed and monitored across government agencies. To this end, key informant interviews were conducted with officers who are in charge of education, training or employment programs for the youth in different government agencies. Interviews were conducted from March 2-24, 2021 through online video conferencing.

Interview respondents consisted of officers from the following government offices: 1) Technical Education and Skills Development Authority (TESDA); 2) Department of Education (DepEd); 3) Commission on Higher Education (CHED); 4) Department of Labor and Employment (DOLE); 5) Department of Social Welfare and Development (DSWD); and 6) National Youth Commission (NYC).

The interviews focused on programs of different government offices and agencies for NEET, and how NEET are measured and monitored across government agencies. Respondents were also asked about their office/agency's other education, training, or employment programs for youth in general.

5.1. Description of programs

Interview respondents were asked to describe their office/agency's different programs for the youth sector. Discussion of these centered on the program objectives, interventions implemented, and target beneficiaries of the relevant programs under their purview. Programs of the respondent agencies ranged from those concerning basic and tertiary education, technical and vocational education and livelihood training, internship and employment programs, and other programs and social services (Table 5.1).

Table 5.1. Youth programs by agency and type

Basic/Tertiary Education	Training/Livelihood	Internship/Employment	Other Programs
<p><i>DepEd ALS Program and Taskforce</i></p> <ul style="list-style-type: none"> Alternative Learning System (ALS) <p><i>CHED Office of Student Development Services</i></p> <ul style="list-style-type: none"> Private Education Student Financial Assistance (PESFA) Cash Grant to Medical Students Enrolled in State Universities and Colleges (CGMS-SUCs) Sugarcane Industry Development Act (SIDA) Scholarship Agricultural Competitiveness Enhancement Fund Grants-in-Aid for Higher Education Program (ACEF-GIAHEP) <p><i>CHED UniFAST</i></p> <ul style="list-style-type: none"> Free Higher Education Tertiary Education Subsidy Student Loan Program 	<p><i>TESDA</i></p> <ul style="list-style-type: none"> Private Education Student Financial Assistance (PESFA) Training for Work Scholarship Program (TWSP) Special Training for Employment Program (STEP) Barangay Kabuhayan Skills Training Program (BKSTP) Tsuper Iskolar Free Technical Vocational Education and Training (under RA 10931) <p><i>DOLE Bureau of Local Employment</i></p> <ul style="list-style-type: none"> Jobstart Philippines <p><i>DSWD</i></p> <ul style="list-style-type: none"> Sustainable Livelihood Program (SLP) 	<p><i>DOLE Bureau of Local Employment</i></p> <ul style="list-style-type: none"> JobStart Philippines Special Program for Employment of Students (SPES) Government Internship Program (GIP) <p><i>DSWD PMB Sectoral Programs</i></p> <ul style="list-style-type: none"> Immersion Outreach Program (IOP) Government Internship Program (GIP) <p><i>TESDA</i></p> <ul style="list-style-type: none"> Job Linkaging and Networking Services <p><i>National Youth Commission</i></p> <ul style="list-style-type: none"> Government Internship Program (GIP) 	<p><i>DOLE Bureau of Workers with Special Concerns</i></p> <ul style="list-style-type: none"> Child Labor Prevention and Elimination Program (CLPEP) <p><i>National Youth Commission</i></p> <ul style="list-style-type: none"> National Youth Parliament Ship for Southeast Asian and Japanese Youth Program (SSEAYP) International Programs Volunteers Program

A number of programs that support access to both basic and tertiary education currently exist under the Department of Education and the Commission on Higher Education (CHED), respectively. Under DepEd, the Alternative Learning System aims to provide access to basic education for individuals who are not able to enroll under the formal basic education system.

Two offices were interviewed under CHED – the Office of Student Development and Services (OSDS) and Unified Student Financial Assistance System for Tertiary Education (UniFAST). CHED OSDS offers financial support for marginalized students to pursue higher education through various scholarships administered by their office. These include the State Scholarship Program, Cash Grant to Medical Students Enrolled in State Universities and Colleges, Sugarcane Industry Development Act Scholarship, and the Agricultural Competitiveness Enhancement Fund Grants-in-Aid for Higher Education.

CHED UniFAST also provides financial assistance to students, with the main objective mandated under the Universal Access to Quality Tertiary Education (UAQTE) Law being to increase access to quality tertiary and technical education through its three programs – Free Higher Education, Tertiary Education Subsidy, and Student Loan Program.

With regard to training, three of the offices interviewed reported that they provide technical and vocational education and training and/or livelihood programs for the youth. These are the Technical Education and Skills Development Authority (TESDA), the Bureau of Local Employment (BLE) under DOLE, and the Sustainable Livelihood Program under DSWD.

TESDA is the main agency tasked to oversee technical and vocational education and skills development in the Philippines. They have several programs for technical education and skills training whose general aim are to equip program beneficiaries with skills and knowledge for their employment and livelihood.

DSWD's Sustainable Livelihood program aims to strengthen the capabilities of poor, marginalized, and vulnerable households through skills-building and the provision of livelihood opportunities.

JobStart Philippines under DOLE BLE is a training and internship program which is specifically targeted towards youth aged 18-24 years old. The program aims to facilitate their transition into the labor market by providing training and experience tailored to the needs of the job market. This is composed of three components: (1) Life skills training; (2) Technical training; and (3) Internship.

DOLE BLE, DSWD's Program Management Bureau Sectoral Programs Division, and the National Youth Commission also have several other programs for youth employment and/or internships.

Besides JobStart Philippines, DOLE BLE also manages two other programs for youth employment and internship – the Special Program for Employment of Students (SPES) and the Government Internship Program (GIP). The SPES aims to keep children in school by augmenting household income through the provision of temporary employment to students, out-of-school-youth, and dependents of displaced or would-be displaced workers.

The Government Internship Program under the DOLE BLE aims to provide opportunities for youth to engage public service through a paid internship running from three to six months. The GIP is also administered by the National Youth Commission and the DSWD PMB Sectoral Programs Division, for a younger age range (18-24 years old). A similar program, the Immersion Outreach Program (IOP), is handled by the Sectoral Programs Division. The IOP aims to equip youth with skills and work experience through internship assignments in their respective local government units. The program also aims to instill the values of social awareness and community responsibility in program beneficiaries through membership in the Pag-asa Youth Association of the Philippines (PYAP).

TESDA also facilitates employment of youth through its Job Linkaging and Networking Services or JoLiNS (TESDA 2016). The service aims to facilitate employment of TVET graduates through its four platforms, namely: (1) Blue Desk, (2) Information, Education, Communication, (3) Networking and Linkaging, and (4) Guidance and Training for Employment. JoLins is implemented through the TESDA program, World Café of Opportunities, which is a series of job fairs targeted mainly towards technical

and vocational education and training (TVET) graduates, notably the World Café of Opportunities (TESDA 2018). Through this event, TESDA aims to boost employment of TVET graduates by providing them with access to up-to-date labor market information, as well as pre-employment guidance services, and linking them with potential employers.

Most of the youth employment programs are short-term internships, whose main objective is to provide youth with work experience, particularly in government work, as well as the opportunity to earn wages to support their studies. Only TESDA and DOLE BLE have programs that are specifically geared towards facilitating youth's transition from education to employment.

Besides programs for education, livelihood and training, and internship and employment, respondent agencies also shared other programs and services provided by their offices to the youth. The DOLE Bureau of Workers with Special Concerns' (BWSC) main program for the youth sector is the Child Labor Prevention and Elimination Program (CLPEP). The program conducts child labor profiling for youth below 18 with the objective of preventing and eliminating child labor in the Philippines by referring profiled children to the appropriate agency for intervention (i.e. DWSD, TESDA, LGU, etc.).

The National Youth Commission (NYC), given its mandate under Republic Act no. 8044 as the coordinating body for youth-related institutions and programs of the government, has several programs for youth participation and development. The NYC holds an annual National Youth Parliament, which aims to serve as a platform for youth delegates (aged 18-30 years old) to provide inputs on policies concerning youth. The NYC also facilitates a Volunteers Program whose objective is to encourage youth to participate in the community and contribute to nation-building. Lastly, the NYC facilitates various cultural exchange and immersion programs, including the Ship for Southeast Asian and Japanese Youth Program (SSEAYP). These programs aim to cultivate leadership skills and strengthen international cooperation among youth members.

Although these programs do not fall under strict categories of employment, education, and training, it is also important to consider other programs, such as the National Youth Parliament and international exchange programs of the NYC, that also contribute to the human capital of youth.

A number of programs exist in support of youth, particularly their human capital formation, in the form of education and training. However, programs that directly facilitate employment are still scarce. Programs with the largest number of beneficiaries are under education and training, specifically DepEd, CHED, and TESDA (Table 5.2).

Table 5.2. Number of beneficiaries by program, 2016-2020

Office/Agency	Program	2016	2017	2018	2019	2020 ¹²
DepEd	Alternative Learning System	688,024	665,567	836,542	815,696	469,934
CHED OSDS	GAA StuFAPs	166,137	426,763	370,604	219,278	91,140
	HEDF StuFAPS	10,395	7,548	7,237	1,880	3,246
CHED UniFAST*	Free Higher Education	-	-	2,317,487	2,578,323	-
	Tertiary Education Subsidy	-	-	288,739	945,213	-
	TWSP	293,912	319,762	349,948	288,121	110,362
TESDA SMD-ROMO	PESFA	20,337	19,840	22,365	21,458	11,309
	STEP	34,762	65,720	72,495	101,792	41,705
	UAQTE	-	-	102,897	118,685	62,182

¹² Most of the program implementers reported a decrease in program beneficiaries or deferred program implementation in 2020 due to government restrictions in light of the Covid-19 pandemic.

Office/Agency	Program	2016	2017	2018	2019	2020 ¹²
	Rice Extension Services Program	-	-	-	7,069	55,804
	Tsuper Iskolar	-	-	-	9,425	6,308
	BKSTP	13,221	-	14,281	1,399	-
DOLE BLE	Government Internship Program	41,420	12,021	19,463	30,889	10,599
	Jobstart Philippines	3,398	7,803	1,810	1,673	-
	SPES	213,912	195,380	169,065	123,351	40,204
DSWD	Sustainable Livelihood Program	-	277,485	237,508	286,306	18,574
DSWD PMB-SP	Government Internship Program	-	1,417	1,361	1,383	-
	Immersion Outreach Program	-	1,282	1,283	1,282	-

Note: *First and second semester data. Source: Program data from respective implementing offices/agencies.

5.2. Institutional definition of NEET

Government stakeholders on youth education and employment were asked whether their agency had an institutional definition of NEET in order to gauge their familiarity with the NEET concept, the prevalence of its use, and whether the definition of this concept was consistent across government agencies. Based on these interviews, NEET is still an emerging concept in government. Only one of the nine offices interviewed reported having an institutional definition for NEET. DOLE reported that they currently employ the OECD definition of NEET which refers to those who are either unemployed or inactive, and not involved in education or training (OECD 2021). The TESDA uses the term NEET, as this is one of their target clients under the TESDA Seek-Find-Train-Assess-Certify-Employ Framework. However, they reported that they do not have an institutional definition of NEET and they do not have a specific age range for the group.

Use of the NEET concept has not yet been mainstreamed among most government agencies. Given that only two of the agencies interviewed explicitly target NEET for their programs, awareness of the concept among government agencies is not very high. The remaining respondents report that this term is not used in their respective agencies. NEET is a relatively new concept for some of the respondents and is not used regularly in most of the government offices interviewed (Table 5.3).

Three of the agencies interviewed by the study team only use related terms for their clients in the similar age group being studied. For instance, the National Youth Commission identifies their main client as Youth, or individuals aged 15-30 years old as defined in RA 8044. Out-of-school children and youth or OSCY is also a common term used by various agencies such as the DSWD, DepEd, and NYC.

Table 5.3. Definition of NEET

	Has institutional definition of NEET	Related terms used
DOLE BLE	✓	N/A
DOLE BWSC	×	N/A
DSWD SLP	×	N/A
DSWD Sectoral Programs	×	Disadvantaged youth
DepEd ALS	×	Out-of-school children and youth
CHED OSDS	×	N/A
TESDA SMD-ROMO	×	N/A
CHED-UniFAST	×	N/A
National Youth Commission	×	Youth (i.e. 15-30 years old)

5.3. Targeting of youth NEET

Youth NEET as a group are not yet being targeted by majority of the offices interviewed (Table 5.4). Among the nine offices, only two offices have programs that explicitly target NEET—DOLE BLE and TESDA. DOLE BLE's JobStart Philippines program explicitly targets youth NEET. Program applicants must be 18-24 years old, and not be in employment, education, or training to be eligible.

NEET are also one of the groups targeted by TESDA scholarship programs under their TESDA Seek-Find-Train-Assess-Certify-Employ Framework (TESDA 2020b). Improving the employability of target beneficiaries is one of the objectives of TESDA's various scholarship programs, such as the Training for Work Scholarship Program (TWSP) and the Special Training for Employment Program (STEP).

Although the programs under other offices do not purposely target NEET, most are able to capture NEET since their target beneficiaries often overlap with the youth NEET. One exception to this is the Youth Development Division under the DOLE Bureau of Workers with Special Concerns (BWSC), whose target clients are child laborers.

The remaining government offices – DSWD, DepEd Alternative Learning System (ALS) Program and Taskforce, CHED UniFAST, CHED OSDS, and NYC – have programs whose target beneficiaries overlap with the NEET group. For instance, among the target beneficiaries of the DepEd ALS are out-of-school children and youth. Eighty percent of ALS learners were reported to fall under the 15-24 age group. Similarly, while the NYC is mandated to cater to youth in general through its various programs, they reported that out-of-school youth are one of the identified priority sectors for their policy advocacies. The DSWD Sectoral Programs Division reported that in addition to out-of-school youth, they target other disadvantaged youth such as Persons with Disabilities, Abused, Neglected or Exploited Children, Street Youth, Youth Offenders, and Youth in Cultural Communities.

For government stakeholders providing scholarships for tertiary education—such as the Commission on Higher Education (CHED) and UniFAST—programs do not target the youth NEET group. However, respondents share that the programs improve access to tertiary education for students from poorer households through provision of financial assistance for tuition and other education expenses. Such programs facilitate the enrollment of NEET who are not in school due to financial constraints.

Table 5.4. NEET and other target beneficiaries

	Targets NEET beneficiaries	Other targeted groups
DOLE BLE	✓	N/A
DOLE BWSC	×	Child workers below 18
DSWD SLP	×	Low income group; marginalized groups
DSWD Sectoral Programs	×	Disadvantaged youth
DepED ALS	×	Out-of-school children and youth
CHED OSDS	×	Low income group; marginalized groups
TESDA SMD-ROMO	✓	Underemployed; unemployed; employed
CHED-UniFAST	×	Low income group
National Youth Commission	×	Youth; marginalized groups

5.4. Monitoring of NEET

All of the respondents reported that they monitor the number of beneficiaries or clients of their programs. However, none of the agencies reported monitoring NEET beneficiaries of their programs, and only one of the nine offices interviewed reported that they monitor statistics on NEET (Table 5.5).

The DOLE BLE reported that although their office does not conduct separate monitoring of NEET at the national level, they monitor the results of the Philippine Statistics Authority (PSA) Labor Force

Survey (LFS) on this group. One issue raised by the agency, however, was that statistics were only available for youth “NEE” (i.e., not in employment or education). Youth engagement in training is not considered by the indicator.

Meanwhile, other agencies shared that they do not monitor NEET, but monitor similar indicators. The Philippine Statistics Authority is often cited as the source for statistics on certain groups that agencies monitor such as out-of-school children/youth for DepEd ALS and NYC. NYC also monitors progress on indicators in the Philippine Youth Development Plan through coordination with other government stakeholder agencies.

Table 5.5. Program monitoring system

	Monitoring system	Monitors NEET
DOLE BLE	✓	✓
DOLE BWSC	✓	X
DSWD SLP	✓	X
DSWD Sectoral Programs	✓	X
DepEd ALS	✓	X
CHED OSDS	✓	X
TESDA SMD-ROMO	✓	X
CHED-UniFAST	✓	X
National Youth Commission	✓	X

5.5. Program completion

Program implementers were also asked regarding completion rates for their programs, as well as common reasons why program beneficiaries are not able to complete the program. Respondents report varying rates of completion across programs. However, majority of the respondents share that more than half of their beneficiaries are able to complete their programs. Low completion rate for DepEd ALS (40%) since most of their learners are employed, high completion rate for DSWD SLP, DSWD PMB-SP, and TESDA SMD-ROMO.

The main reasons shared by respondents for beneficiary dropout were: (1) beneficiaries pursue employment opportunities; (2) personal, health, and family issues; (3) beneficiary is not able to maintain grade requirement for scholarship. The first reason is often encountered by offices providing training or livelihood programs. Some beneficiaries are able to find employment in the duration of the training and opt to discontinue their participation in the program to pursue employment. For beneficiaries of the SLP, this is usually for employment abroad or in metropolitan areas. In the case of DOLE BLE, the Jobstart Philippines program opted to increase the allowance provided under the program in order to encourage beneficiaries to complete the program.

One common reason for dropout reported by respondents was personal, health, and family issues of program beneficiaries. Respondents also share that some beneficiaries experience barriers such as poverty and geographical disadvantage which hinder their participation in the program. Given that these programs target youth, issues such as early marriage and pregnancy are also one factor. Program implementers usually provide allowances to program beneficiaries or adjust existing benefit amounts in order to address the needs of disadvantaged students. Besides allowances, one important intervention mentioned by several respondents is guidance and counselling for students experiencing personal or family issues.

Lastly, CHED-OSDS mentioned compliance with grade requirements as one of the reasons for dropout from their programs. Although their programs aim to provide access to tertiary education for disadvantaged students, they also need to maintain the quality of their programs and adhere to program guidelines. To address such issues of dropout, program staff engage in dialogues with program

beneficiaries in order to identify where they need additional assistance or consideration in order to facilitate their completion of the program.

5.6. Implementation challenges and future plans

Respondents reported experiencing several challenges in the implementation of their programs. These are as follows:

Restrictions in place in response to the Covid-19 pandemic

Implementation challenges due to the Covid-19 pandemic were the most commonly reported issue among the interview respondents. Implementation of programs requiring face-to-face interaction was interrupted and agencies needed to formulate interim guidelines to be able to implement their programs. This includes conduct of face-to-face activities in smaller groups, shifting to online modalities, as well as provision of additional support for program beneficiaries, particularly in terms of additional allowances for digital learning expenses and health and safety supplies.

Two of the agencies, DepEd ALS and DOLE BWSC, also reported that their staff were not able to conduct enumeration needed to identify program beneficiaries, resulting in a drop in the number of clients they were able to serve in 2020.

Lack of budget and budget utilization challenges

Respondents also mentioned that they experienced budget challenges. Some offices reported that they had a limited budget and resources to implement their programs. For DOLE BWSC and DepEd ALS, this pertains to their offices' budget for community facilitators and enumerators, and for teachers, respectively. Although these offices are attempting to advocate for additional resources to be provided for the implementation of their programs, they have to adjust to the limited budget in the interim.

DepEd ALS also mentioned they lack the facilities and equipment to provide a conducive learning environment for their students. The taskforce also does not have a budget to provide incentives or allowances to facilitate program completion of their beneficiaries. The NYC also mentioned that their budget for some programs, such as the National Youth Parliament, is also not enough, given the program recruits beneficiaries across the country.

In order to address these challenges, DepEd ALS and NYC share that they coordinate with other stakeholders to partner for additional manpower or resources for their programs. In the case of the DepEd ALS, partnerships for augmentation of ALS teachers were suspended in the past, but is being revisited by the taskforce. In addition to this, the taskforce is also exploring partnership with formal education institutions in sharing of facilities and human resources.

Other issues faced were challenges in budget utilization and fund disbursement. Delays in downloading of funds affected program implementation and made it difficult for some agencies to utilize the fund within the financial year.

Human resource issues

Another challenge encountered by respondent agencies are human resource or staffing issues. Four of the offices interviewed reported that they lack sufficient staff to implement their program. This is due to either a limited budget or insufficient number of plantilla positions in their agencies. Respondents reported that their request for additional plantilla staff had already been forwarded, and granted, for some.

In addition to insufficient staff, one agency, NYC, reported that turnover of officials poses a significant challenge to the implementation of the various programs of the commission. The frequent turnover of officials and staff results in a lack of continuity in the formulation implementation of programs and partnerships, as well as in record and data keeping.

DepEd ALS reported that they lack teachers for specialized subjects, since most of their teachers are general education teachers. To address this gap, the taskforce intends to hire additional teachers as well as invest in capacity-building of their educators.

Monitoring and evaluation of programs

Many respondents report that they are still in the early stages of developing monitoring and evaluation systems for their programs. This is particularly a hurdle for offices providing scholarships and serving a large number of beneficiaries, such as the CHED UniFAST and OSDS, and TESDA SMD-ROMO. Future plans of these offices include fully digitalizing their systems, developing a more efficient system of allocating scholarship slots, implementing a real-time tracking system for fund utilization in the case of TESDA-ROMO, and an improving the billing system for CHED UniFAST.

Challenges in coordination with other agencies and stakeholders

Several respondents also experience challenges in coordinating with other government agencies, LGUs, or stakeholders involved in program implementation. In cases where programs need to coordinate implementation with the LGU, one major issue raised was the frequent turnover as well as limited number of staff. To address this, implementers need to provide resources for capacity building of LGU staff involved in program implementation. In some instances, the Department of Interior and Local Government (DILG) is also tapped to rally support for the programs.

6. How many NEET are potential TVET learners?

One way to estimate the number of potential TVET learners is by estimating a regression model of the factors influencing training participation among non-NEET youth. Estimation results can then be applied on the sample of NEET youth in order to predict NEET who are potential TVET learners.

Empirical research on the determinants of training participation often use individual, household, and employer characteristics as explanatory variables. For instance, Kumar, Mandava and Gopanapalli (2019), in studying the determinants of training participation in India, use age, sex, marital status, education, religion, social group, and sector of employment as explanatory variables. Meanwhile, Thangevalu et al (2014) use age, sex, education, number of children, and employment-related variables such as industry of employment, presence of employees, earnings, working hours, and tenure, to estimate the probability of participating in training among workers in Singapore.

6.1. Characteristics of skills training participants

We conduct a *t*-test of group means across selected characteristics to provide an initial analysis of the differences between training participant and non-participant youth. Table 6.1 shows mean differences among training participants and non-participants among non-NEET youth across a several characteristics, using data from the merged 2019 Labor Force Survey and Annual Poverty Indicators Survey. Training participants are defined here as those currently attending either post-secondary non-tertiary education or non-formal training for skills development at the time of the survey. We do this to capture TVET learners that are considered by the PSA as being in formal education, and those who are not in formal education but in a non-formal training activity.

Table 6.1. Characteristics of participants in post-secondary education or non-formal training for skills development vs. non-participants among non-NEET youth

Variable	Not attending training		Attending training		Diff.
	N	Mean	N	Mean	
Age	25823	18.744	705	19.125	-0.381***
Female (1/0)	25329	0.445	701	0.469	-0.024
Ever married (1/0)	25823	0.088	705	0.052	0.035***
No grade completed (1/0)	25319	0.003	701	0	0.003
Pre-primary (1/0)	25319	0	701	0	0
Primary (1/0)	25319	0.087	701	0.014	0.073***
Lower secondary (1/0)	25319	0.479	701	0.247	0.233***
Upper secondary (1/0)	25319	0.21	701	0.354	-0.144***
Post-secondary non-tertiary (1/0)	25319	0.008	701	0.183	-0.174***
Short-cycle tertiary (1/0)	25319	0.017	701	0.023	-0.005
Bachelor level (1/0)	25319	0.194	701	0.177	0.017
Master's or doctoral level (1/0)	25319	0	701	0.003	-0.002***
Employment (1/0)	25641	0.402	702	0.199	0.202***
Unemployed (1/0)	25641	0.004	702	0.03	-0.026***
Inactive (1/0)	25641	0.595	702	0.771	-0.176***
Family head is high school graduate (1/0)	25709	0.489	704	0.497	-0.008
Spouse is high school graduate (1/0)	19750	0.53	550	0.529	0.001
Family head is employed (1/0)	25823	0.822	705	0.831	-0.009
Spouse is employed (1/0)	25823	0.445	705	0.518	-0.073***
Family size	25709	5.951	704	5.886	0.064
Asset index	25709	0.383	704	0.397	-0.014**
Asset index 1st decile (1/0)	25709	0.072	704	0.055	0.016*
Asset index 2nd decile (1/0)	25709	0.097	704	0.085	0.011
Asset index 3rd decile (1/0)	25709	0.092	704	0.075	0.017
Asset index 4th decile (1/0)	25709	0.108	704	0.111	-0.003
Asset index 5th decile (1/0)	25709	0.097	704	0.088	0.009
Asset index 6th decile (1/0)	25709	0.105	704	0.121	-0.015
Asset index 7th decile (1/0)	25709	0.117	704	0.114	0.003
Asset index 8th decile (1/0)	25709	0.098	704	0.121	-0.023**
Asset index 9th decile (1/0)	25709	0.108	704	0.118	-0.01
Asset index 10th decile (1/0)	25709	0.107	704	0.112	-0.005
Living in an urban barangay (1/0)	25823	0.467	705	0.464	0.004

Source: Authors' calculation using 2019 merged Labor Force Survey and Annual Poverty Indicators Survey microdata.

The first observation is how small the number of training participants are as a proportion of non-NEET youth in the survey sample (2.6 percent). As discussed in Section 3, the population of TVET learners captured by the LFS is only a subset of the population of TVET learners who are considered as such by TESDA. Second is that while there are differences in characteristics between trainees and non-trainees, none are large enough to allow making strong generalizations about the former's distinguishing characteristics.

In terms of age, training participants are older than non-participants by just 0.4 years. Gender differences between the two groups are not statistically significant. Meanwhile, ever-married youth are more prevalent among non-participants by just 3.5 percentage points.

In terms of educational attainment, the data suggests that training attendees are more educated than non-attendees. Primary level and lower secondary level attainment are both less prevalent among training attendees compared to non-attendees (by 7.3 and 23.3 percentage points, respectively). Meanwhile, attainment of upper secondary, post-secondary, and master's or doctoral level are each more prevalent among trainees compared to non-trainees (by 14.4, 17.4, and 0.2 percentage points, respectively).

In terms of labor force status, being employed is less prevalent among trainees than non-participants (by 20.2 percentage points), while being unemployed and being inactive (not in the labor force) are each more prevalent among trainees (by 2.6 and 17.6 percentage points, respectively).

In terms of the education of parents (who are usually the family head and his/her spouse), the difference between the two groups in the mean share of family heads and spouses that completed high school is not statistically significant. Similarly, the difference in mean family size between the two groups is not statistically significant.

In the absence of an income variable, we measure household wealth using an asset index constructed using principal components analysis.¹³ There are no striking differences between the two groups in this regard. The difference in the average asset index score between the two groups is small (0.014 points). In terms of asset deciles, a larger share of non-participants belong to the first decile by just 1.4 percentage points, and a larger share of training participants belong to the eight decile by just 2.3 percentage points. Finally, the share of trainees and non-trainees residing in an urban barangay is practically identical.

6.2. Empirical strategy

The probability of participating in training is modelled as

$$\Pr(\text{Train}_i = 1) = \Phi(\mathbf{x}_{1i}'\boldsymbol{\beta}_1 + \mathbf{x}_{2i}'\boldsymbol{\beta}_2 + \mathbf{x}_{3i}'\boldsymbol{\beta}_3 + \epsilon_i) \quad (1)$$

where Train_i is a binary variable equal to 1 if individual i participates in training and 0 otherwise, \mathbf{x}_{1i} is a vector of individual-level characteristics, \mathbf{x}_{2i} is a vector of family-level characteristics, \mathbf{x}_{3i} is a vector of community-level dummies, ϵ_i is the error term, and $\Phi(\cdot)$ is the cumulative distribution function of a logistic function (for logit estimation). Equation (1) is estimated using data from the subsample of non-NEET youth in the 2018 merged LFS and FIES ($n=32,675$). The logit estimates are then used to predict the probability of participating in training among NEET youth, using data from the subsample of NEET youth ($n=6,147$). Individuals with a greater than 50 percent predicted probability of training participation are predicted to be training participants, while those with lower predicted probabilities are predicted to be non-participants. We assume that is correct to predict training participation among NEET based on a model derived from characteristics of non-NEET youth.

¹³ The asset index is a normalized asset score derived from the first principal component of the following variables: 1) whether the roof of the house is constructed from strong materials; 2) whether the outer walls of the house is constructed from strong materials; 3) whether the floor of the house is constructed from strong materials; 4) presence of electricity in the house; and ownership of 5) four-wheeled vehicle; 6) two-wheeled vehicle; 7) motor boat; 8) tractor; 9) washing machine; 10) gas stove; 11) induction stove; 12) refrigerator or freezer; 13) personal computer; 14) air conditioner; 15) cellphone; 16) landline phone; 17) karaoke or videoke; 18) television; 19) cable TV; 20) radio; 21) internet connection; and 22) draft animals.

The variables used to estimate the model are summarized in Table 6.2. The limited of variation in the dependent variable and explanatory variables among non-NEET as discussed previously can affect the predictive performance of the model. For lack of data, other characteristics that could plausibly influence training participation, such as individual personality traits and number of TVIs in the community, are absent from the model.

Table 6.2. Estimation variables

Variable	Definition
<i>I. Dependent variable</i>	
Training participation dummy	= 1 if individual is currently attending post-secondary non-tertiary education or non-formal training for skills development, 0 otherwise
<i>II. Independent variables</i>	
<i>A. Individual level</i>	
Age	Age and squared age
Female	Dummy variable = 1 if female, 0 if male
Highest grade completed	Dummy variables on highest grade completed being pre-primary, primary level, lower secondary level, upper secondary level, post-secondary level, bachelor level, or master's or doctoral level. Base level is having no grade completed.
Ever married	Dummy variable = 1 if individual has ever married or partnered (married, separated/divorced/annulled, or widowed), 0 if single.
Labor force status	Dummy variables on labor force status being unemployed and being not in the labor force. Base level is being employed.
<i>B. Family level</i>	
Family size	Number of family members
Family head's employment status	Dummy variable = 1 if family head is employed, 0 otherwise
Family head's education	Dummy variable = 1 if family head completed high school, 0 otherwise
Spouse of the family head's employment status	Dummy variable = 1 if spouse of the family head is employed, 0 otherwise
Spouse of the family head's education	Dummy variable = 1 if spouse of the family head completed high school, 0 otherwise
Asset decile	Dummy variables on asset decile to which the family belongs. Base value is belonging to first decile
<i>C. Community level</i>	
Urbanization	Dummy variable = 1 if barangay is urban, 0 if rural.
Region	Dummy variables on region of individual's location. Base level is Region I.

Table 6.3 reports the estimated marginal effects from the logit regression. Only a few explanatory variables have a statistically significant effect on the probability of training participation, and the size of the effects are rather small. Age has a quadratic effect on the probability of training participation: positive if below 22 years (from 0.8 percentage points at age 15 to 0.12 percentage points at age 22), and a negative if 23 years and above (-0.1 percentage points at age 23 and -0.2 percentage points at age 24). Compared to being employed, being unemployed increases the probability of participation by 7.6 percentage points, and being inactive does so by 3.1 percentage points. Finally, the spouse of the family head being a high school graduate decreases the probability of participation by 0.6 percentage points, and him/her being employed increases it by 0.9 percentage points.

Table 6.3. Marginal effects of individual and family characteristics on training participation among non-NEET

dy/dx	Std. Err.	z	P>z
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Age	0.02426***	0.00764	3.18	.001
Age squared	-0.00055***	0.00020	-2.79	.005
Female	0.00005	0.00224	.02	.982
Ever married	-0.00600	0.00531	-1.13	.259
Pre-primary level	Omitted			
Primary level	0.27189	14.26383	.02	.985
Lower secondary level	0.28940	14.26383	.02	.984
Upper secondary level	0.30799	14.26383	.02	.983
Post-secondary level	0.37961	14.26383	.03	.979
Short-cycle tertiary level	0.30382	14.26383	.02	.983
Bachelor level	0.29459	14.26383	.02	.984
Master's level	0.35897	14.26386	.03	.98
Unemployed	0.07553***	0.00816	9.26	0
Inactive	0.03119***	0.00357	8.73	0
Family size	-0.00061	0.00052	-1.18	.239
Family head completed high school	-0.00382	0.00272	-1.41	.16
Spouse completed high school	-0.00608**	0.00270	-2.25	.025
Family head is employed	0.00525	0.00360	1.46	.145
Spouse is employed	0.00921***	0.00235	3.92	0
Asset index decile 2	0.00482	0.00623	.77	.439
Asset index decile 3	-0.00107	0.00649	-.16	.869
Asset index decile 4	0.00491	0.00612	.8	.423
Asset index decile 5	0.00205	0.00642	.32	.75
Asset index decile 6	0.00518	0.00619	.84	.402
Asset index decile 7	0.00468	0.00634	.74	.46
Asset index decile 8	0.00831	0.00632	1.32	.188
Asset index decile 9	0.00721	0.00640	1.13	.26
Asset index decile 10	0.00666	0.00659	1.01	.312
Urban barangay	0.00189	0.00263	.72	.472
N	19,920			
Pseudo R-squared	0.1701			

Note: Regional fixed effects are omitted. Source: Authors' calculations.

Table 6.4 shows the performance of the model in predicting training participation among non-NEET youth. The model's performance in correctly predicting training participation is worse than its performance in correctly predicting non-participation. Of those who are not in training, only about 75 percent are correctly predicted to not be in training. Meanwhile, only 32.2 percent of those who are in training are correctly predicted to be in training. Table 6.5 shows the result of applying the model on the sample of NEET youth weighted to obtain population estimates. For an estimated 4.04 million NEET youth in July 2019, 24.7 percent or about one million are predicted by the model to be training participants.¹⁴

Table 6.4. Model performance in predicting training participation in sample of non-NEET youth

	Freq.			Percent		
	Predicted not in training	Predicted in training	Total	Predicted not in training	Predicted in training	Total
Not in training	19,356	6,467	25,823	74.96	25.04	100
In training	478	227	705	67.80	32.20	100
Total	19,826	7,195	26,528	74.77	25.23	100

Note: Cells in green represent correct in-sample predictions. Source: Authors' calculations.

Table 6.5. Model prediction of training participation in NEET population

	Freq.	Percent
Predicted not in training	3,042,814	75.26
Predicted in training	1,000,132	24.74
Total	4,042,947	100

Source: Authors' calculations.

¹⁴ We obtain a similar result using estimates from a regression that uses the full youth sample (i.e. including the NEET subsample): the model predicts that 23.7 percent of NEET youth, or 956,987 persons, are training participants.

7. What are the barriers that NEET face in pursuing TVET?

Promoting technical and vocational education and training (TVET) has the potential to reengage NEET into education and set them on a path to employment. However, NEET may face barriers from pursuing TVET. This section reports the results of a rapid online survey of TVET applicants and trainees conducted to investigate the hurdles that prevent NEET from pursuing TVET.

Our survey has five target respondents: 1) current applicants to TVET programs in TESDA Technology Institutes (TTIs); 2) current TVET trainees in TTIs; 3) current applicants to the YouthWorks PH (YWPH) program of the Philippine Business for Education (PBEd) and United States Agency for International Development (USAID); 4) current YWPH trainees; and 5) unsuccessful YWPH applicants.

TESDA administers 158 TTIs across 17 regions as of February 2021. Meanwhile, YWPH is a five-year program (2018-2023) that provides online soft skills mentoring, technical and vocational training, and on-the-job training to NEET youth aged 18-30 years in selected sectors (construction, manufacturing, and hospitality) and areas in the country (Greater Manila Area, Cebu City, Cagayan de Oro City, General Santos City, and Zamboanga). To be eligible to participate in the survey, applicants and trainees must be NEET (i.e., 15-24 years and not in employment, education or training) at the time of their application to the TTI or YWPH. In addition, they must not have participated in any technical and vocational training course prior to their application. Unsuccessful YPWH applicants are defined as YWPH applicants who had completed the application but were not offered a program slot based on the YWPH recruitment officer's decision.

A questionnaire was designed for each respondent type. Each questionnaire has four main sections: 1) personal information; 2) family information; 3) barriers to training; and 4) information about the training being applied for or being taken. Questionnaires began with screener questions to ensure respondents meet the eligibility criteria. The online questionnaires were built and hosted on SurveyMonkey. Links to access the online questionnaires were disseminated to target respondents with the assistance of TESDA and PBEd/YWPH staff. Each survey ran for two weeks (the YWPH surveys from March 9 to March 22, 2021, and the TESDA surveys from March 15 to March 28, 2021).

The surveys collected a total of 1,688 responses after removing ineligible respondents, duplicate responses, and incomplete responses. Table 7.1 shows the distribution of responses by respondent type. Three out of five respondents (61.1 percent) are TESDA trainees. Their large number gives them an outsize influence on the distribution of responses across the full sample. They are followed by TESDA applicants (22.1 percent), YWPH applicants (10.4 percent), and YWPH trainees (5.9 percent). A very small number of respondents are YWPH unsuccessful applicants ($n=8$).

Table 7.2 reports survey respondents' geographic distribution by region. More than half of the respondents come from five regions: Region VI (17.1 percent), Region V (11 percent), Region IV-A (10.2 percent), Region III (9.3 percent), and NCR (8.5 percent). TESDA respondents tend to be more broadly distributed across the 17 regions, though Region VI accounts for the largest share. In contrast, the large majority of YWPH respondents are concentrated in just three regions, namely NCR, Region III, and Region IV-A.

Table 7.1. Survey respondents

Respondent	Freq.	Percent
TESDA trainees	1,031	61.1
TESDA applicants	373	22.1
YouthWorks PH applicants	176	10.4
YouthWorks PH trainees	100	5.9
YouthWorks PH unsuccessful applicants	8	0.5
Total	1,688	100

Table 7.2. Regional distribution of survey respondents

	All	TESDA applicants	TESDA trainees	YWPH applicants	YWPH trainees	YWPH prev. apps.
<i>N</i>	1688	373	1031	176	100	8
Region VI	17.1	27.6	17.0	2.3	7.0	0.0
Region V	11.0	9.1	14.2	2.3	2.0	0.0
Region IV-A	10.2	3.8	8.4	31.3	15.0	12.5
Region III	9.3	8.6	7.7	11.9	24.0	12.5
NCR	8.5	0.5	3.0	41.5	33.0	62.5
Region I	5.9	9.7	5.9	0.6	1.0	0.0
Region VII	5.9	8.6	6.3	0.6	0.0	12.5
Region X	5.5	4.0	7.5	0.6	0.0	0.0
Region II	5.3	6.7	6.1	0.6	0.0	0.0
Region XIII	4.3	5.9	4.7	1.1	0.0	0.0
Region IV-B	4.2	3.2	5.5	1.1	0.0	0.0
CAR	3.9	4.6	4.6	0.0	1.0	0.0
Region VIII	2.8	4.0	2.7	2.8	0.0	0.0
Region IX	2.1	2.9	2.3	0.0	0.0	0.0
Region XI	1.5	0.3	2.4	0.0	0.0	0.0
Region XII	1.5	0.5	0.0	3.4	17.0	0.0
BARMM	1.1	0.0	1.7	0.0	0.0	0.0

Table 7.3. Profile of survey respondents

	All	TESDA applicants	TESDA trainees	YWPH applicants	YWPH trainees	YWPH prev. apps.
<i>N</i>	1688	373	1031	176	100	8
Sex						
Male (%)	53.0	57.9	55.7	33.5	42.0	50.0
Female (%)	47.0	42.1	44.3	66.5	58.0	50.0
Age						
Age (years)	20.9	20.8	20.9	20.7	21.1	20.6
15-16 (%)	0.7	0.8	0.9	0.0	0.0	0.0
17-18 (%)	10.2	15.0	9.3	7.4	7.0	0.0
19-20 (%)	34.7	30.6	33.4	48.9	36.0	62.5
21-22 (%)	30.8	27.4	33.6	23.3	29.0	25.0
23-24 (%)	23.6	26.3	22.9	20.5	28.0	12.5
Marital status*						
Single (%)	94.0	95.7	95.3	84.1	91.0	100.0
Ever-married/-partnered (%)	5.5	4.0	4.1	15.3	9.0	0.0
Educational attainment**						
Primary (%)	0.4	0.8	0.4	0.0	0.0	0.0
Lower secondary (%)	28.1	26.0	27.4	36.9	29.0	25.0
Upper secondary (%)	41.5	37.5	45.2	34.7	27.0	75.0
Post-secondary (%)	1.8	1.3	1.8	2.8	2.0	0.0
Bachelor level (%)	27.8	34.3	24.7	25.0	42.0	0.0
Master's level (%)	0.2	0.0	0.2	0.6	0.0	0.0
Relationship to the family head***						
Head (%)	2.0	1.3	1.8	4.6	3.0	0.0
Spouse (%)	3.7	3.2	2.3	11.4	7.0	0.0
Son or daughter (%)	80.1	84.5	81.9	64.8	73.0	75.0
Self-rated poverty						
Poor (%)	44.0	48.5	41.7	43.2	50.0	75.0
On the line (%)	53.3	47.5	55.9	54.6	49.0	25.0
Not poor (%)	2.7	4.0	2.4	2.3	1.0	0.0

Note: *Refusals are omitted. **No grade completed and pre-primary level are omitted. ***Other relationships to the family head are omitted.

Table 7.3 summarizes the characteristics of survey respondents. Male respondents comprise a slight majority (53 percent) of respondents, though females comprise the majority of YWPH applicant and trainee respondents. Respondents are 20.9 years old on average, and the vast majority are single (94 percent). Most are the child of the family head's son or daughter (80.1 percent). The most prevalent educational attainment is upper secondary (41.5 percent), while a notably large share of respondents reached bachelor level (27.8 percent). When asked whether they consider their family poor, non-poor, or on the line between the two, 44 percent said their family is poor, and 53.3 percent locate their family between poor and non-poor.

When asked to identify the main reason for pursuing technical and vocational training (Table 7.4), the top response (46.9 percent) was the desire to learn technical and vocational skills. It was the main motivation for 52 percent TESDA applicants and 48.6 percent of TESDA trainees. Meanwhile, 38.3 percent said they wanted to get a job after the training, which was the top motivation for YWPH applicants (46.6 percent) and YWPH trainees (41 percent). Getting a better job than the one they had before was the main motivation for 5.4 percent of respondents.

Table 7.4. Main reason for pursuing technical and vocational training (percent)

	All	TESDA applicants	TESDA trainees	YWPH applicants	YWPH trainees	YWPH prev. apps.
<i>N</i>	1688	373	1031	176	100	8
Learn tech-voc. skills	46.9	52.0	48.6	34.7	32.0	50.0
Get a job after	38.3	37.3	36.9	46.6	41.0	50.0
Promotion or better job than before	5.4	3.2	4.8	9.7	13.0	0.0
Training is free	4.3	3.8	5.0	2.3	2.0	0.0
Friend recommendation	1.5	0.8	1.5	2.3	3.0	0.0
Keep oneself busy	1.2	1.6	0.8	1.1	4.0	0.0
Friend also in training	0.4	0.5	0.5	0.0	0.0	0.0
What family wants	0.4	0.0	0.5	0.0	1.0	0.0
Other reasons	1.7	0.8	1.6	3.4	4.0	0.0

Table 7.5. Factors that hindered respondents from pursuing technical and vocational training before applying for or starting training (percent)

	All	TESDA applicants	TESDA trainees	YWPH applicants	YWPH trainees	YWPH prev. apps.
<i>N</i>	1688	373	1031	176	100	8
<i>No funds for tuition or allowance*</i>	47.5	59.8	42.3	50.0	49.0	75.0
No hindrance	35.6	24.9	40.3	34.7	31.0	12.5
No funds for tuition	35.3	45.8	30.9	38.6	34.0	37.5
No funds for allowance	34.2	43.4	29.2	39.2	39.0	75.0
No information	12.6	10.5	12.2	15.9	17.0	25.0
<i>Housework or caring duties*</i>	11.0	8.8	10.1	12.5	26.0	0.0
<i>Working or seeking work*</i>	10.0	8.8	9.6	8.5	21.0	0.0
Housework	8.1	7.5	7.4	8.5	18.0	0.0
School accessibility	7.9	9.1	7.6	8.5	7.0	0.0
Working	5.8	5.6	5.8	3.4	11.0	0.0
Caring duties	5.3	3.2	4.7	7.4	17.0	0.0
Seeking work	5.2	3.8	5.0	5.1	14.0	0.0
No plans yet	4.1	2.1	4.6	4.0	7.0	0.0
No interest in TVET	2.4	2.4	2.8	1.1	1.0	0.0
Parents don't approve	1.2	0.3	1.8	0.6	1.0	0.0
Poor image of TVET	0.9	0.8	1.1	0.0	1.0	0.0
Sick/injured	0.6	0.8	0.6	0.0	1.0	0.0
Disability	0.6	0.0	0.7	0.6	1.0	12.5
Other reasons	2.2	2.1	1.1	6.8	5.0	12.5

Note: Shares do not sum to 100 percent as multiple responses were allowed, except when "No hindrance" is chosen. *Italicized lines denote combined responses for different choices. No funds for tuition or allowance" combines "No funds for tuition" and "No funds for allowance". "Housework or caring duties" combines "Housework" and "Caring duties". "Working and seeking work" combines "Working" and "Seeking work".

Table 7.6. Assistance to help youth pursue technical-vocation training (percent)

	All	TESDA applicants	TESDA trainees	YWPH applicants	YWPH trainees	YWPH prev. apps.
<i>N</i>	1688	373	1031	176	100	8
Allowance support	57.5	61.7	53.7	64.2	68.0	75.0
Information on jobs	55.5	46.4	54.7	69.3	73.0	62.5
Tuition support	47.7	52.5	43.4	59.7	52.0	75.0
Job search support	47.3	37.8	46.4	61.4	66.0	62.5
Info. on TVET programs	39.2	27.6	39.1	51.7	60.0	62.5
More accessible venue	32.3	27.9	28.6	51.1	51.0	75.0
Info. on TVET providers	29.0	18.8	27.7	41.5	56.0	50.0
Assessment fee support	25.8	23.6	23.2	37.5	41.0	25.0
Counselling support	21.9	13.1	19.6	40.9	42.0	50.0
Convincing parents	9.5	6.7	9.1	16.5	11.0	12.5
Other support	1.8	1.6	1.8	2.3	1.0	0.0

Note: Shares do not sum to 100 percent as multiple responses were allowed.

Table 7.7. Challenges experienced during training (percent)

	All	TESDA trainees	YWPH trainees
<i>N</i>	1688	1031	100
Poor or no internet connectivity	36.1	33.6	62.0
None	25.1	26.1	15.0
No or insufficient allowance	23.5	23.4	25.0
Digital device issues	22.5	21.1	36.0
Busy with housework	11.8	11.2	18.0
Busy working	9.7	8.9	18.0
Lockdown	8.4	8.4	8.0
Unconducive to study at home	8.3	6.8	24.0
Personal or family problems	8.1	7.6	14.0
Venue inaccessible	7.3	7.3	7.0
Caring duties	5.2	4.6	12.0
Issue with training tools	3.6	3.1	9.0
Disaster	2.8	3.0	1.0
Picking up skills	2.7	2.9	1.0
Following lessons	2.5	2.5	2.0
Health issues	1.9	1.7	3.0
Issue with training facilities	1.5	1.6	1.0
Lack interest	1.1	1.2	0.0
Issue with training instructor	1.1	1.1	1.0
No electricity at home	1.0	0.9	2.0
Family tragedy	0.9	0.9	1.0
Venue closed	0.6	0.7	0.0
Pregnancy	0.4	0.4	0.0
Other reasons	1.6	1.5	3.0

Note: Shares do not sum to 100 percent as multiple responses were allowed except when "None" is chosen.

Respondents were asked about the factors that hindered them from pursuing technical and vocational training before applying to get on a training program (Table 7.5). There is a notably large share of respondents (35.6 percent) that reported not experiencing any hindrance. "No hindrance" is the top response (40.3 percent) among TESDA trainees. Among those who experienced hindrances, financial constraints appear to be the main obstacle that inhibited their pursuit of training. Nearly half of respondents (47.5 percent) reported experiencing a lack of funds for either tuition or allowance. Meanwhile, 12.6 percent were constrained by a lack of information about available training programs, 11 percent were constrained by housework or caring duties, 10 percent were constrained by having to work or seek work, and 7.9 percent were constrained by school accessibility. A substantial share of YWPH trainee respondents reported being inhibited by housework or caring duties (26 percent), and by having to work or seek work (21 percent).

Respondents were asked to identify specific forms of assistance that would help or encourage youth to pursue TVET (Table 7.6). The top five responses were allowance support (57.5 percent); information

on available jobs (55.5 percent); tuition support (47.7 percent); assistance in finding employment (47.3 percent); and information on TVET programs (39.2 percent). This seems to indicate that the most important forms of assistance are financial support, employment facilitation, and informational support. Further, about one-third (32.9 percent) viewed a more accessible training venue as an important form of support.

Finally, the survey asked TESDA and YWPH trainees to identify challenges they experienced in the course of their training (Table 7.7). About a quarter of respondents (25.1 percent) reported not experiencing any challenges. Among those who did, the top response was poor or no internet connectivity (36.1 percent), indicating that many trainees use the internet during their training. Relatedly, 22.5 percent reported experiencing problems with their digital device (e.g., laptop or desktop computer). Notably, internet connectivity and digital device issues are the top two responses among YWPH trainees.

Meanwhile, 23.5 percent of respondents said they had to hurdle having no or insufficient allowance, while 11.8 percent became busy with housework. “Allowance” here is used in the general sense, covering all possible sources (including from parents or family, or from a scholarship benefit) and uses (e.g. food, transportation, learning materials, etc.). Those who reported experiencing no or inadequate allowance may be a combination of people who have experienced one or a combination of the following: no or inadequate allowance from their parents or family, and no or inadequate allowance received as a scholarship benefit. It is noteworthy TESDA offers a daily allowance benefit in most of its scholarship programs, ranging from PhP100 per day to PhP350 per day. In response to the Covid-19 pandemic, TESDA introduced across its scholarship programs a PhP500 health and protective equipment allowance and a PhP500 internet allowance. However, not all scholarship programs have a learning materials or book allowance. Table 7.8 summarizes the benefit coverage of seven TESDA scholarship programs as of March 2021.

Table 7.8. Benefit coverage of TVET scholarship programs offered by TESDA, as of April 2021

Benefit	TWSP	STEP	PESFA	UAQTEA (free TVET)	RESP	<i>Tsuper Iskolar</i>	<i>Tulong Trabaho</i> **
Cost of training or cost of tuition*	✓	✓	✓	✓	✓	✓	✓
Miscellaneous and other school fees				PhP350			
Assessment fee	✓	✓	✓	✓	✓	✓	✓
Training support fund or living allowance (per day of training)	PhP160 [†]	PhP160 [†]	PhP160 [†]	PhP160	PhP160	PhP350 [§]	PhP160
Instructional materials allowance			PhP500 ^{††}	PhP5,000			PhP5,000 maximum
Book allowance							
Workshop uniform				PhP450			
Accident insurance	PhP100.80	PhP100.80	PhP100.80	PhP100.80	PhP100.80	PhP100.80	PhP100.80
Entrepreneurship training		PhP800			PhP800		
Health protective equipment allowance [†]	PhP500	PhP500	PhP500	PhP500	PhP500	PhP500	PhP500
Internet allowance [†]	PhP500	PhP500	PhP500	PhP500	PhP500	PhP500	PhP500

Notes: “✓” indicates presence of support with varying amounts per program. No data for BKTSP. [†]Prior to February 2021, the value of support to cover training costs under TWSP, STEP, PESFA, RESP and Tsuper Iskolar used to differ from the value of support to cover tuition under UAQTEA even for the same TVET program. Starting February 2021, the value of training cost support and tuition support for the same program were made identical across scholarship programs (TESDA 2021c). [†]Introduced in July 2020 (TESDA 2020c). [†]Increased from PhP60/day to PhP160/day in July 2020 (TESDA 2020f). [§]Maximum of PhP12,250 or 35 days. ^{**}Based on TESDA (2021d). ^{††}Book allowance.

8. Summary of findings

The study was conducted as part of the policy research series on youth NEET in partnership with TESDA and PBed. It is designed to look at the trainee perspective of the training issues. It aims to answer the following four questions: (a) what are the dropout points of learners across the education continuum? (b) how are NEET computed and monitored across government agencies? (c) how many NEET are potential TVET learners? (d) What barriers do NEET face in pursuing further training? To answer these questions it uses three methods, namely, (a) analysis of secondary data, (b) key informant interviews with government agencies dealing with the youth, and (c) online survey of applicants and current trainees.

NEET in official statistics. As in many countries, the labor force survey is the source of data for identifying the NEET. There appears to be an under-coverage of those considered by TESDA to be in TVET by PSA's Labor Force Survey. The PSA considers as post-secondary education only those in programs conducted by higher education institutions (college or university) with at least one year duration and requiring completion of high school. More recently, PSA has created a category called informal training for those conducted by TESDA-administered or TESDA-accredited TVIs or any school-based training with no specified duration and education entry requirements. TESDA, however, has community-based, enterprise-based and monitored programs that are still not covered by current definitions in the LFS. It is noteworthy that based on TESDA statistics, community-based TVET programs alone constitute 46 percent of TVET enrollment in 2019.

Incidence and profile of NEET. Labor Force Survey data in 2019 shows that the proportion of the youth NEET in the country is 18.7 percent. The highest incidence is in BARMM and the regions above the national average incidence include Region XI, IV-B, IX, and III. They are more likely among those in the age group 20-24 compared to 15-19. The incidence among females is nearly double than that among males. The incidence in urban and rural areas is nearly the same. As expected, the incidence is higher among the poorer income classes as two-thirds of the NEETs come from families of the bottom half of the income distribution. Finally, nearly three-quarters of the NEET population are economically inactive.

Dropout points of learners in the education continuum. In terms of dropout points of learners across the education continuum, secondary data shows that school attendance starts to consistently drop at around age 12 although the first big drop does not happen until the age 17 (around Grade 11 or 12) then at ages 18 and 19 (the transition from upper secondary to bachelor level) and finally at ages 20 and 21 (around second to fourth year college). Males leave the education and training system earlier than females. By age 15 to 19 the proportion of enrollment of females is 7 percentage points higher than males. Most males leave school for the labor force and into employment. In contrast, a smaller proportion of females leaving school transition to the labor force and employment and a larger proportion transition to inactivity. Marriage and family formation appear to be major factors for behind the inactivity of female NEET.

Computing and monitoring NEET among government agencies. Turning to how the NEET are computed and monitored across government agencies, the interviews with government agencies reveal that the concept of youth NEET (Not in Employment, Education or Training) is still an emerging concept in the country. Only one (DOLE BLE) of the nine agencies working with the youth mentioned they have an institutional definition for NEET. Other agencies use related terms that are more general such as youth, out-of-school youth, and disadvantaged youth, and NEET do benefit from programs targeted to these groups. Thus, youth NEET are not yet specifically targeted by most offices interviewed except for the DOLE's Bureau of Local Employment (BLE) and TESDA. The DOLE BLE's JobStart Philippines program explicitly targets the youth NEET. TESDA's scholarship programs also target the NEET. However, none of the agencies reported to be monitoring NEET beneficiaries of their programs, and only one of the nine offices interviewed reported that they monitor NEET statistics.

Potential TVET learners. To estimate the potential demand of TVET learners, a model specifying factors influencing training participation among the youth was estimated. Given the varied forms of trainings provided which can be considered part of technical and vocational education and training

(TVET), it was a challenge to provide a comprehensive definition of TVET learners. This study considered as TVET learners those who are currently attending either post-secondary non-tertiary education or non-formal training for skills development in the Labor Force Survey. Given this definition, the first observation is the small proportion (2.6 percent) of the non-NEET youth in TVET training. Another observation is that while there are differences in characteristics between trainees and non-trainees, none are large enough in the magnitude to allow strong generalization about distinguishing characteristics. Hence, only a few explanatory variables have statistically significant effect on the probability of training participation. The significant determinants include age, being unemployed, being economically inactive, education and employment status of spouse. The model predicts about a million out of the 4 million NEET will be demanding TVET training. The model, of course, has limitations including (a) limited factors considered due to lack of data, (b) low explanatory power due to lack of variation, and (c) poor predictive power largely because of (b).

Barriers of NEET in pursuing further training. The survey conducted among applicants and current trainees to generate information on the barriers the NEET face in pursuing training reveal that the main reason for pursuing TVET training was the desire to learn technical and vocational skills. This is closely followed by to get a job after training. Surprisingly, a large proportion of respondents reported not experiencing any hindrance in getting into training. For those who mentioned they experienced hindrances, financial constraint is mentioned as the main obstacle, i.e., having no funds for allowance or no funds for tuition. The other significant hindrances mentioned are lack of information on TVET programs, housework, having to work or seek work, and school accessibility. In terms of assistance needed to pursue TVET, the top five responses include allowance support, information on available jobs, tuition support, assistance in finding employment and information on TVET programs. The most frequently cited challenge experienced while on training is poor or no internet connection. This is not surprising as the survey was conducted during the Covid-19 pandemic where training had to go into online mode. No or insufficient allowance and digital device issues follows. Surprisingly, a substantial proportion say they did not experience any challenges during training.

9. Recommendations

Given the foregoing, the recommendations are as follows:

1. **Resolve the definition of training participation in official statistics.** To better understand the demand for TVET, there needs to be more comprehensive in the coverage of people in TVET in official statistics. Currently, the PSCEd considers TVET programs leading to a NC I to NC III as being equivalent to post-secondary non-tertiary education. The implementation of this classification in the Labor Force Survey, however, covers only those training that are one-year and above, conducted by the HEIs, and requiring high school graduation. TVET, however, covers a wider range of programs, including those below one year in duration and delivered not just by HEIs but by TVIs, communities, and enterprises. In fact, two-thirds of TVET enrollment in 2019 consists of learners in non-institution-based programs. Recently, the LFS covers those on training of less than one one-year duration in training institutions that are supervised by TESDA by defining a separate category called non-formal training, but it only captures school-based programs. There is still the issue of those taking several short-term trainings in a year. Resolving these issues would provide a more comprehensive picture of TVET participation in official statistics, and lead to a more accurate measurement of NEET in the country.
2. **Adopt a standard definition of NEET and promote the use of the NEET concept among agencies.** It appears that the concept of NEET is not yet fully embraced by government agencies. There is a need to adopt a standard definition of NEET, and promote the concept as an important cohort that needs attention from government and non-government programs. The longer these youth stay as NEET means opportunity losses for society because they can either be learning or be productively employed.
3. **Understand better the incidence of NEET.** While the incidence of NEET in relatively low economic activity areas such as the BARMM or Region IV-B is understandable, data shows that there is also high incidence even among high economic activity areas like Region XI and III. This calls for more in-depth studies to identify other important determinants of being NEET. This will help in finding effective levers of drawing out the NEET into either learning a trade and/or being productively employed.
4. **Understand the reasons for the high proportion of inactivity among female youth.** The study highlights the large proportion of female youth who are economically inactive. While they stay longer in school compared to male youth, when they leave school, many of them are economically inactive. Our initial analysis suggests that marriage is a major factor driving female youth inactivity. There is a need to understand better the reasons behind this so it can be effectively addressed.
5. **Promoting TVET among the NEET.** The paper estimates, given personal and household characteristics, only one in four of the NEET demand TVET training. Given this low potential take up rate, there is scope for promoting TVET among the NEET. For instance, the group of NEET whose main reason for inactivity are household responsibilities can benefit from community-based skills training that are short in duration and are geared towards learning skills for self-employment. Those NEET who have completed upper secondary or higher and wanting to have technical and vocational qualifications can benefit from school-based or enterprise-based training programs that are geared toward securing employment in the formal sector.
6. **Address the barriers and challenges of those who desire to be and are currently in TVET training.** Financial constraints – the lack of funds for allowance or the lack of funds for tuition – are the most frequently cited obstacle to pursuing further training. Allowance support is also the most frequently cited support needed to encourage training participation among youth. Lack of allowance for trainees was highlighted in interviews with training providers as a hindrance to training participation in Orbeta and Corpus (2021). While TESDA already offers a daily allowance in all of its scholarship programs (TESDA 2021c), TESDA may consider re-examining its

allowance benefits in light of this information. Future studies focusing on TESDA scholars may also look into the sufficiency of allowances provided by TESDA. The lack of information on TVET programs is also a frequently cited barrier for pursuing training. This calls for better information dissemination of training opportunities including scholarship programs to encourage uptake. In terms of assistance desired, information on available jobs and assistance in finding employment are frequently mentioned. This calls for better labor market information and employment facilitation programs. Finally, with the survey done during the pandemic and training going into online mode, poor or no internet connection is the most frequently cited challenge among those who are on training. In addition, digital device issues are also highlighted. The same issues were emphasized in interviews with training providers (Orbeta and Corpus 2021). Shifting to remote learning must consider access issues of the target beneficiaries of TVET. This highlights the role of the Department of Information and Communications Technology (DICT) in improving connectivity in the country. In addition, programs promoting access to TVET should consider access to devices of the targeted NEET. A good example is the YouthWorks PH Flexible Training for Work (FTW) program, which lends access devices to their scholars who are accessing training through the TESDA Online Program.

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