THE EDUCATED UNEMPLOYED

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The "educated," here understood to be those who have completed at least four years of college, showed an unemployment rate of about 6 percent in October 1965; it has been growing steadily since that date. Three agencies participate in the process that generates educated unemployment: the family, the school and the firm. Families are growing in number (3 percent each year) and report an increasingly higher percentage of white-collar, college-educated male household heads.

Schools have reacted to the demand for space by creating that space – few if any high school graduates fail to find a college that will accept them. But the surplus of tuition over expenses that makes this possible is fast disappearing. Finally, firms are generally unwilling to hire applicants under 18 years of age.

Parents in great numbers will probably continue sending their children to college. This they will do, less because of the return they expect to realize on the "investment," than because of a desire to keep their youth beneficially occupied till these young people are old enough to get a good job in the sophisticated sector to which they aspire.

Because no mechanism exists to adjust the two subprocesses of skill-creation and job-creation, the pool of young educated unemployed predictably will continue to grow. The solution of the Presidential Commission to Survey Philippine Education is to tighten up requirements for college enrolment. But this will accelerate the growth of uneducated unemployment, affecting particularly those high school graduates unable to gain admission to college. Perhaps our so-called diploma mills have a role to play – along with youth activities and organizations they may keep our "waiting youth" meaningfully occupied, in training for the tasks of nation building.

I intend to deal with my topic in the following way: after defining terms, I shall present the basic data and then try to explain them. This explanation will deal first with the agencies involved, namely, families, schools, and employers; and second with the enrolment of children in schools and the absorption of graduates into industry. Finally, some policy recommendations and implications will be examined.

Definitions of Terms

By "educated" we shall mean "having completed at least four years of college." This definition has obvious advantages and disadvantages. On the one hand, it is neat, simple, and easy to handle. On the other, it makes no allowance for the *quality* of education. Unfortunately, I know of no way to make allowance for quality in the kind of discussion on which we are embarking.

For the word "unemployed" we shall adopt the definition of the Bureau of the Census and Statistics (BCS 1971b:xi).

Unemployed. Unemployed persons include all those who are reported as wanting and looking for full-time work. The desire to work must be sincere and the person must be serious about working. Also included are persons reported as wanting work but not looking for work because of the belief that no work was available or because of temporary illness, bad weather, or other valid reasons.

Since the unemployed are members of the labor force, it may be worth our while to recall the following definition as well (BCS 1971b:xi).

> *Persons Not in the Labor Force.* Persons [10 years old or over] reported as not at work and without jobs and not wanting work, or wanting work but not looking for work for reasons other than those stated above are excluded from the labor force. These include housewives, students, disabled or retired persons and seasonal workers who were not working and not looking for work during the survey.

It is generally accepted that these definitions fit industrialized countries better than they fit us. This is so for several reasons. The first is that in most industrialized countries, the time at which one enters the labor force is rather clearly determined, while in less developed countries, the statisticians have to make an arbitrary decision. In the Philippines one is considered eligible for admission into the labor force at the age of 10 years. Second, in most industrialized countries, most people work at least 40 hours a week or not at all; here, however, the distribution of the working population over the number of hours of work is almost a continuous function. As a result, it is not clear at all where one should draw the line between employed and unemployed. Third, the sincerity of a person's desire to work is difficult to test, especially since many believe that no jobs are available anyway, and many are young, unmarried, living with their parents, and not badly in need of work.

As a result, one could find or construct a plausible definition of "labor force" and "unemployed" that would result in almost any rate of unemployment one wished to demonstrate.

Available Employment Data

This being said, and keeping the definitions in mind, let us take a look at the available data, first for unemployment in general, and then for educated unemployment in particular. Remember that while the absolute levels of unemployment are contingent on the definitions chosen, the structure of unemployment and changes in the rates are both quite independent of these definitions.

First, the structure of unemployment deserves our full attention. To exhibit that structure, I reproduce here (Figure 1) a diagram taken from the Rand Report which I found very helpful for this purpose (Averch, Denton, and Koehler 1970:124).[1]

The figure tells us that we had in October 1968 about one million unemployed almost evenly divided first between the urban and the rural sectors and then between the sexes; but very unevenly distributed between young and old, experienced and unexperienced. The young and inexperienced members of the labor force (no previous steady job) were much more likely to be unemployed than the old (25 years or older).

The salient feature of the unemployment structure is, therefore, that although young people looking for their first regular job represent only 5 percent of the labor force, they account for over one-half of the unemployed. Moreover, one-half of the young and inexperienced unemployed believe that there is little point in looking for a job because none is available.

We have much less information about the structure of *educated* unemployment. Published tables aggregate all age groups and do not separate those who worked before from those who did not. It is clear, however, that the educated unemployed are very heavily concentrated in the urban areas (Table 1).

Changes in the level and structure of un-

Table 1

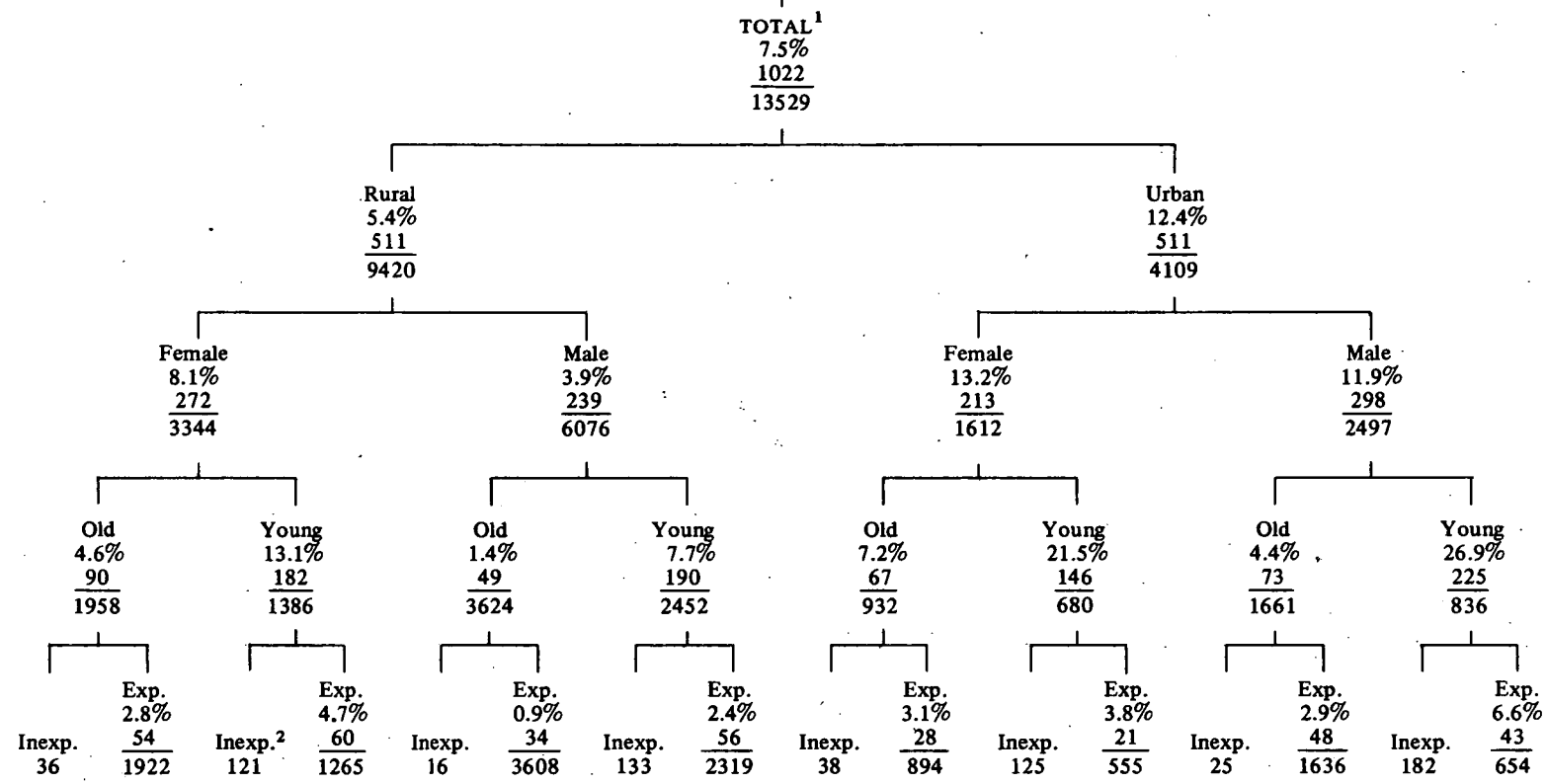
Educated unemployed over educated labor force (Philippines, October 1965)[a]

Sex	Urban	Rural	Total
Male	15/226	2/61	17/287
Female	10/178	4/74	14/252
Total	25/404	6/135	31/539

[a]Figures are absolute numbers in thousands.

Source: BCS Survey of Households Bulletin for October 1965 (BCS 1966)

Fig. 1 – The structure of unemployment (May 1968)



Notes

1. Absolute numbers are in thousands. In each cell the numerator is the number of "totally unemployed," the denominator is the number of people in the labor force with those characteristics. The third figure in the cell is the numerator as a percentage of the denominator, the rate of unemployment of that part of the labor force. For example, the last square in the bottom row refers to young (ages 10–24) urban males who have previously worked for at least two weeks ("experienced"). There are 654,000 young, experienced, urban males in the labor force, of whom 43,000 were totally unemployed (6.6 percent) in the survey week in May 1968. (Since all of the "inexperienced labor force" is by definition unemployed, no percentages are given in the blocks for that part of the labor force.)
2. Total young, inexperienced unemployed number 561.

Source: BCS 1970, tabulated at the Rand Corporation

employment may be conveniently described in terms of yearly rates of growth in the latter part of the sixties (1965 to 1968). Within this framework, overall unemployment, as well as that of the educated, the young inexperienced, and the urban young inexperienced seems to have been growing apace at the rate of 11 to 12 percent a year.

Analysis of the Data

Now that we have facts, let us try to explain them. Three kinds of agencies participate in the process that generates educated unemployment; namely: the family, the school, and the firm. We shall examine them briefly.

The family. Concerning families, there are two facts that ought to be considered: first, they grow in numbers at the rate of roughly 3 percent a year; second, they are becoming more sophisticated. This second observation requires elaboration. To define sophistication, we divide the economy into two sectors: the unsophisticated sector, characterized by small family-run enterprises such as small farms and small shops; and the sophisticated sector, where the firms are too large to rely mainly on family labor, where managerial methods are more sophisticated, and where professionals find employment. We find that *families* keep shifting from the unsophisticated sector to the sophisticated sector. Evidence for this is found in the following little known facts:

1. While 75 percent of those born during the first decade of the century have fathers who were farmers or fishermen, only 49 percent of our teenagers have fathers who farm or fish. Also since the early 1900s, the percentage of fathers with white collar jobs has risen from 4 to 8 percent. The percentage of fathers who at 40 hold blue collar jobs has gone up from 9 to 31.
2. Changes in the occupational distribution of fathers at 40 years are accompanied by changes in their educational distribution. The percentage of fathers with some college education has gone up from 2 percent at the beginning of the century to 11 percent today.
3. Younger people who are at least 20 years of age are much less likely than older people to be self-employed or working for their family without pay.

The school. We are well aware of the fact that our educational system consists of a set of schools that grew mainly under the aegis of free enterprise and the supervision of the Department of Education. This principle of free enterprise has operated both on the supply side and the demand side. Parents have been free to demand effectively the education that suits best, not only their tastes, but also their financial means; on the other side, educational entrepreneurs have been free to meet this demand by selecting both curricula and standards of excellence. The government has been content to supplement and complement the private efforts, its contribution being greatest at the elementary level, where private participation is minimal (4 percent). At the high school level, private participation amounts to 64 percent, and at the college and university level, to 92 percent.

The more relevant fact, however, is that of capacity-creation, or the growth of those basic facilities needed to accommodate the increasing number of students. So far, very few, if any, high school graduates have been forced to discontinue their studies because they could not find a college to accept them. Facilities have kept growing along with the demand for education. This growth has taken place because tuition and other fees have, by and large, more than covered expenses and allowed that surplus that would provide either the money or, at least, the motive that expansion requires.

The question arises, however, whether what has been true to date, or at least till very recently, will hold true in the future. There are reasons to doubt that it will. Costs are rising, and rather fast. Receipts in the form of tuition and other fees are rising too, but they do not quite keep pace. As a result, the surplus that made expansion possible in the past is decreasing, if not disappearing and turning negative. An evidence of this change is the fact that expenditures on new facilities dropped by about one-third between 1969 and 1970.

The firm. Finally, we have to consider the firms, or industry, and other employers such as the government. The relevant question deals with their projected absorptive capacity, or manpower

requirements. We have not one but four projections. They probably derive from use of the best techniques that the data basis could bear, but these best techniques remain very crude.

The first projection was prepared by the Presidential Commission to Survey Philippine Education. It is a linear extrapolation of prevailing trends up to 1974. The last three projections were prepared for the second four-year plan, and embody increasingly optimistic assumptions as to the rate of growth of employment and also linear extrapolation up to 1974. The assumptions referred to postulate that in the early seventies the economy will behave the same way or better than it did in the sixties or late sixties. If one doubts the assumptions, of course, he will also doubt the results of the analyses based on them. For this reason we shall use these projections with great caution, and merely as an added test of the acceptability of our forecast of educated unemployment.

Before turning to the process whereby the ranks of the educated unemployed increase, one feature of employer behavior should be mentioned. This is the average employer's apparent bias against young applicants. The government sector clearly manifests this tendency. For the private sector, we have the evidence provided by a survey of 28 companies in the Manila area conducted for the Presidential Commission to Survey Philippine Education. The findings were these (Education Survey Report 1970):

> No company (among the 28 companies) would accept an applicant who is less than 18 years old. In general, the usual hiring ages of all positions other than management is 18–21 years old. Upper cut-off limits depend on the particular position in question but generally, however, should fall between 30–35 years old.

The unemployment process. The process responsible for educated unemployment may be analyzed into two subprocesses, namely, the process by which families send their children to school, and the process by which graduates are, or are not, absorbed into industry. Concerning the first subprocess, we have excellent raw data collected by the Department of Education (Piron 1970), enrolment figures by school year and by elementary, secondary, or college year. Cohort analysis of these data leads to the following findings.

1. Now almost all Filipino children enter Grade 1, most of them at the age of 7 years;
2. Promotion rates increase quickly, except in the primary grades where improvement is much slower;
3. The major losses occur between Grades 1 and 2, between the primary and intermediate grades, between grade school and high school, and, then, between high school and college;
4. Among those who entered Grade 1 in 1958, about 17 percent graduated from college last April. This percentage increases by roughly one percent a year. If this trend continues, among those who entered Grade 1 last July about 30 percent will graduate from college in 1984. This implies that our college population will increase at a rate of 6 to 9 percent.

The question that ought to be raised is whether this trend can continue or not. I have already expressed doubts about the willingness and ability of schools to create the capacity that expanding enrolment requires. Let us assume, for the sake of this discussion, that the schools will expand adequately. The question is then whether the percentage of Filipinos who can afford to send their children to college will keep increasing as in the past. The answer seems to be Yes.

In 1965, some 10 percent of the population were sending their children all the way through college, and the same percentage of all households were earning more than ₱5,000 a year. If the income distribution keeps fairly stable and national income keeps growing fairly well, we may conservatively expect both percentages to grow as fast as our projections would require.

International comparisons are exercises fraught with many dangers. Nonetheless, let me quote from a discussion paper written by Prof. Mark Blaug (1970:10–11) for the Presidential Commission to Survey Philippine Education:

> Whether the measure is the ratio of total educational expenditure to GNP (6.7 percent), the share of educational expenditure in the budget of the national government (37 percent), the proportion of people with bachelor degrees in the active population aged 14–65 (6.5 percent), or the proportion of the relevant groups

13–16 and 17–20 enrolled in the secondary and higher education (62 and 26.5 percent, respectively), the Philippines in 1971 ranks just below the United States, above most of the countries of Asia and Southeast Asia.

Blaug, however, cautions (*ibid.*) that "international comparisons of the kind just made above prove nothing since there is no reason to believe that there is a unique relationship around the world between the degree of educational provision in a country and its level of economic development."

There are basically two ways of explaining the process. These two explanations are not necessarily mutually exclusive. The first explanation postulates that parents or students aim at investing their money in the most profitable way and that the reason why they spend their money sending their children to school is that it may well be the most profitable investment open to them.

Williamson and De Voretz (1969) studied available data from Imus, Cavite, to see if indeed the sacrifices made by families and the government (in terms of earnings foregone or diminished during the schooling period, and of tuitions and fees paid or subsidized) ultimately paid off because of the increased earning power of the educated student. The findings, summarized in Table 2, indicate that the rate of return on the "investment" made is substantial only for high school education. Further, it is only at the secondary level that there is apparently a significant difference between the social and individual rates of return to public education.

The users of these figures should be cautioned against too easily generalizing these findings. First, there are a host of assumptions involved, some of which are untested. Second, the sample is small and dated – males from one town near Manila who were studied six years ago. Third, schools differ greatly among themselves, especially at the college and university levels, in standards of academic excellence. As a consequence, job expectancy varies widely among graduates of these institutions, and the figures entered in the third row of the table are averages taken from a population of rates that may differ very much among themselves. Some of the expected rates of return may be very low. In this case, the investment theory fails to explain enrolment in those colleges and universities.

This brings us to our second explanation. We have seen that (1) employers tend to be biased against younger applicants; and (2) there is a steady and numerically important flow of families that "migrate" from the unsophisticated sector into the sophisticated sector of the economy. Migration in the opposite direction is practically nil.

Now let us add to these facts the assumption that parents are concerned not merely with developing their children's skills in order to prepare them for their life careers, but also with keeping them duly occupied up to the beginning

Table 2

Internal rates of return to public and private education for males (Imus, Cavite, Philippines, 1966)

Educational option	Public education		Private education (individual return)
	Social return	Individual return	
Elementary over none	8%	9%	8%
High school over elementary	21	29	27
College/university over high school	11	12	13

Source: Williamson and DeVoretz 1969:162

of those careers. Schooling is surely desired for its end product, the developed skills, *but it may also be desired for its own sake,* i.e., *as an exercise that keeps the youth beneficially occupied.*

We shall conclude that (1) in the *unsophisticated* sector, parents can keep their growing children duly occupied at home; the occupation may not be gainful in the sense of augmenting the income of the family, but it is believed beneficial for the youth; and (2) in the *sophisticated* sector, parents can hardly keep their growing children duly occupied at home; they have to send them to school, not only to prepare them for their life careers, but also to keep them busy in the meantime.

We shall further predict that (1) some educational entrepreneurs will find it worth their while to set up schools which do not do much more than keep the students busy and that, the effective demand for this kind of service being as great as it is, schools will not only survive with standards that are very low indeed, but will be strongly protected against efforts to close them; and (2) both the overall growth and the distribution of enrolment among various curricula will be independent of the requirements of the sophisticated sector, but will reflect the overall growth – natural and by migration – of the sophisticated sector and the income distribution of the members of this sector.

This explanation has not been tested in any scientific manner. But let me ask you two questions. First, what do you think would be the effects of closing down a college with an enrolment of, say, 5,000 students on the ground, presumably valid, that the standards are too low? The second question is longer. Assume that you are the parent of a brood of teenagers. Assume that they cannot gain access to one of the better colleges, because either they did not inherit your brains or you cannot afford it, what would you do with them? Would you not send them to the best school available, however low the standard of that school might turn out to be?

The second half of the process deals with the absorption of graduates into industry, the teaching force, the government, and other places of employment. Let us agree to say industry for short. This subprocess is much less well recorded than the first.

We have already mentioned that according to the data supplied by the BCS Survey of Households Bulletins (October 1965 and October 1968) the structure of educated unemployment does not seem to have undergone any important change while the aggregate grew very rapidly, much faster than the population as a whole.

For the second half of the sixties, we have a second and very different set of data that will require a somewhat lengthier presentation.

The Fund for Assistance to Private Education (FAPE) was interested in gauging the direct contribution of various programs by looking at the way their graduates find employment. The idea was to gather the employment history of the five most recent cohorts of graduates. A different program was counted whenever either the degree or the institution changed. For instance, B.S.E. at the University of the East was counted as a different program from B.S.E. at the Lyceum of the Philippines. The data gathered lent themselves to interesting comparisons of programs but also, unexpectedly, showed that for almost all programs job expectancy, or absorption into work, was deteriorating, in the sense both of longer waiting periods before landing a first job and of lower initial salaries.

Unfortunately, the FAPE data do not lend themselves to easy summarization and, speaking in general, one cannot say more than that job expectancy deteriorates fast enough to be clearly detected by an instrument that was designed for another purpose.

There is a paradoxical feature of employment data that can be presented now and requires explanation: college drop-outs seem to find jobs more easily than college graduates. The pool of unemployed with one–three years of college decreased in the sixties, while the pool of unemployed college graduates kept growing rapidly. The explanation seems simple enough: finding a job is one of the major reasons why people drop out of college, and people who have not found a regular job yet are more likely to stay in college.

The reason why the pool of educated unemployed, especially the young educated unemployed, keeps growing is basically that there exists no mechanism to adjust the two subprocesses of skill-creation and job creation.

What Lies Ahead

It may be contended that the labor-market mechanism will eventually solve the problem for us in the following way: employers will require college degrees for jobs that are now open to high school graduates and they will keep lowering the initial and expected salaries of college graduates. It is true that the market may *eventually* do that and so solve the problem of the educated unemployed. It should, however, be underscored that "eventually" is likely to mean "over a few decades" which for practical purposes is almost the same as never.

But at this stage of the discussion, we should attempt to forecast educated unemployment in the seventies. This prediction will necessarily be premised on two other forecasts: that of college enrolment and that of job creation. And the first of these two, that of college enrolment, depends on our expectations concerning the demand for college education and the expansion of educational facilities required to meet this demand. In other words, we need three premises dealing successively with the demand for college education, the expansion of college facilities, and the creation of new jobs. In the present state of our knowledge, we have to assume a lot, and our final results will depend on what we assume. This does not mean that we can arrive at whatever results we prefer. Under all sensible sets of assumptions we end up with pools of unemployed at the various educational levels all through the seventies. What varies is the rate at which these pools grow and the distribution of the unemployed among these pools. By assuming accelerated job creation, we obviously reduce the overall growth of unemployment, while by slowing down college enrolment we retard the growth of educated unemployment but accelerate the numerical growth of the uneducated unemployed. To say more than this one would have to commit oneself to a set of assumptions that involves a number of political variables, the vagaries of which are much too difficult for me to fathom.

Policy Recommendations and Implications

There remains to discuss policy recommendations and implications. Let us start with the recommendations of the Presidential Commission to Survey Philippine Education. To quote from their final report (Education Survey Report 1970:40):

> For higher education, there is an oversupply of a sizeable number of college-trained manpower. This fact should encourage bold recommendations that would result in cutting down college enrolment, especially those involving raising quality through accreditation of schools, selective admission and collection and dissemination of information on the labor and education markets since there will be no danger of incurring a shortage.

These few lines summarize very well the position taken by the Commission. If implemented, this policy will on the one hand, contribute to improve the quality of higher education, to decelerate the growth of educated unemployment, and to save for the nation some of the resources spent on putting the less gifted through lower-quality colleges. On the other hand, this policy should be expected to accelerate the growth of uneducated unemployment and more particularly to create an expanding pool of unemployed high school graduates who shall not be able to find admission to college.

I wonder how the nation will take this.

But is there not an alternative to educated and uneducated unemployment? It seems to me that we too readily equate manpower development with education, and education with schooling. Education is a much bigger thing than either manpower development or schooling.

Have we not looked upon the nation too exclusively from the viewpoint of an industrialist or manager looking for the inputs that his expansion program requires?

Should we not look more upon the nation from the viewpoint of the head of a household or larger community concerned, not only with supplying the facilities that the material comfort

of his community demands, but also with designing a program of activities that keeps everyone happily and meaningfully occupied and thus makes room for everyone and integrates the community?

As soon as we take this viewpoint, we will better understand the many Filipino parents who send their children to lower-standard colleges; we will credit them with much sounder judgment than we otherwise would; we will discard explanations that appeal to an inordinate passion for diplomas and white-collar jobs; we will recognize that our so-called diploma mills exist because they somehow fulfill a necessary function, and, then, we shall, hopefully, start paying attention, including financial attention, to youth activities and organizations that help prepare and mobilize the waiting youth for the tasks of nation building.

Allow me to end on this perhaps controversial note.

Notes

This is the slightly revised version of a paper read February 10, 1972, in the public lecture series, "Social Issues '72," at the San Miguel Auditorium, Makati, Rizal, under the sponsorship of the Philippine Sociological Society, Inc. Fr. Piron, chairman of the department of economics at De La Salle College, Manila, is a member of the Congregation of the Immaculate Heart of Mary (C.I.C.M.). He was project director of the College Graduates Absorption Study undertaken by the Fund for Assistance to Private Education (FAPE) in 1970–71.

[1]In each cell in Figure 1 the numerator is the number of "totally unemployed," the denominator is the number of people in the labor force with those characteristics. The third figure in the cell is the numerator as a percentage of the denominator, the rate of unemployment of that part of the labor force. For example, the last square in the bottom row refers to young (ages 10–24) urban males who have previously worked for at least two weeks ("experienced"). There are 654,000 young, experienced, urban males in the labor force, of whom 43,000 were totally unemployed (6.6 percent) in the survey week in May 1968. (Since all of the "inexperienced labor force" is by definition unemployed, no percentages are given in the blocks for that part of the labor force.)

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Comment on the Piron Paper

ELEANOR ELEQUIN
February 12, 1972

Father Piron's paper reiterates the contemporary concern over the relationships between the educational system and the labor market. It also stresses the great importance of education and implies the value that the educational system should adapt to labor market areas. It is also relevant, at this point, to bear in mind that rising levels of educational attainment have probably caused some changes in job requirements. When the supply of well-educated people increases, their greater availability to employers becomes a crucial factor in raising entry requirements for many types of work.

Quality education has been singled out as a most important variable in influencing employment, and a distinction is implied between *schooling* and *education*. I would rather make a distinction between *education* and *training*, the product of a good education being one who will have the flexibility to adjust to job-requirement changes, possessing a built-in mechanism for keeping up with change. It would be safe to anticipate that other variables like technological change, rising family incomes, rising levels of educational attainment, and the pursuit of national priorities will effect changes in levels of employability in this decade.

If we are to prepare young people for gainful employment, an examination of the impact of our national priorities and the expansion of educational facilities for such priorities is suggested. For the educated unemployed, a broad measure required would involve getting into the changes needed to educate and train people for positions where a college education is an entry requirement. New significant programs in adult education would need to be anticipated. Beginnings of assistance available to those who are preparing for the scientific and the technical occupations are indicators of an awareness of the importance of family income as a factor in determining *who* shall go to *what* college and that certain occupational titles are needed in our economy.

Observations have been made about the significant changes *now* occurring in the relationships between families, schools, and industry and between work, education, and employment. The concept of production and the concept of employment connote payment of wages. But there are many educated persons who do things without pay; only as the value of what they do is recognized do their activities turn into gainful employment and the development of new professions.

Another pertinent observation is the absence of a "mechanism to adjust the requirements of industry and the supply of educated manpower." A linkage between school and work perhaps would require that entry jobs be filled by new graduates who are given a climate of nurture. In a high-employment or full-employment situation the employer pushes a man up into a new job he can perform well, giving him additional training when necessary. To guarantee full employment would mean reshuffling the present labor force to effect an accommodation between job specifications and personal worker qualifications.

Note

This comment was presented on February 10, 1972, in the public lecture series, "Social Issues '72," at the San Miguel Auditorium, Makati, Rizal, under the sponsorship of the Philippine Sociological Society, Inc. Dr. Elequin is chairman of graduate studies, department of education, University of the Philippines.

Comment on the Piron Paper

JESUS M. MONTEMAYOR
August 7, 1972

The following comments deal with the principal points raised in Fr. Piron's paper. These points relate to (1) the basic data, (2) the explanation of those data in terms of agencies (family, school, and firm) and processes (the enrolment of children in schools and the absorption of graduates into industry), and (3) some policy recommendations and implications.

The Basic Data

The basic data used by Fr. Piron are taken from the Bureau of the Census and Statistics (BCS 1966) via the Rand Report (see Table 1 of Fr. Piron's paper). His definitions, however, are from a later bulletin of the Bureau (BCS 1971b: x–xi), and it is with the unrealistic character of those definitions that I wish to take issue. For their deficiencies vitiate the picture of reality which the data aim to mirror.[1] To give substance to this view, the pertinent definitions are reproduced here.

Labor Force. – The labor force refers to the population 10 years old and over who are either employed or unemployed in accordance with the definitions set forth below. It includes members of the armed forces who, at the time of the interview, were living with their families in households.

1. *Employed.* – Employed persons include all those who were reported:

(a) *At work* – those who were working for pay or profit, or without pay on the farm or enterprise operated by a member of the same household related by blood, marriage or adoption; (b) *With a job but not at work* – those who had a job or business but did not work because of temporary illness, vacation, strike, or other reasons. Also included are persons who were supposed to report for work within 30 days from the date of the interview. If it is reported that an employed person worked 40 hours or more during the survey week, he is considered as working full time; otherwise, he is considered as working part time.

Employed persons at work reported as wanting additional work were considered as underemployed – *visibly underemployed* if they are part-time workers or *invisibly underemployed* if they are full-time workers.

2. *Unemployed.* – Unemployed persons include all those who were reported as wanting and looking for full-time work. The desire to work must be sincere and the person must be serious about working. Also included are persons reported as wanting work but not looking for work because of the belief that no work was available or because of temporary illness, bad weather, or other valid reasons.

Persons not in the Labor Force. – Persons reported as not at work and without jobs and not wanting work, or wanting work but not looking for work for reasons other than those stated above are excluded from the labor force. These include housewives, students, disabled or retired persons and seasonal workers who were not working and not looking for work during the survey.

Unpaid Family Workers. – These are members of the family who assist another member in the operation of the family farm or business enterprise and who do not receive any wage or salary for their work.

From the interview schedule used by enumerators to determine the employment status of respondents, it is clear that a person doing no other work but "work or chores around the house" is considered to be "not at work."

One area of ambiguity centers around the definitions of the "employed, at work, unpaid family workers" and of persons doing no other work except "work or chores around the house." Take the case of housewives and students who do no other work but tend their children or younger brother or sister, work animals, or livestock; fish or gather fuel for home use; or help repair their dwelling, their husband's or father's tools; or take turns minding the sari-sari store at home – are such household members "assist[ing] another member in the operation of the family farm or business enterprise" and therefore (assuming they receive no pay) unpaid family workers, i.e., *employed,* or are they engaged in "work or chores around the house" and therefore, on this score, *not at work?* Note that persons not at work may mean either the "unemployed" or "persons not in the labor force" – categories which are mutually exclusive.

According to the BCS Survey of Households Bulletin (BCS 1971a: 40), in October 1968 almost 90 percent of the total Philippine population 10–14 years old were not in the labor force. On the basis of fieldwork experience, especially in the rural areas, I submit that this figure is too high.[2] Considering the fact that in Filipino families, specially in the rural areas, the production unit coincides with the consumption unit and the distinction between work around the house and farm work is practically nil, a significant percentage of persons who should have been classed as employed were considered as nonmembers of the labor force.

The ambiguity is enhanced by the terms "or other valid reasons" (see the definition of "unemployed") and "reason other than those stated above," i.e., invalid reasons (see definition of "Persons not in the labor force"). Since these reasons are left unspecified, persons 10 years old or over could be classified as being employed, unemployed, or nonmembers of the labor force, depending on the enumerator's interpretation. This built-in ambiguity, I suspect, explains why 89.7 percent of the total population 10–14 years old are considered nonmembers of the labor force. Such an estimate is also unrealistic, and this for several reasons.

Unrealism in the census definitions is evident in the case of seasonal workers not working and not looking for work during the survey; such workers are considered nonmembers of the labor force. Seasonal workers are busy during the planting, weeding, harvesting, and threshing seasons for varying lengths of time throughout the year. In between such seasons, they usually help in the house or farm. Such persons who happened to be not working and not looking for work during the survey week would have been more realistically categorized as employed, (albeit underemployed) rather than as nonmembers of the labor force.

In nonindustrialized rural Philippines work is seen as an object of a system of exchange infused with the sense of self-sharing and as an integral part of life. Its character as a means of earning one's living is present, but that aspect is more often than not relegated to the background. In any case, work as defined in terms of a labor market in which the laborer through his labor becomes an object of sale or purchase has not found its place in the barrio folks' universe of discourse and values. To this extent, the survey definition does not faithfully or adequately reflect work and employment as culturally defined by our rural population.

About the definitions used, Fr. Piron makes the following statements: (i) ". . . these definitions fit industrialized countries better than they fit us. This is so for several reasons . . . ."; (ii) ". . . one could find or construct a plausible definition of 'labor force' and 'unemployed' that would result in almost any rate of unemployment one wished to demonstrate . . . ."; and (iii) ". . . while the absolute levels of unemployment are contingent on the definitions chosen, the structure of unemployment and changes in the rates are both quite independent of these definitions." My comments on these statements follow.

On (i): The author's reasons for the nonfit of the definitions used bolster my view about their inadequacy. On (ii): Definitions are tools for understanding through rational discourse; they aim at knowledge, not belief. Hence, adequacy rather than plausibility is their test and hallmark. On (iii): The structure of unemployment may be viewed as the ratio of the unemployed over the labor force either in any or/and all the component segments or subsets (see Table 1 of Fr. Piron's paper). In either case, the structure of unemployment and the changes in the rates are dependent on the definitions precisely because such definitions are equivocal and overlapping. Persons similarly situated stand being differently categorised by different enumerators.

In the term "educated unemployed," "educated" is taken to mean those who completed a minimum of four years of college. This definition, as far as it goes, is unambiguous. However, when coupled with the term "unemployed," ambiguity sets in or is rather built into the definitions themselves. For instance, one kind of *unemployed* are those "not at work and not looking for work for a *valid reason*," while one kind of nonmembers of the labor force are those "not at work and without jobs and not wanting work, or wanting work but

not looking for work for reasons other than those stated above," i.e., for *invalid reasons.* How many of the so-called educated unemployed are educated nonmembers of the labor force? The judgment about validity or invalidity of reasons adduced by respondents for not looking for work is crucial in determining their employment status, given the census definitions. However, the interpretation about such validity in the case of *educated rich* persons not looking for work would tend to oppose the interpretation given in the case of the *educated poor* as well as of the uneducated who are not at work, without a job, and not looking for work. (Recall the case of housewives and students who do no other work but "work or chores around the house," in which farm or sari-sari store or other household enterprise is culturally defined as an extension of the house.)

To sum up: the basic data are unreliable because the definitions on which they are based are conceptually and operationally ambiguous and unrealistic.

Explanation of the Data

Fr. Piron speaks of three kinds of agencies participating in the process that generates educated unemployment. These are the family, the school, and the firm.

Two facts about Filipino families are highlighted: the growth rate of roughly 3 percent per year, and the shift from the unsophisticated to the sophisticated sector. Occupational and educational mobility of sons relative to their fathers are adduced as evidence of the same shift toward the sophisticated sector. Given the willingness and ability of families to send their children through college, the number of college students will increase at a rate of 6–9 percent per year.

About the school, the principles of free enterprise and educational entrepreneurship are stressed, with private participation at the college and university level amounting to 92 percent. The author doubts whether colleges can expand quick enough to accommodate an expanding college population.

About the firm, the author points out its bias against young job-applicants and his doubt about the ability of the firm to absorb college graduates.

Concerning the process generating educated unemployment, the author takes up the investment theory (i.e., families aim to invest their money in the most profitable way; hence they send their children to school thinking this may well be the most profitable investment open to them) – only to reject it as an explanation because in certain cases expected rates of turn out to be low. The second explanation which he suggests rests on employers' bias against younger job-applicants and the shift of families from the unsophisticated to the sophisticated sector of the economy. Starting with the assumption that parents are also concerned with keeping their children occupied up to the beginning of their (the latter's) careers, he concludes that in the sophisticated sector, inasmuch as parents can hardly keep their growing children busy at home, they send them to school to keep them busy.

The explanation for the second half of the process is basically the nonexistence of a mechanism to adjust the two subprocesses of skill-creation and job-creation.

The author states: ". . . we should attempt to forecast educated unemployment in the seventies," but he makes no forecast. The closest to a forecast he makes is as follows.

> By assuming accelerated job creation, we obviously reduce the overall growth of unemployment, while by slowing down college enrolment, we retard the growth of educated unemployment but accelerate the numerical growth of the uneducated unemployed. To say more than this one would have to commit oneself to a set of assumptions that involves a number of political variables, the vagaries of which are much too difficult for me to fathom.

So much for the authors's views; my comments follow.

In general, the author views the problem of educated unemployment from the standpoint of economics under the rubric of free enterprise and within the framework of supply and demand. Families demand college seats, schools supply them; colleges demand paying students, families supply them. Firms demand workers, families supply them; families demand jobs, firms supply them. Accordingly, family, school, and firm

are seen as so many business entrepreneurs animated by the profit-motive. How accurate a reflection of Philippine reality this view is, particularly in respect of the family, I do not know; however, I am inclined to think that prestige considerations are as powerful as the desire for financial gain in the matter of college education, particularly in the case of the 10 percent of the population who can afford such education. To a large extent (how large, I can only guess), the problem about the educated concerns the nonmembers of the labor force as much as (if not more so than) the unemployed.

More attention should have been given by the author to the differences within the families, schools, and firms, and from a dynamic viewpoint. It is known that in general families decrease in household size as they increase in income. What is the rate of population growth of the 10 percent sending their children to college compared to the nation's growth rate? Different schools are differently conditioned by free enterprise and the capitalistic ethic. Besides, there is the growing awareness of social obligations and the public-trust character of the use of property in its various forms. Moreover, while some firms stress experience and are therefore biased against the inexperienced, others (especially in the scientific and technological fields) require the most recent (and therefore inexperienced) graduates. At another level of analysis, the bias against manual labor, or blue-collar as contrasted with white-collar jobs, may change – such a change may be brought about by economic necessity or/and by a concomitant realization of work as a vocation, an opportunity for self-fullfilment and creativity.

The author's analysis views the problem in an overly static manner. True, he describes changes in the families, schools, and firms. The analysis would have been more scientific and fruitful (than otherwise) had it focused on the *changing or variable states* of the agencies rather than on the changing agencies themselves, and on how changes in one state affect the others. This way, highlighting the systemic character of the agencies in terms of demographic, interactional, ideological, and similar structures and processes would have shed light on the problem.

The author's rejection of the investment theory in education is illogical. He argues that because families do not (as a matter of fact) reap the expected rates of return in education, sending their children through college is not (as a matter of principle) expressive of their aim to invest money in (what to them is) the most profitable way. It is somewhat like saying that just because I have never won in the sweepstakes, my continuing to buy a sweepstakes ticket is not motivated by an investment theory – the hope of winning. Moreover, the "investment" in the investment theory he rejects is defined unrealistically in exclusively economic terms. This unrealism emerges when he points out that part of the returns of college education is (for the sophisticated sector) keeping children busy – a noneconomic investment.

Policy Recommendations and Implications

The first recommendation the author deals with is that of the Presidential Commission to Survey Philippine Education (PCSPE), which aims at cutting down college enrollment. Its avowed implications are the improvement of the quality of higher education, the decline of educated unemployment, and the rise of uneducated unemployment.

This recommendation, to my mind, is rather naive and superficial. It is naive because in a regime of free enterprise such as ours, cutting down college enrollment is wishful thinking. It is superficial because it does not question, as it should, the basic orientation of college education in our country today. As I see it, our college education, by and large, aims at producing qualified job-applicants and at the relatively highest levels of expertise. It does not aim, as it should, at equipping students with the *intermediate* scientific and technical know-how required by our developing country. By "intermediate know-how" I mean a level of expertise between the rudimentary and the most modern and sophisticated, but adequate to meet the ordinary needs of our masses. The period and costs of training for this intermediate know-how will be considerably less than what they are today.

The kind of college education we have today conditions graduates to seek self-fulfillment apart from the masses and to define self-fulfillment in individualistic *(kanyá-kanyá)* and materialistic terms. Consequently, one's college education is viewed as a kind of individual private property in a way that its character as a social and public trust is ignored,[2] if not ideologically rejected.

With such an absolutist view of college education, the nonuse or even the abuse of a graduate's expertise (so long as it does not go against the law) becomes justifiable. Further, when the rationale behind its use is defined optimally in terms of monetary profit, only the rich stand to benefit from it.

The PCSPE's recommendation seems to be premised on a *laissez-faire,* individualist, capitalist, and western economic conceptualization of college education. If this is true, then the PCSPE's recommendation is not only naive and superficial but also colonially culture-bound. To the extent that it shares the predatory nature of liberal capitalism, the recommendation, when viewed against the backdrop of competing developmental needs of the country, seems to me to be rather imperialistic.

The second recommendation discussed is Fr. Piron's own. It does not aim at cutting down educated unemployment but suggests that education be viewed not from the narrow perspective of manpower development in terms of jobs but from the broad perspective of a "program of activities that keeps everyone happily and meaningfully occupied and thus makes room for everyone and integrates the community," one which will "help prepare and mobilize the waiting youth for the tasks of nation building."

This second recommendation (apart from its rhetoric) has much to commend itself. For one thing, it recognizes the need to "make room for everyone." Moreover, it suggests functions of colleges other than that of providing industry with qualified hands. To my mind, these functions relate to such matters as the problem of national integration, the quest for a national identity, the clarification of national goals and sense of direction, and the realization of a participative democracy specially at the youth and student level. Our colleges in the main are melting-pots. In them people from varying regions, religions, classes, and political camps are found rubbing elbows. Many of these colleges have become centers of political, social, and cultural activism, arousing the political consciousness of the apathetic, bridging the communication gap between the elite and the masses as well as among the masses themselves, and focusing public attention on the social aspects of private interests in education, religion, business, labor, industry, and government. It may well be that in international relations colleges would in future offset the predatory and divisive roles of international monopolistic business cartels.

In conclusion, it may be asked why "educated unemployment" rather than "uneducated unemployment" was chosen as the topic for discussion.[3] The point in asking is to bring out the pragmatic meaning of the act of so choosing. The choice of the topic, the definition of terms used, and the discussion situation itself are all amenable to an analysis along the lines of a sociology of knowledge, inasmuch as these are all social activities. Such an analysis would throw light on the value system operating right from the start (the choice of the topic) down to the discussion-situation itself. My hunch is that the operative value system is such that, if imparted or nurtured by the kind of college education producing the "educated unemployed," it confirms my view that the ideology animating our present-day college education and (by implication) educators is colonially culture-bound, elitist, and predatory.

Notes

This is the revised and enlarged version of a comment presented on February 10, 1972, in the public lecture series, "Social Issues '72," at the San Miguel Auditorium, Makati, Rizal, under the sponsorship of the Philippine Sociological Society, Inc. The author received the Ph.D. in social anthropology from the University of Delhi (1970). He is currently head of the research and evaluation department of the Institute of Agrarian Reform, University of the Philippines (Diliman campus).

1. Apropos of this comment, the moderator remarked that the Bureau of the Census and Statisitcs, particularly its Director, was doing its best. The remark, though laudable in intent, missed the point which

concerned the quality of definitions, not of intentions or performance.

2. Tables 4, 29, 36, and 45 of the same Bulletin may be consulted to shed light on the problem. According to Table 29, there are 2,981,000 self-employed as against 1,733,000 unpaid family workers in agriculture. Does this mean that household heads and/or breadwinners outnumber household members and/or dependents?

3. When this question was raised at the panel discussion, the moderator replied that Fr. Piron did not choose the topic – it was assigned to him (a fact known to me before the discussion because it was mentioned in the letter of invitation sent me). The reply is really a nonreply because somebody did choose the topic and the question "Why the choice?" remained unanswered.

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