

EMPLOYMENT IN FORMAL ESTABLISHMENTS: 2020

The Labor Statistics (LABSTAT) Updates is a monograph that presents the highlights on the results of the employment module of the 2019/2020 Integrated Survey on Labor and Employment (ISLE).

This issue specifically presents a snapshot of the estimated number of persons employed in formal establishments as of June 2020. Also highlighted are employment growth rates, and industry distribution with disaggregation by sex and age group.

As used in this survey, the term “total employment” refers to the estimated number of employed persons in all establishments with 20 or more workers as of the reference period. Specifically, the term employment is defined as the number of persons who worked for or received pay from the establishments including those working away from the establishment but paid by and under its control (e.g., bus drivers).

It includes working owners with or without regular pay, unpaid workers and all paid employees, e.g., salaried directors, managers and executives, regular and non-regular workers (probationary, casual, contractual/project-based, seasonal and paid apprentices/learners).

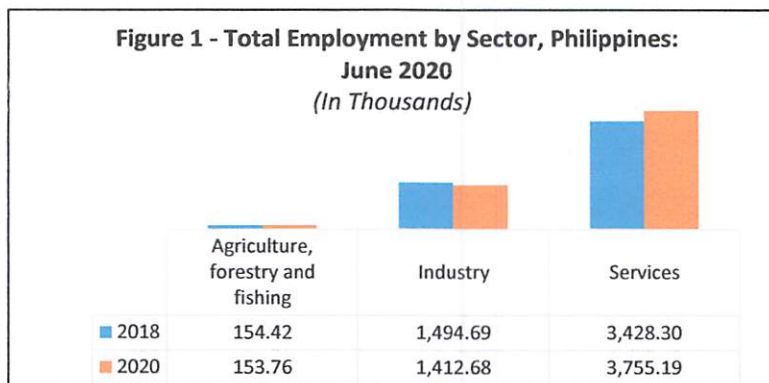
On the contrary, the following are excluded from the total employment: silent or inactive partners; members of the board of directors paid solely for attendance at meetings; consultants, persons on retainer basis, contract out/agency-hired workers, homeworkers; workers on indefinite leave, laid-off workers for six (6) months or more; workers paid purely on commission without employer control; students under on-the-job training (OJT).

1. Employment in the formal sector was estimated at 5.32 million in June 2020

- a. Total employment in establishments with 20 or more workers was estimated at 5.32 million as of June 2020. Despite the surge of the coronavirus disease 2019 (COVID-19) during this period, employment grew by 4.8 percent compared with the 5.08 million employed persons in 2018. (*Table 1*)
- b. By sector, employment in the Agriculture, Forestry and Fishing, posted a slight decline of -0.4 percent, from 154,421 in 2018 to 153,761 in 2020. Meanwhile, employment loss of -5.5 percent was also registered in the Industry sector, from 1.49 million in 2018 to 1.41 million in 2020. Only the Services sector posted an employment increment of 9.5 percent during the period. (*Figure 1 and Table 1*)



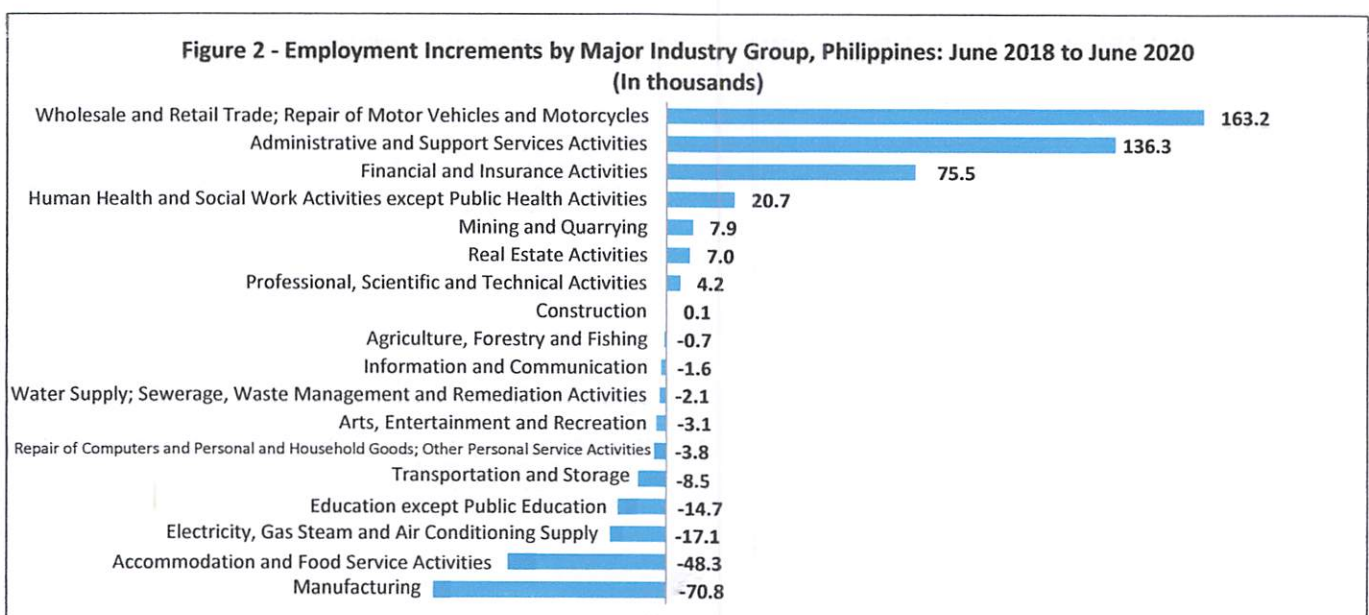
- c. The percent share of employed persons in the Services sector to the total employed persons expanded from 67.5 percent in 2018 to 70.6 percent in 2020. This exceeded the combined shares of employed persons in the Industry and the Agriculture, Forestry and Fishing sectors. (Table 1)



Source of data: Philippine Statistics Authority, 2019/2020 ISLE.

2. A total of -170,733 employment loss was observed in 10 industries

- a. A decrease of -170,733 employed persons were recorded in 10 industries, with the biggest employment loss in the Manufacturing industry at -70,818 followed by Accommodation and Food Service Activities with a reduction of -48,271. (Figure 2 and Table 1)
- b. Considerable decrements in employment levels were also reported in the following industries: Electricity, Gas, Steam and Air Conditioning Supply (-17,122); Education except Public Education (-14,739); and Transportation and Storage (-8,511).
- c. On the contrary, the biggest employment gain was noted in the Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles Industry expanding by 163,211 from 600,554 employed persons in 2018 to 763,765 in 2020. Administrative and support service activities had the second biggest employment gain posted at 136,324. Financial and Insurance Activities followed with additional 75,485 workers.



Source of data: Philippine Statistics Authority, 2019/2020 ISLE.

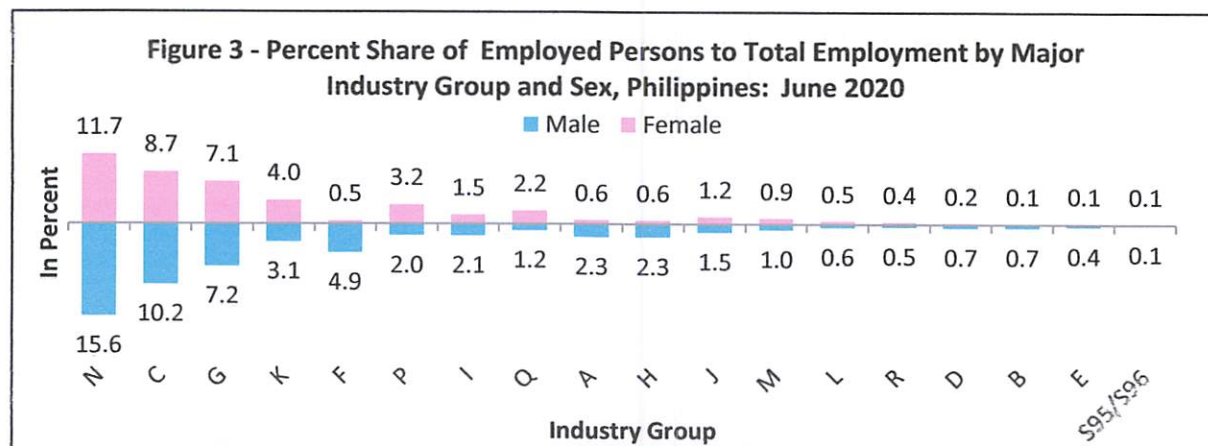
- d. Substantial increments also occurred in Human Health and Social Work Activities except Public Health Activities as its workforce increased by 20,670 from 157,186 to 177,856; Mining and Quarrying by 7,947; and Real Estate Activities by 7,034.

3. Ten (10) major industry groups reported negative growth rates

- a. Negative growth rates of employed persons among industries were observed during the period, with the biggest decline registered in Electricity, Gas, Steam and Air Conditioning Supply (-27.5%). (Table 1)
- b. Other industries with remarkable employment decline were: Repair of Computers and Personal and Household Goods; Other Personal Service Activities (-23.8%); Accommodation and Food Service Activities (-20.2%); and Manufacturing (-6.6%).
- c. On the other hand, eight industries posted positive growth rates led by Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles with 27.2 percent growth, followed by Financial and Insurance Activities with 25.1 percent and Mining and Quarrying with 23.7 percent.

4. Employment share of men were generally higher compared to women across industry groups

- a. Among the major industry groups, Administrative and Support Service Activities, which includes the Business Processing Outsourcing (BPO) group, comprised the largest share in employment at 27.3 percent or 1.45 million employed persons wherein 15.6 percent were male while 11.7 percent were female. (Figure 3 and Table 1)



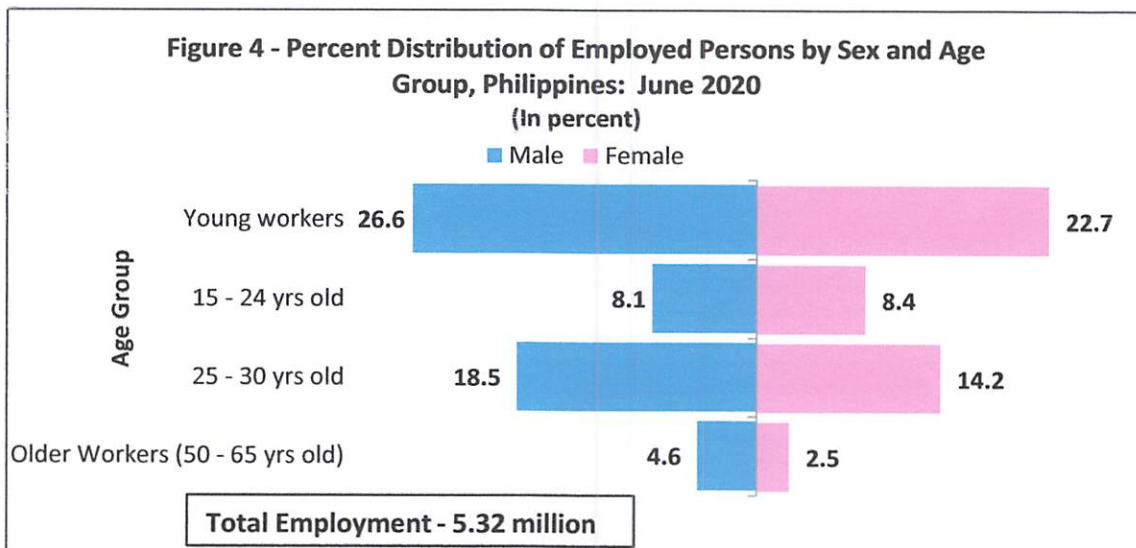
A - Agriculture, Forestry, and Fishing	J - Information and Communications
B - Mining and Quarrying	K - Financial and Insurance Activities
C - Manufacturing	L - Real Estate Activities
D - Electricity, Gas, Steam and Air Conditioning Supply	M - Professional, Scientific and Technical Activities
E - Water Supply; Sewerage, Waste Management and Remediation Activities	N - Administrative and Support Service Activities
F - Construction	P - Education Except Public Education
G - Wholesale and Retail Trade; Repair Motor Vehicles and Motorcycles	Q - Human Health and Social Work Activities Except Public Health Activities
H - Transportation and Storage	R - Arts, Entertainment and Recreation
I - Accommodation and Food Service Activities	S95/S96 - Repair of Computers and Personal and Household Goods; Other Personal Service Activities

Source of data: Philippine Statistics Authority, 2019/2020 ISLE.

- b. Meanwhile, Manufacturing industry, which is viewed as the backbone of the industry sector, followed with 19.0 percent or 1.01 million employed persons, of which 10.2 percent were male and 8.7 percent were female.
- c. Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles came in third at 14.4 percent, with employed male and female workers of 7.2 percent and 7.1 percent, respectively.

5. Nearly half of the total employed persons were young workers aged 15-30 years

- a. By age group, about one in every two (49.3%) of the estimated 5.32 million total employed persons were young workers aged 15 to 30 years. About 26.6 percent were male while 22.7 percent were female workers. (Figure 4)
- b. Young workers aged 25 to 30 years comprised the largest group making up 1.74 million or 32.8 percent of the total employed with reported male and female employment shares of 18.5 percent and 14.2 percent, respectively.
- c. Meanwhile, older workers aged 50 to 65 years comprised the least share of 7.2 percent to the total employed persons with 4.6 percent and 2.5 percent employed male and female, respectively.



Source of data: Philippine Statistics Authority, 2019/2020 ISLE.

6. Employment of Specific Group of Workers

6.1. Persons with Disabilities (PWD) Workers

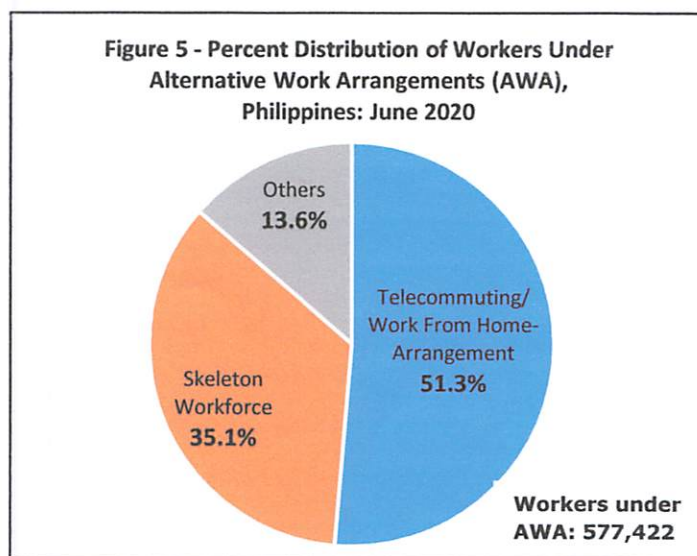
- a. During the reference period, there were 18,563 workers with disabilities or 0.3 percent of the total employment reported. Majority or 74.9 percent (13,911) were employed in the Services sector with the highest been engaged in Administrative and Support Service Activities (46.6%). By sex, 52.9 percent of this specific group of workers were male while 47.1 percent were female. (Table 2)

6.2. Workers Paid the Exact Minimum Wage

- b. More than a quarter or 27.4 percent of the total employed were minimum wage earners. Of the total workers receiving the exact minimum wage on a monthly/daily/hourly basis, 60.1 percent were male workers while 39.9 percent were female workers. The highest proportion of these workers were engaged in Administrative and Support Service Activities (33.0%) Manufacturing (20.8%), and Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles (20.7%). (Table 2)

6.3. Workers Who Worked on Evening/Graveyard Shifts

- c. Around seven in every 100 workers or 7.4 percent were evening/graveyard shift workers or those who work on shifts that wholly or partly cover the 10:00pm to 6:00am working hours. Of the total graveyard shift workers, almost half or 49.9 percent were employed in Administrative and Support Service Activities (195,611) followed by those who work in Manufacturing, and Human Health and Social Work Activities except Public Health Activities at 27.6 percent (108,390) and 8.3 percent (32,431), respectively. (Table 2)



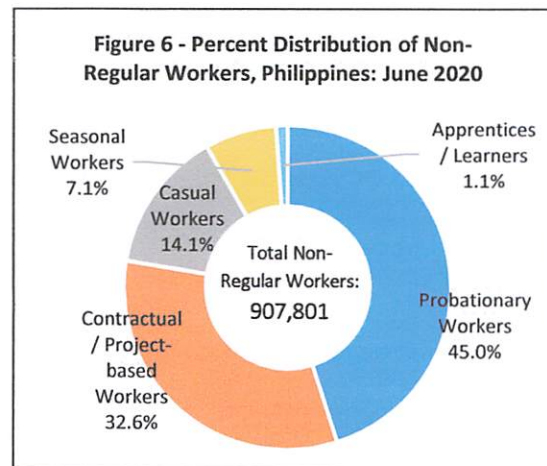
Source of data: Philippine Statistics Authority, 2019/2020 ISLE.

6.4. Workers under Alternative Work Arrangements

- d. Workers under alternative work arrangements (AWA) were estimated at 577,422 during the reference period, of which the distribution of male and female workers were equal or with 50 percent each. Among the sectors, 86.8 percent were employed in the Services sector. (Table 2)
- e. By type of AWA, majority (51.3%) of the workers were either working from home (WFH) or telecommuting while 35.1 percent were on skeleton workforce. The rest of the workers were in other forms of alternative work arrangement at 13.6 percent. (Figure 5)

6.5. Non-Regular Workers

- f. Non-regular workers or those workers who worked on temporary status for a particular project or specific period of time was registered at 907,801 workers or 17.1 percent of the total employed persons. By sex, 63.6 percent were male workers while 36.4 percent were female workers. (Table 2)
- g. Among the non-regular workers, those with probationary status constituted the largest share at 45.0 percent followed by contractual/project-based workers at 32.6 percent, and casual workers at 14.1 percent. The rest were the combined shares of seasonal workers and apprentices/learners at 8.2 percent. (Figure 6)



Source of data: Philippine Statistics Authority, 2019/2020 ISLE

Definition of Terms:

Establishments - an economic unit engaged in one or predominantly one kind of economic activity under a single ownership or control at a single fixed location, e.g., mine, factory, store, bank, restaurant.

Total Employment - refers to the total number of persons, whether paid or unpaid, who worked in the establishment.

Young workers - workers aged 15 to 24 years old (UN definition), or 15-30 years old (Philippine definition) as of reference date.

Older workers - workers aged 50 to 65 years old as of reference date.

Persons with Disabilities (PWDs) - workers who have physical, mental, or sensory impairments which may hinder their full and effective participation in the workplace on an equal basis with others.

Workers paid the exact minimum wage - workers who are paid the applicable minimum wage rates fixed by the Regional Tripartite Wages and Productivity Boards.

Workers who work on evening/graveyard shift - workers who work on shifts that wholly or partly cover the 10:00 PM to 6:00 AM window, excluding agency-hired workers.

Telecommuting - as stated in the Republic Act No. 11165 otherwise known as Telecommuting Act also referred to as Work From Home Law, the term "telecommuting" refers to a work arrangement that allows an employee in the private sector to work from an alternative workplace with the use of telecommunication and/or computer technologies.

Skeleton workforce - refers to "the operational capacity which utilizes the smallest number of people needed for a business or organization to maintain its basic functions."

Other alternative work schemes - refers to any other work arrangements which may be temporary in nature such as reduction of normal workdays, job rotation, etc.

Non-regular workers - workers who worked on temporary status for a particular project or specific period of time; classified into probationary, casual, contractual, seasonal or apprentices/learners.

Probationary workers - workers on trial period during which the employer determines their fitness to qualify for regular employment, based on reasonable standards made known to them at the time of engagement.

Casual workers - workers on a very short term or on an occasional and intermittent basis, often for a specific number of hours, days, or weeks, in return for a wage set by the terms of the daily or periodic work agreement.

Contractual/Project-based workers - workers whose employment has been fixed for a specific project or undertaking, the completion or termination of which has been determined at the time of engagement.

Seasonal workers - workers whose employment, specifically its timing and duration, is significantly influenced by seasonal factors.

Apprentices/learners - workers covered by TESDA apprenticeship/learnership programs who are paid at least 75% of the minimum wage.

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FOR INQUIRIES

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Regarding other statistics, contact **KNOWLEDGE MANAGEMENT AND COMMUNICATIONS DIVISION**
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Table 1 – Number and Percent Share of Employed Persons to Total Employment in Establishments by Major Industry Group, Philippines: June 2018 and June 2020

MAJOR INDUSTRY GROUP	2018	2020	Percent Change	Difference	Percent Share	
					2018	2020
ALL INDUSTRIES	5,077,410	5,321,630	4.8	244,220	100.0	100.0
Agriculture, Forestry and Fishing	154,421	153,761	-0.4	(659)	3.0	2.9
Industry	1,494,686	1,412,678	-5.5	(82,008)	29.4	26.5
Mining and Quarrying	33,549	41,496	23.7	7,947	0.7	0.8
Manufacturing	1,080,553	1,009,735	-6.6	(70,818)	21.3	19.0
Electricity, Gas, Steam and Air Conditioning Supply	62,352	45,229	-27.5	(17,122)	1.2	0.8
Water Supply; Sewerage, Waste Management and Remediation Activities	33,262	31,135	-6.4	(2,127)	0.7	0.6
Construction	284,970	285,082	0.0	112	5.6	5.4
Services	3,428,303	3,755,191	9.5	326,887	67.5	70.6
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	600,554	763,765	27.2	163,211	11.8	14.4
Transportation and Storage	161,040	152,529	-5.3	(8,511)	3.2	2.9
Accommodation and Food Service Activities	239,226	190,955	-20.2	(48,271)	4.7	3.6
Information and Communication	142,051	140,444	-1.1	(1,607)	2.8	2.6
Financial and Insurance Activities	301,312	376,797	25.1	75,485	5.9	7.1
Real Estate Activities	52,831	59,865	13.3	7,034	1.0	1.1
Professional, Scientific and Technical Activities	100,612	104,780	4.1	4,168	2.0	2.0
Administrative and Support Service Activities	1,314,868	1,451,192	10.4	136,324	25.9	27.3
Education except Public Education	293,817	279,078	-5.0	(14,739)	5.8	5.2
Human Health and Social Work Activities except Public Health Activities	157,186	177,856	13.2	20,670	3.1	3.3
Arts, Entertainment and Recreation	48,887	45,798	-6.3	(3,090)	1.0	0.9
Repair of Computers and Personal and Household Goods; Other Personal Service Activities	15,919	12,131	-23.8	(3,788)	0.3	0.2

Note: Details may not add up to totals due to rounding.

Source: Philippine Statistics Authority, 2019/2020 Integrated Survey on Labor and Employment (ISLE).

Table 2 - Percent Distribution of Employed Persons in Establishments Total Employment of Establishments by Major Industry Group and Sex, Philippines: June 2020

Major Industry/Sex	Total Employment	Persons with Disabilities (PWDs)		Workers who were Paid the Exact Minimum Wage		Workers who work on evening/ graveyard shifts		Workers under Alternative Work Arrangements		Non-Regular Workers	
		No.	Percent (%)	No.	Percent (%)	No.	Percent (%)	No.	Percent (%)	No.	Percent (%)
Total	5,321,630	18,563	100.0	1,457,762	100.0	392,216	100.0	577,422	100.0	907,801	100.0
By Industry											
Agriculture, Forestry and Fishing	153,761	229	1.2	48,126	3.3	1,025	0.3	561	0.1	52,621	5.8
Industry	1,412,678	4,423	23.8	391,269	26.8	119,404	30.4	75,487	13.1	334,928	36.9
Mining and Quarrying	41,496	17	0.1	4,086	0.3	5,598	1.4	5,563	1.0	4,391	0.5
Manufacturing	1,009,735	3,364	18.1	303,538	20.8	108,390	27.6	55,269	9.6	150,462	16.6
Electricity, Gas, Steam and Air	45,229	143	0.8	2,754	0.2	3,558	0.9	4,189	0.7	3,527	0.4
Water Supply; Sewerage, Waste	31,135	221	1.2	4,648	0.3	1,383	0.4	4,575	0.8	9,206	1.0
Construction	285,082	678	3.7	76,243	5.2	475	0.1	5,892	1.0	167,342	18.4
Services	3,755,191	13,911	74.9	1,018,367	69.9	271,786	69.3	501,374	86.8	520,252	57.3
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	763,765	568	3.1	301,829	20.7	6,573	1.7	63,220	10.9	67,987	7.5
Transportation and Storage	152,529	217	1.2	47,143	3.2	4,006	1.0	12,499	2.2	18,146	2.0
Accommodation and Food Service Activities	190,955	192	1.0	54,196	3.7	5,421	1.4	32,445	5.6	21,547	2.4
Information and Communication	140,444	76	0.4	9,737	0.7	20,263	5.2	47,853	8.3	12,573	1.4
Financial and Insurance Activities	376,797	1,710	9.2	32,560	2.2	2,107	0.5	54,343	9.4	24,671	2.7
Real Estate Activities	59,865	34	0.2	4,896	0.3	524	0.1	7,618	1.3	7,068	0.8
Professional, Scientific and Technical Activities	104,780	39	0.2	12,911	0.9	3,032	0.8	17,835	3.1	11,983	1.3
Administrative and Support Services Activities	1,451,192	8,652	46.6	481,248	33.0	195,611	49.9	213,442	37.0	270,433	29.8
Education except Public Education	279,078	1,467	7.9	33,201	2.3	782	0.2	35,502	6.1	61,903	6.8
Human Health and Social Work Activities except Public Health Activities	177,856	614	3.3	29,774	2.0	32,431	8.3	13,188	2.3	16,544	1.8
Arts, Entertainment and Recreation	45,798	295	1.6	7,438	0.5	1,038	0.3	1,641	0.3	7,132	0.8
Repair of Computers and Personal and Household Goods; Other Personal Service Activities	12,131	48	0.3	3,434	0.2	-	-	1,788	0.3	264	a
By Sex											
Male	3,001,420	9,819	52.9	875,476	60.1	223,642	57.0	288,683	50.0	577,021	63.6
Female	2,320,210	8,744	47.1	582,286	39.9	168,574	43.0	288,739	50.0	330,780	36.4

Note: Details may not add up to totals due to rounding.

a - Less than 0.05 percent

Source: Philippine Statistics Authority, 2019/2020 Integrated Survey on Labor and Employment (ISLE).