

SELECTED CHARACTERISTICS OF THE UNDEREMPLOYED (Second of Seven-Part Series)

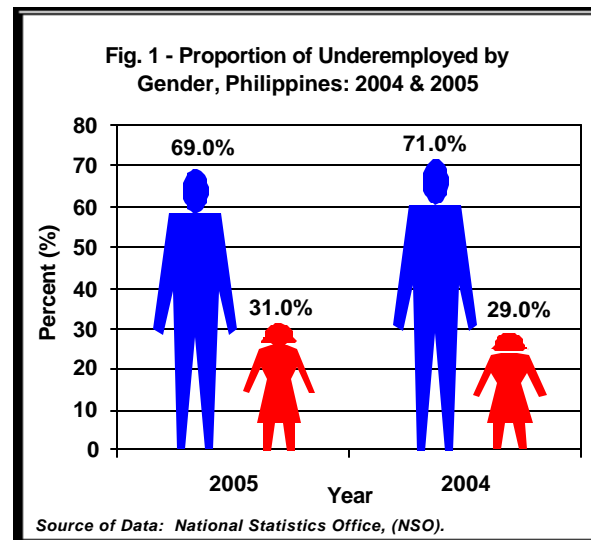
*"Underemployment indicates the extent of underutilization of the productive capacity of the employed population, specifically those which are byproducts of flawed or inadequate economic system. The main objective of measuring underemployment is to provide empirical evidences that would serve as basis for improving the analysis or assessment of employment problems and to contribute towards the formulation of policies and measures designed to promote full, productive and freely chosen employment."*¹

In the Philippines, the rising incidence of underemployment is considered a more serious problem than unemployment since underemployment rate is usually higher or twice the unemployment rate. While unemployment is usually a problem among youth (with an average rate of 17%), underemployment cuts across age groups and greatly affects the less educated workers and heads of families.

This article is the second in the seven-part series of LABSTAT Updates on underemployment that the Bureau of Labor and Employment Statistics is releasing to provide policy makers, researchers and the general public with concepts and hard statistics that would enable them to gain a better understanding of the underemployment phenomenon in the Philippines. This issue provides a comparative analysis on selected characteristics of those wanting additional hours of work for 2004 and 2005 based on the results of the Labor Force Survey (LFS) of the National Statistics Office (NSO).

Males outnumbered females...

- About seven out of ten (69.0% and 71.0%) of the underemployed persons were males in 2005 and 2004 while the females comprised only about 30 percent in the same periods.
- Underemployment rates of males (23.6%) exceeded that of female at 16.8 percent during the period. Likewise, the rates of males increased by 3.5 percentage points over the one-year period.



¹ 16th International Conference of Labor Statistics (ICLS), October 1998 Resolution concerning the Measurement of Underemployment and Inadequate Employment Situation.

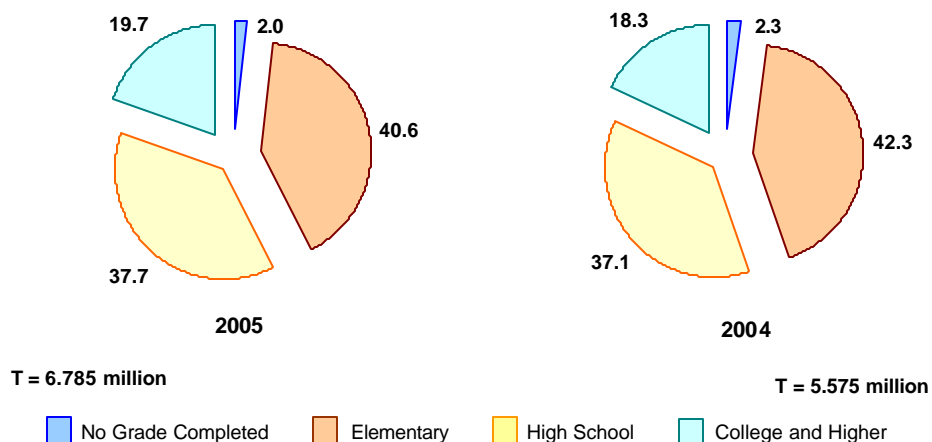
But doesn't make a difference to household status...

- Household head status was not a primary consideration in the desire to have more hours of work. Data show that household heads and non-heads accounted for almost the same proportion of the underemployed with respective share of 49.5 percent and 50.5 percent in 2005 and 51.3 percent and 48.7 percent in 2004.
- Nonetheless, the underemployment rates of household heads were higher at 23.9 percent in 2005 and 20.1 percent in 2004 than among non-heads with 18.8 percent and 15.6 percent, respectively.
- Among underemployed non-heads higher growth (26.4 %) was noted in 2005 than the underemployed heads (17.3%). This translates to 717,000 increase among non-heads as compared to 495,000 additions to heads.

The less educated employed desired additional hours of work...

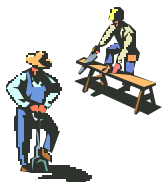
- About two out of five underemployed had reached elementary level. The next big group which comprised about 37 percent were those who attained high school education. Only a little less than one fifth had reached or completed college level.
- In 2005, underemployment rates among the different educational categories increased from previous year.

Fig. 2 - Percent Share of Underemployment by Highest Grade Completed, Philippines: 2004 & 2005



Source of Data: National Statistics Office, (NSO).

So were the unskilled workers...

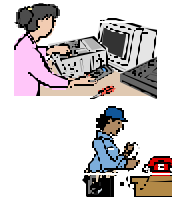


- Laborers and unskilled workers comprised nearly 40 percent of the underemployed in 2005 and 2004 while 23.2 percent were farmers, forestry workers and fishermen for the same period.

- As to proportion to total employed, the group of workers who carry out plans and necessary operations to grow and harvest i.e., farmers, ranked highest with underemployment rate of 25.6



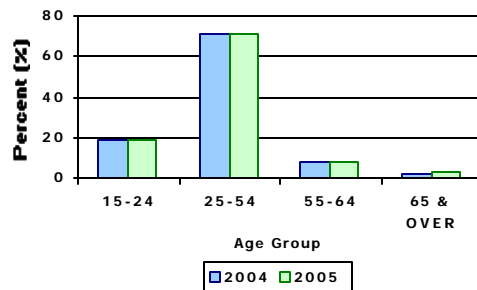
percent in 2005, up by 3.7 percentage points from a year ago rate to reach 1.576 million.



- In the same year, underemployment rates were found highest among farmers, forestry workers and fisherman (25.6%); trade and related workers (24.7%) laborers and unskilled workers (24.7%) and technicians and associate professionals (21.8%). The last group is particularly worth noting as the rate in 2004 was only 6.8 percent.

While prime age group predominates...

Fig. 3 - Percent Share of Underemployed by Age Group, Philippines: 2004 & 2005



Source of Data: National Statistics Office, (NSO).

- As expected, those in the prime working age group (25-54 years old) comprised the biggest proportion (about 70.0%) of the underemployed. A far second are the young "bunch" (15-24 years old) which accounted for almost one fifth (20.0%) the total.
- Declines were noted in the underemployment rates of all groups with the prime age group going down by 1.7 percentage points from 18.7 percent in January 2004 to 17.0 percent in January 2005, to reach 3.588 million.

- Meanwhile, those beyond the prime working age (55 and over), discounting the common expectations, exhibited desire to continue to be productive where 10.0 percent of them still wanted additional hours of work.

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Total Underemployed, Percent to Total and Underemployment Rates by Selected Characteristics, Philippines: 2004 and 2005

SELECTED CHARACTERISTICS	Total Underemployed (000)		Percent to Total		Underemployment Rate (%)	
	2005	2004	2005	2004	2005	2004
Both Sex	6,785	5,575	100.0	100.0	21.0	17.6
Male	4,703	3,957	69.0	71.0	23.6	20.1
Female	2,082	1,617	31.0	29.0	16.8	13.5
Household Status	6,785	5,575	100.0	100.0	21.0	17.6
Head	3,356	2,861	49.5	51.3	23.9	20.1
Non-Head	3,430	2,713	50.5	48.7	18.8	15.6
Highest Grade Completed	6,785	5,575	100.0	100.0	21.0	17.6
No grade completed	138	128	2.0	2.3	19.5	17.7
Elementary	2,755	2,356	40.6	42.3	25.0	21.4
High school	2,556	2,070	37.7	37.1	21.2	17.6
College or higher	1,337	1,022	19.7	18.3	15.7	12.6
All Occupations	6,785	5,575	100.0	100.0	21.0	17.6
Officials of Gov ernment & Special Interest Groups	530	428	7.8	7.8	14.0	11.3
Professionals	144	108	2.1	1.9	10.3	8.0
Technicians & Associate Professionals	187	148	2.8	2.7	21.8	6.8
Clerks	178	141	2.6	2.5	12.2	10.4
Service Workers & Shop & Market Sales Workers	490	392	7.2	7.0	16.3	13.6
Farmers, Forestry Workers & Fishermen	1,576	1,298	23.2	23.2	25.6	21.9
Trade & Related Workers	713	563	10.5	10.1	24.7	19.6
Plant & Machine Operators	439	353	6.5	6.3	17.9	14.5
Laborers & Unskilled Workers	2,513	2,131	37.0	38.2	24.7	21.2
Special Occupations	17	14	0.3	0.3	11.6	9.8
	Jan05	Jan04	Jan05	Jan04	Jan05	Jan04
All Age Groups¹	5,098	5,522	100.0	100.0	16.1	17.5
15-24 yrs old	974	1,037	19.1	18.8	15.7	16.5
25-54 yrs old	3,588	3,934	70.4	71.2	17.0	18.7
55-64 yrs old	405	418	7.9	7.6	13.9	14.5
65 & over	130	134	2.6	2.4	9.3	9.8

¹ Due to data limitation, comparison of underemployed by age group was based on the January rounds of the LFS in 2004 and 2005.
Source of Data: National Statistics Office (NSO).