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# HIGHLIGHTS OF THE JULY 2006 LABOR FORCE SURVEY



#### Overview

Employment continued to expand in July 2006 posting a 2.3 percent year-on-year growth rate or an increment of 735,000 new employed persons. The rise in employment was driven by the expansion in the service sector (5.6%) which negated the slump (-1.2%) in agriculture, fishery and forestry sector. Likewise, the quality of employment improved as reflected by the rise in full-time employment (3.6%) and wage and salary employment (7.5%).

The gain in employment, however, was matched by an even higher growth in the labor force (2.6% or +928,000) pushing the July unemployment rate up to 8.0 percent. The rise though was negligible at just 0.3 percentage point compared last year. The weakness is also shown by the slight increase (0.8 percentage point) in visible underemployment rate to 13.3 percent.

## **LABOR FORCE**

The number of persons who joined the labor force in 2006 increased July almost a million (928,000) or 2.6 percent to reach 36.165 million. The bulk of the increase (+781,000) occurred mainly among persons in the prime working age (25 to 54 years old) and female workers (+620,000). Despite the increase, the labor force participation rate (LFPR) was up slightly by 0.1 percentage point to 64.7 percent.

#### KEY EMPLOYMENT INDICATORS PHILIPPINES: July 2005-2006 (in thousands except rates)

Indicator	July 2006 <sup>p</sup>	July 2005	Year- On-Year Change
Household Population 15 Years Old and Over	55,875	54,583	+1,292
Labor Force – Employed Persons – Unemployed Persons	36,165 33,257 2,908	35,237 32,522 2,715	+928 +735 +193
Underemployed Persons – Visibly underemployed – Invisibly underemployed	4,427 3,245	4,090 2,433	+337 +812
LFPR (%) Employment Growth Rate (%) Unemployment Rate (%) Underemployment Rate (%) - Visible Underemployment Rate(%)	64.7 2.3 8.0 23.5 13.3	64.6 2.8 7.7 20.5 12.5	

# **Employment**

p Preliminary. Source: National Statistics Office, Labor Force Survey.

Total employed persons increased to 33.257 million from 32.522 million a year ago. This translates to a year-on-year growth rate of 2.3 percent or 735,000 additional employed persons.

The growth in employment occurred mainly in the services sector which grew by 5.6 percent (+873,000). The biggest increase was noted in wholesale and retail trade (+333,000), followed by

private households with employed persons (+255,000) and other community, social and personal services (+110,000). Fairly large increases were also observed in real estate, renting and business (+91,000),services public administration (+55,000)and transport, storage and communication (+51,000).

- Industry employment continued to be sluggish growing by just 0.2 percent (+10,000) from last year. Growth was led by the mining and quarrying which expanded by a record 20.7 percent (+23,000), the highest since 1997. This gain, however, was negated by the decline in construction (-18,000) small increases in (+2,000)manufacturing and electricity, gas and water (+3,000).
- Employment in the combined agriculture, fishery and forestry sector was down by 1.2 percent (-149,000), after posting two consecutive year-on-year growth in the July survey rounds. Correspondingly, its share to total employment fell to 35.6 percent from 36.9 percent a year ago.
- The number of persons in fulltime employment went up by 3.6 percent (+719,000) while persons in part-time employment fell slightly by 0.2 percent (-21,000).
- Wage and salary employment posted a strong 7.5 percent growth rate (+1.218 million). In contrast, employment decline was observed among own-account workers (-219,000) and unpaid family workers (-266,000).
- Employment grew in all but two regions. The biggest growth was recorded in NCR (+165,000) followed closely by Region VI

(+156,000) and Region IV-A (+128,000). Employment cutbacks were noted in Region X (-69,000) and Caraga (-2,000).

## **Time-related Underemployment**

- Of the total employed persons, 13.3 percent or 4.427 million worked less than the 40 hours threshold for defining full-time employment and were reported willing to work additional hours. This group of worker falls under the category of time-related underemployed persons or the visibly underemployed persons. Compared last year, this figure was higher by 8.2 percent (+337,000).
- The bulk (57.5% or 2.546 million) of them were engaged in activities related to agriculture, fishery and forestry and in the services (31.9% or 1.414 million).
- Invisibly underemployed persons (those who worked 40 hours or more a week and still wanting additional hours of work) also increased by 812,000 to 3.245 million.
- According to the international standard definition, invisible underemployment is not a statistical concept directly measurable by the LFS but primarily an analytical concept that still have to be developed further.

## UNEMPLOYMENT

The number of unemployed persons (i.e. persons without a job or business, looking and available for work) increased by 193,000 to 2.908 million. This occurred as the volume of additional persons joining the labor market during the period under review reached almost a million

(928,000). This, notwithstanding, the unemployment rate rose marginally by 0.3 percentage point to 8.0 percent.

- About one-half (50.1% or 1.456 million) of the unemployed were young workers 15 to 24 years old. Their unemployment rate at 18.7 percent was more than twice the national figure.
- Unemployed men (61.8%) outnumbered unemployed women (38.2%) by ratio of three to two.
- The majority (33.0%) were high school graduates. Fairly large proportions were college undergraduates (19.3%) or college graduates (18.2%).
- Of the total unemployed persons, close to one-half (49.7% or 1.444 million) did not look for work due to valid reasons. The most

- common reasons cited were tired/believe no work available (17.4%), waiting for rehire/job recall (11.7%) and awaiting results of previous job applications (12.2%).
- Four (4) regions recorded more than one percentage point rise in unemployment rate compared last year, namely: Region I (8.1% to 10.0%), Region III (9.0% to 11.7%), Caraga (4.5% to 6.4%) and ARMM (2.5% to 4.5%). On the other hand, notable declines were observed in Region VI (7.0% to 5.6%), NCR (14.2% to 13.5%) and Region IV-B (5.1% to 4.4%).

**Table 1 - SUMMARY STATISTICS ON LABOR FORCE** PHILIPPINES: July 2005 and 2006

(in thousands except rate)

Indicator					
	2006 <sup>p</sup>	2005	Increment	2006 <sup>p</sup>	2005
Total	36,165	35,237	928	64.7	64.6
Sex					
Men	21,933	21,624	309	78.8	79.5
Women	14,232	13,612	620	50.8	49.7
Age Group					
15-24 years old	7,802	7,760	42	46.8	47.4
25-54 years old	23,651	22,870	781	77.2	76.4
55 years old and over	4,714	4,605	109	54.9	55.7
Region					
NCR	4,919	4,767	152	62.6	61.9
CAR	693	671	22	67.2	66.6
Region I	1,872	1,830	42	62.4	61.3
Region II	1,400	1,357	43	67.9	67.5
Region III	3,630	3,515	115	61.9	61.5
Region IV-A	4,450	4,314	136	63.9	64.6
Region IV-B	1,042	1,042	0	68.3	69.5
Region V	2,103	2,096	7	67.0	67.4
Region VI	3,083	2,963	120	67.2	65.6
Region VII	2,603	2,524	79	63.2	63.1
Region VIII	1,777	1,709	68	67.8	66.9
Region IX	1,362	1,318	44	65.5	64.1
Region X	1,816	1,878	-62	70.0	72.8
Region XI	1,826	1,731	95	66.6	66.0
Region XII	1,606	1,598	8	65.6	67.1
Caraga	1,016	998	18	64.8	66.5
ARMM	965	926	39	57.5	55.2

Notes: 1. Details may not add to totals due to rounding of figures.
2. Estimates based on the revised population benchmark using the 1995 Census of Population results. p Preliminary.
Source of data: National Statistics Office, Labor Force Survey.

Table 2 - SUMMARY STATISTICS ON EMPLOYED PERSONS PHILIPPINES: July 2004, 2005 and 2006 (In thousands except rates)

INDICATOR	2006 <sup>p</sup>	2005	2004
EMPLOYED PERSONS	33,257	32,522	31,632
SECTOR		·	
Agriculture, Fishery and Forestry	11,841	11,990	11,450
Agriculture, Hunting and Forestry	10,415	10,595	10,082
Fishing	1,426	1,395	1,368
Industry	5,009	4,999	4,933
Mining and Quarrying	134	111	114
Manufacturing	3,070	3,068	3,056
Electricity, Gas and Water	114	111	110
Construction	1,691	1,709	1,653
Services	16,407	15,534	15,250
Wholesale and Retail Trade	6,397	6,064	5,901
Hotels and Restaurants	873	859	805
Transport, Storage & Communications Financial Intermediation	2,470 347	2,419 358	2,415 348
Real Estate, Renting & Business Activities	806	715	691
Public Administration & Defense, Compulsory Social Security	1,552	1,497	1,414
Education	994	1,005	976
Health and Social Work	367	380	375
Other Community, Social & Personal Service Activities	824	714	782
Private Households with Employed Persons	1,776	1,521	1,491
Extra-Territorial Organizations	, 1	2	2
CLASS OF WORKER			
Wage and Salary Workers	17,522	16,304	16,711
Own-account workers	11,915	12,134	11,388
Unpaid Family Workers	3,818	4,084	3,533
HOURS OF WORK	-,	,	-,
Less than 40 Hours (Part-Time Employment)	11,866	11,887	11,084
40 Hours and Over (Full-Time Employment)	20,959	20,240	20,133
Did Not Work	433	395	415
	100	000	110
REGION	4.057	4.000	4.050
NCR CAR	4,257 655	4,092 640	4,058 610
Region I	1,685	1,681	1,649
Region II	1,352	1,310	1,358
Region III	3,204	3,197	3,124
Region IV-A	4,004	3,876	3,682
Region IV-B	997	989	959
Region V	1,980	1,979	1,883
Region VI	2,912	2,756	2,722
Region VII	2,412	2,334	2,223
Region VIII	1,683	1,633	1,603
Region IX	1,318	1,276	1,212
Region X	1,710	1,779	1,716
Region XI	1,695	1,616	1,591
Region XII	1,519	1,506	1,400
Caraga	951	953	923
ARMM	921	904	919

Note: Details may not add to totals due to rounding of figures.

p Preliminary.
Source of data: National Statistics Office, Labor Force Survey

Table 2a - EMPLOYMENT INCREMENT, GROWTH RATE AND PERCENT DISTRIBUTION PHILIPPINES: July 2004, 2005 and 2006

(In thousands except rates)

INDICATOR	ı	Incremen	t		Year-on-Year Growth Rate		Percent Distribut		oution
INDICATOR	2005- 2006 <sup>p</sup>	2004- 2005	2003- 2004	2005- 2006 <sup>p</sup>	2004- 2005	2003- 2004	2006 <sup>p</sup>	2005	2004
EMPLOYED PERSONS	735	890	1,181	2.3	2.8	3.9	100.0	100.0	100.0
SECTOR									
Agriculture, Fishery and Forestry	-149	540	619	-1.2	4.7	5.7	35.6	36.9	36.2
Agriculture, Hunting and Forestry	-180	513	587	-1.7	5.1	6.2	31.3	32.6	31.9
Fishing	31	27	32	2.2	2.0	2.4	4.3	4.3	4.3
Industry	10	66	-37	0.2	1.3	-0.7	15.1	15.4	15.6
Mining and Quarrying	23	-3	2	20.7	-2.6	1.8	0.4	0.3	0.4
Manufacturing	2	12	12	0.1	0.4	0.4	9.2	9.4	9.7
Electricity, Gas and Water	3	1	8	2.7	0.9	7.8	0.3	0.3	0.3
Construction	-18	56	-59	-1.1	3.4	-3.4	5.1	5.3	5.2
Services	873	284	602	5.6	1.9	4.1	49.3	47.8	48.2
Wholesale and Retail Trade	333	163	392	5.5	2.8	7.1	19.2	18.6	18.7
Hotels and Restaurants	14	54	25	1.6	6.7	3.2	2.6	2.6	2.5
Transport, Storage & Communications Financial Intermediation	51	4	61	2.1	0.2	2.6	7.4	7.4	7.6
	-11 91	10 24	37 -24	-3.1 12.7	2.9 3.5	11.9 -3.4	1.0 2.4	1.1 2.2	1.1
Real Estate, Renting & Bus. Activities	91	24	-24	12.7	3.5	-3.4	2.4	2.2	2.2
Public Administration & Defense, Compulsory	55	02	36	3.7	5.9	2.6	4.7	4.6	15
Social Security Education	-11	83 29	90	-1.1	3.0	10.2	3.0	4.6 3.1	4.5 3.1
Health and Social Work	-13	5	11	-3.4	1.3	3.0	1.1	1.2	1.2
Other Community, Social & Personal Activities	110	-68	-35	-3.4 15.4	-8.7	-4.3	2.5	2.2	2.5
Private Households w/ Employed Persons	255	30	-42	16.8	2.0	-4.3	5.3	4.7	4.7
Extra-Territorial Organizations	-1	0	1	-50.0	0.0	100.0	0.0	0.0	0.0
CLASS OF WORKER									
Wage and Salary Workers	1,218	-407	497	7.5	-2.4	3.1	52.7	50.1	52.8
Own-account workers	-219	746	373	-1.8	6.6	3.4	35.8	37.3	36.0
Unpaid Family Workers	-266	551	311	-6.5	15.6	9.7	11.5	12.6	11.2
HOURS OF WORK									
Less than 40 Hours (Part-Time Employment)	-21	803	881	-0.2	7.2	8.6	35.7	36.6	35.0
40 Hours and Over (Full-Time Employment)	719	107	275	3.6	0.5	1.4	63.0	62.2	63.6
Did Not Work	38	-20	273	9.6	-4.8	6.1	1.3	1.2	1.3
	30	-20	24	3.0	-4.0	0.1	1.5	1.2	1.5
REGION									
NCR	165	34	-9	4.0	0.8	-0.2	12.8	12.6	12.8
CAR	15	30	21	2.3	4.9	3.6	2.0	2.0	1.9
Region I	4	32	45	0.2	1.9	2.8	5.1	5.2	5.2
Region II	42	-48	120	3.2	-3.5	9.7	4.1	4.0	4.3
Region III	7	73	104	0.2	2.3	3.4	9.6	9.8	9.9
Region IV-A	128	194	133	3.3	5.3	3.7	12.0	11.9	11.6
Region IV-B	8 1	30 96	67	0.8 0.1	3.1 5.1	7.5 1.5	3.0 6.0	3.0	3.0 6.0
Region V		34	28 151					6.1 8.5	8.6
Region VI	156 78	111	151 102	5.7 3.3	1.2 5.0	5.9 4.8	8.8 7.3	7.2	7.0
Region VII Region VIII	50	30	62	3.3 3.1	1.9	4.0	7.3 5.1	5.0	7.0 5.1
Region IX	42	64	111	3.3	5.3	10.1	4.0	3.9	3.8
Region X	-69	63	70	-3.9	3.7	4.3	5.1	5.5	5.4
Region XI	79	25	78	4.9	1.6	5.2	5.1	5.0	5.0
Region XII	13	106	32	0.9	7.6	2.3	4.6	4.6	4.4
Caraga	-2	30	41	-0.2	3.3	4.6	2.9	2.9	2.9
ARMM	17	-15	26	1.9	-1.6	2.9	2.8	2.8	2.9
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Note: Details may not add to totals due to rounding of figures.

p Preliminary. Source of data: National Statistics Office, Labor Force Survey.

**Table 3 - SUMMARY STATISTICS ON UNDEREMPLOYMENT** PHILIPPINES: July 2005 and 2006

(In thousands except percent)

INDICATOR	2006 <sup>p</sup>	2005	Increment	
UNDEREMPLOYED PERSONS	7,823	6,660	1,163	
Hours Worked				
<ul> <li>Worked less than 40 hours a week</li> </ul>	4,427	4,090	337	
<ul> <li>Worked 40 hours or more a week</li> </ul>	3,245	2,433	812	
<ul> <li>With a job but not at work</li> </ul>	151	138	13	
Underemployment rate (%)	23.5	20.5	3.0	
Visible underemployment rate (%)	13.3	12.5	0.8	
Visibly Underemployed Persons	4,427	4,090	337	
<ul> <li>Agriculture, fishery and forestry</li> </ul>	2,546	2,347	199	
– Industry	467	486	-19	
- Services	1,414	1,257	157	

Notes: Details may not add to totals due to rounding of figures.

p Preliminary.
Source of data: National Statistics Office, Labor Force Survey.

**Table 4 - SUMMARY STATISTICS ON UNEMPLOYMENT** PHILIPPINES: July 2005 and 2006

(In thousands except percent)

INDICATOR		employed sons	Percent	Share	Unemployment Rate		
	2006 <sup>p</sup>	2005	2006 <sup>p</sup>	2005	2006 <sup>p</sup>	2005	
TOTAL	2,908	2,715	100.0	100.0	8.0	7.7	
Sex Male Female	1,797 1,110	1,647 1,068	61.8 38.2	60.7 39.3	8.2 7.8	7.6 7.8	
Age Group 15-24 years old 25-54 years old 55 years old and over	1,456 1,351 101	1,354 1,260 102	50.1 46.5 3.5	49.9 46.4 3.8	18.7 5.7 2.1	17.4 5.5 2.2	
Highest Grade Completed No Grade Completed Elementary Undergraduate Graduate High School Undergraduate Graduate College Undergraduate Graduate Graduate	21 442 193 249 1,353 392 961 1,092 562 530	15 396 177 219 1,213 328 885 1,091 538 553	0.7 15.2 6.6 8.6 46.5 13.5 33.0 37.6 19.3 18.2	0.6 14.6 6.5 8.1 44.7 12.1 32.6 40.2 19.8 20.4			
Region NCR CAR Region I Region II Region III Region IV-A Region IV-B Region V Region VI Region VII Region VIII Region X Region IX Region X Region X Region XI Region XI Region XI Region XII Caraga ARMM	663 38 187 48 426 446 46 123 171 191 94 44 106 130 87 65 43	675 31 149 47 318 437 53 117 207 191 75 42 98 116 92 45 23	22.8 1.3 6.4 1.7 14.6 15.3 1.6 4.2 5.9 6.6 3.2 1.5 3.6 4.5 3.0 2.2 1.5	24.9 1.1 5.5 1.7 11.7 16.1 2.0 4.3 7.6 7.0 2.8 1.5 3.6 4.3 3.4 1.7 0.8	13.5 5.4 10.0 3.4 11.7 10.0 4.4 5.8 5.6 7.3 5.3 3.2 5.8 7.1 5.4 6.4 4.5	14.2 4.6 8.1 3.5 9.0 10.1 5.1 5.6 7.0 7.6 4.4 3.2 5.2 6.7 5.8 4.5 2.5	
Looked for Work Less than 4 weeks 4 to 9 weeks 10-19 weeks 20-29 weeks 30 weeks and over  Did not Look for Work for Valid Reasons Tired/Believe no work available Awaiting results of previous job application Temporary illness/disability Bad weather Awaiting for rehire/job recall	1,464 772 508 104 46 34 1,444 507 340 164 76 356	1,294 565 482 149 54 44 1,421 612 332 136 18 323	50.3 26.5 17.5 3.6 1.6 1.2 49.7 17.4 11.7 5.6 2.6 12.2	47.7 20.8 17.8 5.5 2.0 1.6 52.3 22.5 12.2 5.0 0.7 11.9			

Note: Based on the new official unemployment definition (NSCB Resolution No. 15 s 2004).

p Preliminary.
Source of data: National Statistics Office, Labor Force Survey.