

TIME-RELATED UNDEREMPLOYMENT (Seventh of a Seven-Part Series)

The 16th International Conference of Labour Statisticians in 1998 defines **time-related underemployment** as the "number of employed person whose hours of work in the reference period are insufficient in relation to an alternative employment situation in which the person is willing and available to engage". The indicator varies with a variety of national definitions and has become more commonly known as **Visible Underemployment** and even in some economies, **Partial Unemployment**.

Few countries have applied the definition constantly, as arguments on the criteria specified are not precise, particularly on questions of availability for additional work or differences in norms, thresholds or cut-off point for hours of work. It is presumed that information on time related underemployment could provide a clearer picture of economies wherein workers do not really experience a total lack of employment possibilities but rather a lack of "adequate" employment opportunities. Workers may have been offered jobs where they would work fewer hours than they would prefer or earn lower wages than they would in jobs they are qualified for and utilize their skills less. In the Philippines, visible underemployment is used and is described as "employed persons who work for less than 40 hours during the reference week and still want additional hours of work".

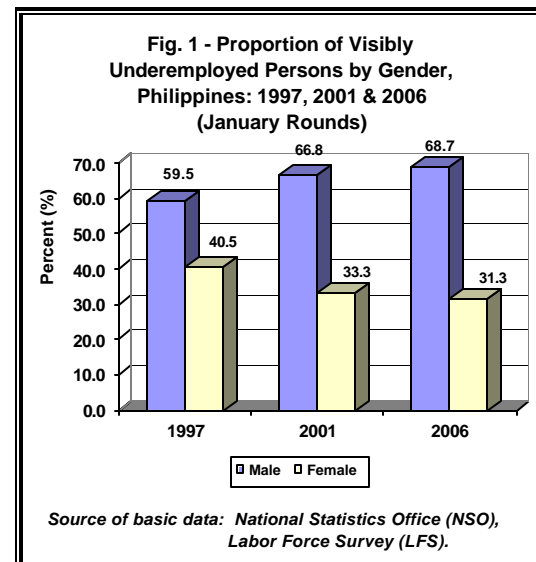
This paper is the last in the seven-part series of LABSTAT Updates on underemployment that the Bureau of Labor and Employment Statistics is releasing to provide policy makers, researchers, and the general public with concepts and hard statistics that would enable them to gain a better understanding of the underemployment phenomenon in the Philippines. Due to data limitation, data presented in this report are comparative statistics of the January rounds of the Labor Force survey conducted by the National Statistics Office (NSO) for the year 1997, 2001 and 2006. Data for 1997 used the 1977 Philippine Standard Occupational Classification (PSOC) while that for 2001 and 2006 were based on the 1992 PSOC. Further, the said data series were based on the 1995 Census-Based Population Projection.



In January 2006, more than three out of five (68.7%) of the visibly underemployed persons were males and have grown sizeably from 59.5 percent in 1997. Meanwhile, the proportion of females declined to 31.3 percent from 40.5 percent in the same periods. (Table 1)

Males posted higher visible underemployment rates than females from 1997 to 2006 (10.9%, 10.7% and 14.9%) respectively. Likewise, the rates of males increased by almost 4 percentage points over the same period.

Males outnumbered females



Non-heads dominate in the household status

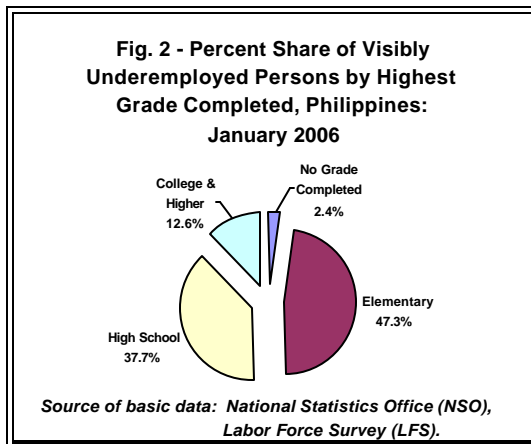
Most visibly underemployed persons were non-heads that accounted for more than 50 percent (57.9% in 1997, 55.6% in 2001 and 52.6% in 2006). (Table 1)

Visible underemployment rates by household status presented little difference as data shows that household heads and non-heads posted almost the same proportion of visible underemployment with

respective shares of 10.5 percent and 11.1 percent in 1997; 10.1 percent and 9.7 percent in 2001; and 14.7 percent and 12.4 percent in 2006.

Notably for the period covered, visibly underemployed household heads have grown remarkably than the visibly underemployed non-heads (67.2% vs. 44.5%). From 1.22 million in 1997, it increased by 825, 000 to reach 2.05 million in 2006.

Most visibly underemployed persons reached elementary level



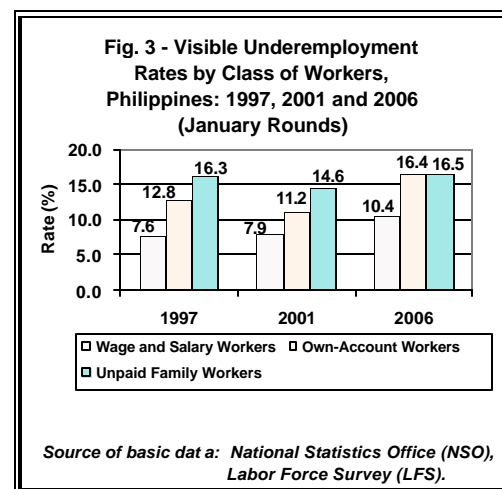
In January 2006, nearly half (47.3%) of the visibly underemployed persons had elementary education only while more than one-third (37.7%) had reached high school. (Table 1)

Visible underemployment rates among the different educational categories increased from preceding years.

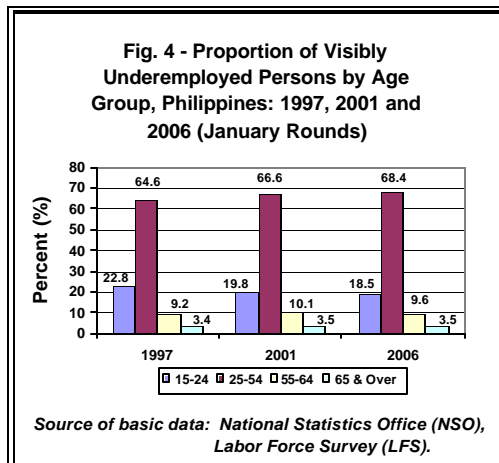
Bulk were self-employed workers

About 4 out of 10 of the visibly underemployed persons were own-account workers, particularly the self-employed (41.7 %) in January 2006. Relatively, visible underemployment rates for self-employed workers were also the highest among class of workers. (Table 1)

Workers in private establishments accounted for the second largest share of the visibly underemployed at 32.7 percent in 2006 higher by 14.5 percentage points from 18.2 percent in 1997. Notably, visibly underemployed workers who worked in government owned/government corporations doubled in number from 53,000 in 1997 to 115,000 in 2006.



Majority of visibly underemployed are in their prime working age



Those in the prime working age group (25-54 years old)

Mostly are agricultural and unskilled workers

Agricultural, animal husbandry, forestry workers, fishermen and hunters predominate visibly underemployed workers in 1997 (61.1%) and had a visible underemployment rate of 16.5 percent. (Table 2)

Meanwhile, laborers and unskilled workers comprised 40 percent of the visibly underemployed in 2001 and 2006 while farmers, forestry workers and fishermen came in second (30.4% and 29.1%) for the same period, respectively. In 2006,

comprised the biggest proportion (about 70%) of the visibly underemployed. Their number has ballooned from 1.8 million in 1997 to nearly 3 million in 2006 or a growth rate of 63.4 percent. (Table 1)

The younger age group (15-24 years old) still accounted for almost one fifth of the visibly underemployed persons. Not to be out done are those working beyond the prime working age (55 years old and over) who continue to be productive and had more than 10.0 percent share of those who still wanted additional hours of work.

double-digit visible underemployment rates were exhibited among technicians and associate professionals (12.5%); farmers, forestry workers and fishermen (19.9%); trade and related workers (13.4%); and laborers and unskilled workers (18.2%). Relatively, all groups except for special occupations, grew by more than 20 percent. Worth noting were officials of government and special interest organizations with 121.3 percent growth rate from 2001 to 2006.

CONCLUSION

In a span of ten years starting 1997, visible underemployment nearly increased by two-folds and visible underemployment rate upped by 2.6 percentage points in 2006. The continuous expansion of the visible underemployment figures underscores the shortcomings of our economy to generate full employment opportunities to those who want them. The data showcases the need to evaluate and improve existing employment programmes, work

arrangements, income and social policies that would promote full, productive and freely chosen employment. The goal is to create an economic and policy environment, including program intervention that provide more employment choices for workers that match their skills and minimize the occurrence of menial jobs or irregular work that waste the productive capacities of our human resources.

FOR INQUIRIES:

Regarding this report contact **TECHNICAL SERVICES DIVISION at 527-3000 loc 317**

Regarding other statistics and technical services contact **BLES DATABANK at 527-3000 loc 317**

Or Write to BLES c/o **Databank, 3/F DOLE Bldg. Gen. Luna St., Intramuros, Manila, 1002**

FAX 527-5506 E-mail: tsd@manila-online.net Website: <http://www.manila-online.net/bles>

Table 1 - Visibly Underemployed Persons and Visibly Underemployment Rates by Selected Characteristics, Philippines: 1997, 2001 and 2006 (January Rounds)

INDICATOR	Visibly Underemployed (000)			Percent to Total			Visible Underemployment Rate (%)		
	1997	2001	2006	1997	2001	2006	1997	2001	2006
Total	2,805	2,779	4,333	100.0	100.0	100.0	10.8	9.9	13.4
Both Sexes									
Male	1,793	1,855	2,975	59.5	66.8	68.7	10.9	10.7	14.9
Female	1,013	924	1,357	40.5	33.3	31.3	10.6	8.6	11.0
All Age Groups									
15 - 24 years old	639	550	803	22.8	19.8	18.5	11.2	9.9	13.0
25 - 54 years old	1,813	1,850	2,963	64.6	66.6	68.4	10.8	10.1	13.6
55 - 64 years old	257	281	416	9.2	10.1	9.6	11.1	9.9	13.6
65 and Over	96	97	151	3.4	3.5	3.5	8.8	6.8	10.6
Household Status									
Head	1,228	1,233	2,053	42.1	44.4	47.4	10.5	10.1	14.7
Non-head	1,577	1,546	2,279	57.9	55.6	52.6	11.1	9.7	12.4
Highest Grade Completed									
No grade completed	103	84	104	5.1	3.0	2.4	12.1	10.9	16.5
Elementary	1,447	1,395	2,049	52.8	50.2	47.3	13.9	13.4	18.4
High School	933	971	1,634	31.1	34.9	37.7	10.8	9.7	13.4
College and Higher	320	330	545	10.9	11.9	12.6	5.3	4.8	6.5
Not reported	2	0	0	5.2	0.0	0.0	0.2	0.0	0.0
Class of Workers									
Wage & Salary Workers	954	1,137	1,685	23.6	40.9	38.9	7.6	7.9	10.4
Private household	120	136	146	3.2	4.9	3.4	9.1	8.1	9.2
Private establishment	770	910	1,416	18.2	32.8	32.7	8.5	8.9	11.8
Govt Owned/Govt Corp	53	76	115	1.7	2.7	2.7	2.6	3.3	4.6
With pay in own family operated farm/business	11	15	8	0.6	0.5	0.2	7.1	9.7	7.8
Own Account Workers	1,245	1,171	1,977	48.0	42.1	45.6	12.8	11.2	16.4
Self-employed	1,151	1,021	1,807	44.3	36.7	41.7	13.0	11.3	17.0
Employer in own family operated farm/business	94	150	169	3.7	5.4	3.9	11.2	10.5	11.4
Unpaid Family Workers	607	471	671	28.5	17.0	15.5	16.3	14.6	16.5

Notes: 1. Details may not add up to totals due to rounding.
2. The NSO will not be held liable for any misuse of the data

Source of data: National Statistics Office (NSO), Labor Force Survey, Public Use Files.

Table 2 - Visibly Underemployed Persons and Visibly Underemployment Rates by Major Occupation Group, Philippines: 1997, 2001 and 2006 (January Rounds)

MAJOR OCCUPATION GROUP	Visibly Underemployed (000)			Percent to Total			Visible Underemployment Rate (%)		
	1997	2001	2006	1997	2001	2006	1997	2001	2006
All Occupations 1997	2,805	-	-	100.0	-	-	10.8	-	-
Professional, technical and related workers	73	-	-	2.6	-	-	4.6	-	-
Administrative, executive, and managerial workers	26	-	-	0.9	-	-	5.4	-	-
Clerical and related workers	11	-	-	0.4	-	-	0.9	-	-
Sales workers	308	-	-	11.0	-	-	8.3	-	-
Service workers	179	-	-	6.4	-	-	7.2	-	-
Agricultural, animal husbandry, and forestry workers, fishermen, and hunters	1,715	-	-	61.1	-	-	16.5	-	-
Production and related workers, transport and equipment operators	493	-	-	17.6	-	-	8.2	-	-
Undefined	1	-	-	0.0	-	-	0.9	-	-
All Occupations 2001 & 2006	-	2,779	4,333		100.0	100.0		9.9	13.4
Officials of gov't & special interest organizations, corporate executives, managers, managing proprietors and supervisors	-	108	239	-	3.9	5.5	-	3.9	6.4
Professionals	-	29	35	-	1.0	0.8	-	2.3	2.5
Technicians & associate professionals	-	62	109	-	2.2	2.5	-	8.6	12.5
Clerks	-	24	37	-	0.9	0.9	-	1.8	2.6
Service workers & shop & market sales workers	-	171	230	-	6.2	5.3	-	6.8	7.6
Farmers, forestry workers & fishermen	-	845	1,259	-	30.4	29.1	-	13.5	19.9
Trade & related workers	-	295	373	-	10.6	8.6	-	9.5	13.4
Plant & machine operators & assemblers	-	120	199	-	4.3	4.6	-	5.3	8.0
Laborers & unskilled workers	-	1,119	1,848	-	40.3	42.7	-	14.6	18.2
Special occupations	-	7	3	-	0.3	0.1	-	5.7	2.0

Notes: 1. Details may not add up to totals due to rounding.

2. Data for 1997 used the 1977 Philippine Standard Occupation Classification (PSOC) while that for 2001 and 2006 were based on the 1992 PSOC

3. The NSO will not be held liable for any misuse of the data

Source of data: National Statistics Office (NSO), Labor Force Survey, Public Use Files.