

PROFILE OF WORKERS IN THE INFORMAL SECTOR (IS), 2001 – 2006

(Second of a Two-Part Series on Informal Sector)

This LABSTAT Updates is the second in a two-part series issue on the informal sector. Part I delved on the comparison of official operational definition of the IS in the Philippines vis-à-vis ILO definition. Discussed also were some relevant measurements of the IS as adopted by various agencies in the country including that of the *Technical Working Group on Employment* under the *Millenium Development Goals (MDGs)* and the ILO.

This Part II series focuses on the profile of workers in the IS as estimated by DOLE. Specifically, their demographic profile from 2001-2006 were presented based on the "crude" estimates made by the *Department of Labor and Employment (DOLE)* as culled from the *public use files (PUFs)* of the *Labor Force Survey (LFS)* of the *National Statistics Office (NSO)*. For purpose of planning and program development for the sector, the DOLE determines its clients in the IS by simply adding the number of *self-employed persons* and *unpaid family workers* under the class of worker category of employed persons in the LFS.

MAGNITUDE OF WORKERS IN THE IS, 2001 – 2006

Almost half (44.6%) of total employed persons from 2001-2006 were composed of IS workers

Data from the LFS of the NSO revealed that on the average, the number of IS workers or those self-employed workers and unpaid family members accounted for almost half (44.6%) of total employed persons from 2001 to 2006. The shares did not vary much over the years, ranging from a low 42.8 percent in 2004 to 45.7 percent in 2002. For 2006, workers in the IS chunked 44.6 percent

of the total 32.96 million employed persons during the year.

In terms of growth rate, workers in the IS grew at an average of 2.3 percent during the period under review. Specifically, it surged during the period 2004-2005 (6.9%) and 2001-2002 (4.4%), while their magnitude dropped in 2003-2004 (-1.0%) and 2002-2003 (-0.5%).

Five (5) out of ten (10) of IS workers were employed in agriculture (47.9%) while three (3) out of ten (10) were found in wholesale and retail trade (27.3%)

On the average, more than half (54.6%) of them were employed in the agricultural sector while nearly two-fifths (39.1%) worked in the services sector. Only a handful (6.3%) of them was engaged in the industry sector.

Specifically, IS workers were found prevalent in agriculture, forestry & hunting (47.9%) and wholesale and retail trade (27.3%).

It should be noted that this sectoral distribution did not vary over the years in review.

They were mostly employed as farmers, forestry workers and fisherman (35.2%) and laborers and unskilled workers (29.0%)

On the average, almost 4 out of 11 (35.2%) of IS workers from 2001 to 2006 were composed of farmers, forestry workers and fishermen which confirmed earlier findings that majority of them worked in the agricultural sector. Next in size were those who

worked as laborers and unskilled workers accounting for around 29 percent of the total. Those categorized as general managers or managing proprietors shared 16.6 percent of the total.

Males predominates females

On the average, six out of 10 workers (58.7%) from 2001 to 2006 were males while the remaining share of 41.3 percent were females. The male-female composition of workers

employed in the informal sector generally followed the same pattern during the six-year period with males always outnumbering the females.

Six out of ten were of prime working age

Classified by age group, the bulk of IS workers (almost two-thirds or 63.5%) belonged to the prime working age of 25–54 years old. This share gradually but consistently increased over the six-year period from 62.4 percent in 2001 to 64.4 percent in 2006. Meanwhile, those belonging to more senior years of 55 and above, which generally declined over the

years, accounted for one-fifth (20.0%) of the total, while those belonging to younger age bracket of 15–24 made up for almost 16.5 percent of the total.

In terms of growth rate, however, IS workers belonging to 25–34 years of age posted the largest increment of 35.1 percent from 2,860 in 2001 to 3,239 in 2006.

More than half of them were formally educated, reaching high school and being high school graduates (35.6%) and college level, graduates and higher (15.5%)

Our country had a generally educated IS workers as more than half (average of 51.1%) of them reached high school up to college. Only a handful of them or 4 out of 100 (3.9%) had no formal schooling. Specifically, majority or almost half (average of 45.0%) of these IS workers were either

graduates or undergraduates of elementary, while more than one-third (average of 35.6%) of them were graduates and undergraduates of high school. Meanwhile, roughly 15.5 percent of these workers reached college education and higher.

IS workers' share to total employment in the regions were generally high in largely agricultural regions of the country, particularly in ARMM (81.7%) and CAR (63.3%)

In terms of the share of IS workers to total employment of their respective regions, figures showed that relatively large shares of total employed persons were found engaged in various IS activities in largely agricultural regions of the country. On the average, ARMM and CAR topped the list accounting for the biggest share of 81.7 percent and 63.3 percent of

total employment in their respective regions. Other regions which likewise posted sizable shares include Eastern Visayas (58.8%), Western Visayas and Caraga (57.5% each), and Bicol Region (56.7%).

Meanwhile, increasing shares were noted in MIMAROPA (26.4% in 2003 to 58.9% in 2006), CALABARZON

(17.0% in 2003 to 36.7% in 2006) and Western Visayas (54.4% in 2001 to 58.6% in 2006). On the other hand, decreasing shares were posted in Central Mindanao (55.7% in 2001 to

44.9% in 2006%), Southern Mindanao (47.9% in 2001 to 43.1% in 2006), Central Visayas (52.5% in 2001 to 48.4%) and Ilocos Region (51.8% in 2001 to 48.3%) in 2006.

Table 1 - Percent Share of Workers in the Informal Sector to Total Employed Persons and Annual Growth Rate of Informal Sector Workers by Year, Philippines: 2001 - 2006

YEAR	TOTAL EMPLOYED PERSONS (000)	INFORMAL SECTOR WORKERS (Self-Employed + Unpaid Family Workers) (000)	PERCENT SHARE (%) (Informal Sector Workers to Total Employed)	ANNUAL GROWTH RATE (%)
2001	29,156	13,166	45.2	-
2002	30,062	13,747	45.7	4.4
2003	30,635	13,677	44.6	(0.5)
2004	31,613	13,538	42.8	(1.0)
2005	32,313	14,477	44.8	6.9
2006	32,962	14,702	44.6	1.6
AVERAGE	31,124	13,885	44.6	2.3

*Note: Details may not add up to totals due to rounding.
Source of data: National Statistics Office, Labor Force Survey.*

Table 2 - Percent Distribution of Workers in the Informal Sector by Major Industry Group, Philippines: 2001 - 2006

MAJOR INDUSTRY GROUP	2001	2002	2003	2004	2005	2006
ALL INDUSTRIES (000)	13,166	13,747	13,677	13,538	14,477	14,702
IN PERCENT	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture	55.2	54.2	54.6	54.4	54.8	54.5
Agriculture, Forestry & Hunting	49.1	48.1	47.9	47.1	47.6	47.4
Fishing	6.1	6.1	6.7	7.3	7.1	7.1
Industry	6.6	6.3	6.4	6.3	6.1	6.0
Mining & Quarrying	0.2	0.2	0.2	0.3	0.4	0.4
Manufacturing	5.5	5.3	5.2	5.1	4.9	4.9
Electricity, Gas and Water	*	*	*	*	*	*
Construction	0.9	0.8	1.0	0.8	0.8	0.7
Services	38.3	39.4	39.0	39.3	39.1	39.5
Wholesale & Retail Trade	26.6	27.6	27.0	27.8	27.4	27.6
Hotels & Restaurants	1.6	1.4	1.5	1.5	1.5	1.5
Transport, Storage & Communications	6.6	6.8	7.0	6.8	7.1	7.3
Financial Intermediation	0.1	0.1	0.1	0.1	0.1	0.1
Real Estate, Renting & Business Services	0.7	0.7	0.7	0.7	0.8	0.8
Public administration & Defense	*	*	*	*	*	*
Education	0.1	0.1	*	0.1	*	0.1
Health & Social Work	0.3	0.4	0.4	0.3	0.3	0.3
Other Community, Social & Personal Svcs.	2.2	2.2	2.2	1.9	1.8	1.9
Private Households with Employed Persons	0.2	0.1	0.1	0.1	0.1	*
Extra-Territorial Organization & Bodies	-	-	-	-	-	-

*Note: Details may not add up to totals due to rounding.
* Less than 0.05 percent.
Source of data: National Statistics Office, Labor Force Survey.*

Table 3 - Percent Distribution of Workers in the Informal Sector by Major Occupation Group, Philippines: 2001 - 2006

MAJOR OCCUPATION GROUP	2001	2002	2003	2004	2005	2006
ALL OCCUPATIONS (000)	13,166	13,747	13,677	13,538	14,477	14,702
IN PERCENT	100.0	100.0	100.0	100.0	100.0	100.0
Officials of Gov't & Special Interest-Organizations, Corporate Executives, Managers, Managing Proprietors and Supervisors	13.8	15.2	16.2	18.7	17.5	17.9
- Officials of Gov't & Special Interest-Organizations	*	*	*	*	-	-
- Corporate Executives and Specialized Managers	0.3	0.2	0.2	*	*	0.1
- General Managers or Managing Proprietors	13.4	14.9	16.0	18.6	17.5	17.8
- Supervisors	0.1	0.1	0.1	*	*	*
Professionals	0.4	0.5	0.4	0.3	0.4	0.3
Technicians & Associate Professionals	1.2	1.5	1.3	1.1	1.0	0.9
Clerks	1.5	1.2	1.1	0.4	0.4	0.5
Service Workers & Shop & Market Sales Workers	6.8	6.5	5.8	5.5	5.5	5.8
Farmers, Forestry Workers & Fishermen	37.4	35.1	35.7	34.5	34.3	34.4
Trades and Related Workers	6.4	5.9	5.6	5.3	5.2	4.9
Plant & Machine Operators & Assemblers	5.4	5.2	5.3	4.9	5.2	5.5
Laborers & Unskilled Workers	27.0	28.9	28.5	29.3	30.3	29.7
Special Occupations	0.1	0.1	0.1	0.1	0.1	0.1

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

* Less than 0.05 percent.

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

Table 4 - Percent Distribution of Workers in the Informal Sector by Sex and Age Group, Philippines: 2001 - 2006

SEX AND AGE GROUP	2001	2002	2003	2004	2005	2006
BOTH SEXES (000)	13,166	13,747	13,677	13,538	14,477	14,702
IN PERCENT	100.0	100.0	100.0	100.0	100.0	100.0
Male	58.5	57.8	58.7	59.0	59.2	58.8
Female	41.5	42.2	41.3	41.0	40.8	41.3
ALL AGE GROUPS (000)	13,166	13,747	13,677	13,538	14,477	14,702
IN PERCENT	100.0	100.0	100.0	100.0	100.0	100.0
15 - 30	27.0	26.9	27.8	29.4	29.3	28.7
15 - 24	17.0	16.5	16.6	16.8	16.5	16.0
15 - 19	8.8	8.7	8.3	8.3	8.5	8.5
20 - 24	8.1	7.8	8.3	8.4	8.0	7.6
25 - 30	10.1	10.5	11.2	12.6	12.8	12.7
25 - 54	62.4	62.5	63.1	64.1	64.3	64.4
25 - 34	18.2	18.7	20.1	22.2	22.1	22.0
35 - 44	23.8	23.3	23.4	23.2	23.4	23.5
45 - 54	20.3	20.5	19.6	18.6	18.8	18.9
55 Years and Over	20.7	21.0	20.3	19.1	19.2	19.5
55 - 64	13.1	13.0	12.9	12.2	12.1	12.3
65 and Over	7.6	8.0	7.5	7.0	7.1	7.2
Not Reported	-	-	-	*	*	*

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

* Less than 0.05 percent.

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

Table 5 - Percent Distribution of Workers in the Informal Sector by Highest Grade Completed, Philippines: 2001 - 2006

HIGHEST GRADE COMPLETED	2001	2002	2003	2004	2005	2006
TOTAL (000)	13,166	13,747	13,677	13,538	14,477	14,702
IN PERCENT	100.0	100.0	100.0	100.0	100.0	100.0
No Grade Completed	4.2	4.0	3.7	4.0	3.8	3.4
Elementary	46.1	45.9	45.6	44.5	44.1	43.7
Undergraduate	23.1	23.1	23.4	23.5	23.0	22.9
Graduate	23.0	22.8	22.2	21.0	21.1	20.8
High School	35.0	35.0	35.1	35.6	36.1	36.7
Undergraduate	14.7	14.8	15.1	15.1	15.1	15.2
Graduate	20.3	20.1	19.9	20.5	21.1	21.5
College	14.7	15.2	15.6	15.9	16.0	16.3
Graduate	9.5	9.7	10.2	10.3	10.3	10.5
Undergraduate	5.1	5.5	5.4	5.7	5.7	5.8
Not Reported	-	-	-	-	-	-

*Note: Details may not add up to totals due to rounding.
Source of data: National Statistics Office, Labor Force Survey.*

Table 6 - Percent Share of IS Workers To Their Respective Regional Employment by Region, Philippines: 2001 - 2006

REGION	2001	2002	2003	2004	2005	2006
TOTAL IS WORKERS (000)	13,166	13,747	13,677	13,538	14,477	14,702
PHILIPPINES	45.2	45.7	44.6	42.8	44.8	44.6
National Capital Region	23.1	24.7	24.7	21.6	23.1	22.6
Cordillera Administrative Region	62.4	63.6	63.1	62.6	62.0	63.6
Region - Ilocos Region	51.8	49.0	48.1	45.7	48.9	48.3
Region II - Cagayan Valley	40.0	38.7	37.8	36.2	38.5	39.0
Region III - Central Luzon	36.5	39.0	35.9	32.6	34.9	34.8
Region IV - Southern Tagalog	39.3	40.7	-	-	-	-
Region IV- A - CALABARZON	-	-	17.0	34.2	35.9	36.7
Region IV-B - MIMAROPA	-	-	26.4	53.6	57.8	58.9
Region V - Bicol Region	56.2	55.5	55.5	55.4	58.8	57.6
Region VI - Western Visayas	39.6	40.5	39.7	39.8	42.7	42.2
Region VII - Central Visayas	52.5	52.5	49.0	48.4	48.3	48.4
Region VIII - Eastern Visayas	57.3	59.1	59.0	58.1	58.0	58.2
Region IX - Western Mindanao/Zamboanga Peninsula	54.4	56.2	56.8	57.2	58.1	58.6
Region X - Northern Mindanao	54.6	51.2	54.0	52.5	55.1	52.5
Region XI - Southern Mindanao/Davao Region	47.9	51.4	46.1	43.8	44.9	43.1
Region XII - Central Mindanao/SOCCSKSARGEN	55.7	51.6	49.3	40.7	44.4	44.9
Caraga	59.3	59.5	57.7	52.1	55.9	56.3
Autonomous Region in Muslim Mindanao	83.0	79.9	83.8	84.6	84.1	84.2

*Note: Details may not add up to totals due to rounding.
Source of data: National Statistics Office, Labor Force Survey.*

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