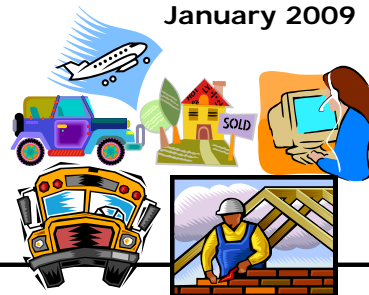


THE 2008 EMPLOYMENT SITUATION (THE YEAR IN REVIEW)



Overview

The country's labor market remained resilient in 2008 despite of the slowdown in the domestic economy due to the steep increases in the prices for food and oil products in the world market and the onset of the US-led global financial crisis in the second half of the year. The average employment growth for the entire year was placed at 1.6% or a net addition of half a million (530,000) employed persons in the labor force. Employment growth occurred in the services sector (2.2%) and in the combined agriculture, fishery and forestry sector (2.1%) but contracted in the industry sector (-1.5%) which was hit hardest by the economic slowdown.

The quality of employment managed to improve as reflected by the 0.8 percentage point decline in underemployment rate to 19.3%. This coincided with the rise in full-time employment (3.9%) and wage and salary employment (1.9%). Unemployment rate at 7.4% was of little change increasing by just 0.1 percentage point from last year. This occurred despite of the decline in labor force participation rate (LFPR) to 63.6% from 64.0% a year earlier.

Unless indicated, the employment figures cited in this report represent the average of the four (4) rounds of the Labor Force Survey (LFS) conducted by the National Statistics Office (NSO) in the months of January, April, July and October.

Starting 2007, the population projections based on the 2000 Census of Population was adopted to generate the labor force statistics. The 2006 data were revised using the 2000 population for comparability.

Employment

Employment growth in the first half of 2008 was a reversal from the robust growth recorded in the same period last year. Employment grew by less than one percent (0.4% or +148,000) in January and actually fell in April (-0.5% or -169,000). This was followed by a strong recovery in July (3.8% or +1.279 million) and a modest growth in October (2.6% or +861,000).

Overall, the full-year employment growth in 2008 for the four survey rounds was placed at an average of 1.6%, as the level of

**Table 1 - TOTAL EMPLOYED PERSONS
PHILIPPINES: 2007-2008**
(in thousands except rates)

YEAR/ SURVEY ROUND	Total Employed Persons	Increment	Growth Rate (%)
2008 (Ave.)^P	34,090	530	1.6
January	33,693	148	0.4
April	33,535	-169	-0.5
July ^P	34,597	1,279	3.8
October ^P	34,533	861	2.6
2007 (Ave)	33,560	924	2.8
January	33,545	1,514	4.7
April	33,704	1,005	3.1
July	33,318	392	1.2
October	33,672	786	2.4

^P Preliminary.

Source: National Statistics Office, Labor Force Survey.

employment increased from 33.560 million to 34.090 million.

While this figure translates to a net addition of 530,000 employed persons in the labor force, it nevertheless represents a slowdown from last year's growth rate of 2.8% or about a million (924,000) net gains in employment.

- Employment gains were recorded highest in the services sector which expanded by 2.2% (+361,000). The top three gainers include public administration and defense, compulsory social security (+125,000), wholesale and retail trade (+95,000) and real estate, renting and business services (+68,000).

On the other hand, employment losses were observed in transport, storage and communications (-9,000), other community, social and personal service activities (-15,000) and private households with employed persons (-11,000).

- Growth also occurred in agriculture, hunting and forestry sub-sector (+262,000) which more than made up for the decline in the fishing sub-sector (-19,000).
- Growth this year was dragged down by the slump in industry sector employment which fell by 1.5% (-75,000). The drop occurred in electricity, gas and water (-5,000) but was most severe in the manufacturing sub-sector (-135,000) which suffered the most from the weak dollar, the spike in oil prices and the slowdown in exports. These negated the gains in construction

(+55,000) and mining and quarrying (+9,000).

- Persons in full-time employment rose by a respectable 3.9% (+814,000) from last year while the number of persons in part-time employment fell by 2.6% (-317,000) over the period.
- By class of worker, nearly all of the gains in employment occurred among wage and salary workers (+333,000) and unpaid family workers (+132,000). Little gain was noted among self-employed workers (+69,000) while the number of employers went down by 0.3% (-4,000) from last year.
- Employment levels grew in all but one region. The top gainers were Region III (+76,000), Region X (+58,000), Region XI (+48,000) and Region VII (+47,000). Decline in employment was noted in Region II (-5,000).

Underemployment

Underemployment rate fell to 19.3% from the 20.1% recorded in 2007. This corresponds to 6.574 million underemployed persons, down by 183,000 from last year. The underemployed were employed persons who expressed the desire for additional hours of work or additional job or an entirely new job with longer hours.

Of the total underemployed, around 61.1% (4.016 million) worked less than 40 hours work a week or visibly underemployed. They accounted for 11.8% of total employed persons, down by 0.2 percentage point from last year.

Table 2 - TOTAL UNDEREMPLOYED AND VISIBLY UNDEREMPLOYED PERSONS
PHILIPPINES: 2007 - 2008
(In thousands except rates)

YEAR/ SURVEY ROUND	Under- employed Person	Under- employment Rate (%)	Visibly Underemployed Person ¹	Visible Underemployment Rate (%)
2008 (Ave.)^p	6,574	19.3	4,016	11.8
January	6,368	18.9	4,024	11.9
April	6,625	19.8	4,025	12.0
July ^p	7,275	21.0	4,173	12.1
October ^p	6,028	17.5	3,841	11.1
2007 (Ave.)	6,757	20.1	4,043	12.0
January	7,214	21.5	4,320	12.9
April	6,378	18.9	4,389	13.0
July	7,327	22.0	3,803	11.4
October	6,109	18.1	3,660	10.9

^p Preliminary.

¹ Include number of underemployed persons with jobs but did not work during the reference period.

Source: National Statistics Office, Labor Force Survey.

Unemployment

The average data for the four (4) rounds of the 2008 Labor Force Survey revealed an unemployment rate of 7.4%, a marginal increase of 0.1 percentage point from last year. In absolute terms, the number of unemployed persons rose by 63,000 over the period to reach 2.716 million. This figure could have been higher if not for the decline in the labor force participation rate (LFPR) - from 64.0% to 63.6% over the period.

- By survey round, the lowest unemployment rate at 6.8% was noted in October while the highest, at 8.0%, was recorded during the April round.
- The unemployed workforce were dominated by young persons 15 to 24 years old which comprised half (51.1% or 1.389 million) of the total unemployed. Nearly two in every three unemployed were men (1.714 million or 63.1%). The majority (45.5% or 1.237

million) were high school graduates or undergraduates. Equally large were college undergraduates and graduates (39.9% or 1.085 million).

Table 3 - TOTAL UNEMPLOYED PERSONS
PHILIPPINES: 2007 - 2008
(in thousands except rates)

YEAR/ SURVEY ROUND	Total Unemployed Persons	Unemployment Rate (%)
2008 (Ave.)^p	2,716	7.4
January	2,675	7.4
April	2,914	8.0
July ^p	2,750	7.4
October ^p	2,525	6.8
2007 (Ave)	2,653	7.3
January	2,850	7.8
April	2,692	7.4
July	2,824	7.8
October	2,246	6.3

^p Preliminary.

Source: National Statistics Office, Labor Force Survey.

- Four (4) regions recorded unemployment rate higher than the national average figure of 7.4%: NCR (13.0%), Region IV-A (10.0%), Region III (9.2%), and Region I (8.1%). On the other hand, the lowest unemployment rate was noted in ARMM (2.7%) followed by Region II (3.4%) and Region IX (3.5%).
- Compared last year, eight (8) regions posted increases in unemployment rates, most notably in NCR (12.2% to 13.0%), and Region IV-A (9.2% to 10.0%).

On the other hand, declines occurred in nine (9) regions, notably in Region X (6.0% to 4.7%), ARMM (3.8% to 2.7%), and Region III (10.0% to 9.2%). Further, all regions in Mindanao posted lower unemployment rates for the period.

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Or visit our website at <http://www.bles.dole.gov.ph>

**Table 4 - SUMMARY STATISTICS ON EMPLOYMENT BY MAJOR INDUSTRY GROUP
PHILIPPINES: 2007- 2008 (Annual Average)**

INDUSTRY	Total Employed Persons ('000)		Increment	Growth Rate (%)
	2008 ^p	2007		
EMPLOYED PERSONS	<u>34,090</u>	<u>33,560</u>	<u>530</u>	<u>1.6</u>
SECTOR				
Agriculture, Fishery and Forestry	12,029	11,786	243	2.1
Agriculture, Hunting and Forestry	10,604	10,342	262	2.5
Fishing	1,425	1,444	(19)	(1.3)
Industry	5,046	5,121	(75)	(1.5)
Mining and Quarrying	158	149	9	6.0
Manufacturing	2,924	3,059	(135)	(4.4)
Electricity, Gas and Water	130	135	(5)	(3.7)
Construction	1,833	1,778	55	3.1
Services	17,015	16,654	361	2.2
Wholesale and Retail Trade	6,449	6,354	95	1.5
Hotels and Restaurants	952	907	45	5.0
Transport, Storage & Communications	2,590	2,599	(9)	(0.3)
Financial Intermediation	368	359	9	2.5
Real Estate, Renting & Business Activities	953	885	68	7.7
Public Administration & Defense, Compulsory Social Security	1,676	1,551	125	8.1
Education	1,071	1,035	36	3.5
Health and Social Work	392	373	19	5.1
Other Community, Social & Personal Service Activities	834	849	(15)	(1.8)
Private Households with Employed Persons	1,729	1,740	(11)	(0.6)
Extra-Territorial Organizations	1	2	(1)	(0.5)
CLASS OF WORKER				
Wage and Salary Workers	17,841	17,508	333	1.9
Self-employed Workers	10,639	10,570	69	0.7
Employers	1,426	1,430	(4)	(0.3)
Unpaid Family Workers	4,184	4,052	132	3.3
HOURS OF WORK				
40 Hours and Over (Full-Time Employment)	21,658	20,844	814	3.9
< 40 Hours (Part-Time Employment)	11,937	12,254	(317)	(2.6)
Did Not Work	496	462	34	7.4

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

p Preliminary.

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

Table 5 - TOTAL EMPLOYED PERSONS BY REGION, PHILIPPINES: 2007 - 2008 (Annual Average)

Region	Total Employed Persons ('000)		Increment	Growth Rate (%)
	2008 ^p	2007		
PHILIPPINES	<u>34,090</u>	<u>33,560</u>	<u>530</u>	<u>1.6</u>
NCR	4,077	4,070	7	0.2
CAR	668	662	6	0.9
Region I	1,795	1,750	45	2.6
Region II	1,349	1,354	(5)	(0.4)
Region III	3,486	3,410	76	2.2
Region IV-A	4,159	4,154	5	0.1
Region IV-B	1,133	1,096	37	3.4
Region V	1,999	1,960	39	2.0
Region VI	2,801	2,780	21	0.8
Region VII	2,624	2,577	47	1.8
Region VIII	1,610	1,592	18	1.1
Region IX	1,314	1,269	45	3.5
Region X	1,789	1,731	58	3.4
Region XI	1,695	1,647	48	2.9
Region XII	1,535	1,498	37	2.5
ARMM	1,107	1,092	15	1.4
Caraga	951	920	31	3.4

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

p Preliminary.

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

Table 6 - SUMMARY STATISTICS ON UNEMPLOYED PERSONS BY SEX, AGE, AND HIGHEST EDUCATIONAL ATTAINMENT, PHILIPPINES: 2007 - 2008 (Annual Average)

INDICATOR	Total Unemployed ('000)		Percent Share (%)	
	2008 ^p	2007	2008	2007
TOTAL	<u>2,716</u>	<u>2,653</u>	<u>100.0</u>	<u>100.0</u>
Sex				
Male	1,714	1,675	63.1	63.1
Female	1,003	978	36.9	36.9
Age Group				
15-24 years old	1,389	1,335	51.1	50.3
25-54 years old	1,224	1,214	45.1	45.8
55 years old and over	104	104	3.8	3.9
Highest Grade Completed				
No Grade Completed	14	18	0.5	0.7
Elementary	380	400	14.0	15.1
High School	1,237	1,221	45.5	46.0
Undergraduate	338	355	12.4	13.4
Graduate	899	867	33.1	32.7
College	1,085	1,013	39.9	38.2
Undergraduate	574	534	21.1	20.1
Graduate	512	479	18.9	18.1

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

p Preliminary.

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

Table 7 - TOTAL UNEMPLOYED PERSONS BY REGION PHILIPPINES: 2007 - 2008 (Annual Average)

Region	Total Unemployed Persons ('000)		Unemployment Rate (%)	
	2008 ^p	2007	2008 ^p	2007
PHILIPPINES	<u>2,716</u>	<u>2,653</u>	<u>7.4</u>	<u>7.3</u>
NCR	608	566	13.0	12.2
CAR	32	29	4.6	4.2
Region I	159	161	8.1	8.4
Region II	48	43	3.4	3.1
Region III	355	379	9.2	10.0
Region IV-A	463	422	10.0	9.2
Region IV-B	50	46	4.2	4.0
Region V	118	109	5.6	5.3
Region VI	210	195	7.0	6.6
Region VII	196	180	6.9	6.5
Region VIII	76	81	4.5	4.8
Region IX	48	49	3.5	3.7
Region X	89	110	4.7	6.0
Region XI	106	105	5.9	6.0
Region XII	73	74	4.5	4.7
ARMM	31	43	2.7	3.8
Caraga	57	64	5.7	6.5

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

p Preliminary.

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

Table 8 - HOUSEHOLD POPULATION 15 YEARS OLD AND OVER, LABOR FORCE PARTICIPATION AND LABOR FORCE PARTICIPATION RATE BY REGION, PHILIPPINES: 2007 - 2008 (Annual Average)

Region	Household Population 15 Years Old and Over ('000)		Labor Force ('000)		Labor Force Participation Rate (%)	
	2008 ^p	2007	2008 ^p	2007	2008 ^p	2007
PHILIPPINES	57,848	56,565	36,806	36,213	63.6	64.0
NCR	7,638	7,509	4,685	4,636	61.3	61.7
CAR	1,051	1,024	699	690	66.5	67.4
Region I	3,214	3,142	1,954	1,911	60.8	60.8
Region II	2,108	2,056	1,398	1,397	66.3	67.9
Region III	6,369	6,227	3,840	3,788	60.3	60.8
Region IV-A	7,415	7,233	4,622	4,577	62.3	63.3
Region IV-B	1,709	1,655	1,182	1,142	69.2	69.0
Region V	3,245	3,172	2,116	2,070	65.2	65.3
Region VI	4,708	4,593	3,011	2,975	64.0	64.8
Region VII	4,380	4,313	2,821	2,756	64.4	63.9
Region VIII	2,603	2,536	1,686	1,673	64.8	66.0
Region IX	2,072	2,022	1,362	1,317	65.7	65.1
Region X	2,668	2,597	1,878	1,841	70.4	70.9
Region XI	2,718	2,667	1,800	1,752	66.2	65.7
Region XII	2,435	2,387	1,609	1,572	66.1	65.9
ARMM	1,988	1,948	1,138	1,134	57.2	58.2
Caraga	1,532	1,485	1,007	984	65.7	66.3

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

p Preliminary.

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