

HIGHLIGHTS OF THE JULY 2010 LABOR FORCE SURVEY



Overview

The July 2010 Labor Force Survey showed mixed results for the country's labor market. Employment continued to expand (2.2%) though at a slower pace (2.6%) from a year earlier. Growth was led by the recovery in agriculture, fishery and forestry sector (3.2%) while slowdown occurred in the industry sector (2.2%) and services sector (1.5%).

Over the same period, a notable decline in underemployment rate was observed (from 19.8% to 17.9%). This was also accompanied by a marked decline in unemployment rate (from 7.6% to 6.9%) as labor force participations rate (LFPR) dipped (-0.6 percentage point) from last year. Meanwhile, the weakness in the labor market can be seen in terms of the decline in wage employment (-1.7%) and the growth in part-time employment (4.7%).

Labor Force

The country's labor force grew year-on-year by just 1.5% (+0.563 million) in July 2010 to reach 38.993 million – a sharp contrast to the 2.9% (+1.087 million) growth in 2009. This figure corresponds to a labor force participation rate (LFPR) of 64.0%, down by 0.6 percentage point from the same period in 2009. (Table 1)

Employment

Employment level grew by 2.2% in July 2010 - increasing from 35.508 million to 36.285 million a year ago. This represents a net addition or new employment created of a little over half a million (+0.777 million). The latest growth figure, however, represents a slowdown from last year's growth rate of 2.6% (+0.915 million).

**Table 1 - KEY EMPLOYMENT INDICATORS
PHILIPPINES: July 2009-2010
(in thousands except rates)**

Indicator	July 2010 ^p	July 2009	Year-on-Year Change
Household Population 15 Years Old and Over	60,934	59,513	1,421
Labor Force	38,993	38,430	563
– Employed Persons	36,285	35,508	777
– Unemployed Persons	2,708	2,922	-214
Underemployed Persons	6,490	7,034	-544
– Visibly Underemployed	3,867	3,947	-80
Not in the Labor Force	21,941	21,083	858
LFPR (%)	64.0	64.6	
Unemployment Rate (%)	6.9	7.6	
Underemployment Rate (%)	17.9	19.8	
– Visible Under-employment Rate (%)	10.7	11.1	

^p Preliminary.

Source: National Statistics Office, Labor Force Survey.

- The bulk of employment created during the period occurred in the agriculture, fishery and forestry sector which grew by 3.2% (+377,000) year-on-year. This figure represents a recovery from the 1.3% (-163,000) decline recorded a year ago.
- Industry employment grew by a modest 2.2% (+118,000) – slightly lower than the 2.8% (+143,000) growth in July 2009. Construction was the biggest gainer (+58,000) followed by manufacturing (+48,000) and mining and quarrying (+16,000). Electricity, gas and water suffered a small decline (-5,000).
- Employment growth in the service sector fell sharply to 1.5% (+283,000) from 5.4% (+934,000) in July last year. This can be attributed to the large employment losses in private households with employed persons (-281,000) and the dropped in employment gains in transport, storage and communication (from +169,000 in 2009 to + 3,000 in 2010).

Moreover, employment reductions also occurred in hotels and restaurants (-30,000) and other community, social and personal service activities (-14,000) while smaller gains in employment compared last year were noted in real estate, renting and business activities (from +121,000 in 2009 to +74,000 in 2010) and health and social work (from +42,000 in 2009 to +28,000 in 2010).

Only three (3) sub-sectors achieved higher growth rates than in 2009: financial intermediation (+43,000); public administration and defense, compulsory social security

(+59,000); and wholesale and retail trade (+325,000) which ranked second to agriculture, fishery and forestry in terms of net gains in employment.

- By hours worked, persons in part-time employment grew by 4.7% (+571,000) outpacing the growth in the number of persons in full-time employment at 1.2% (+273,000).
- By class of worker, the major gainers were self-employed workers and unpaid family workers which grew by 7.2% (+757,000) and 13.3% (+510,000), respectively. Apparently, this expansion occurred in the agriculture, fishery and forestry sector which recorded the biggest gain in employment as cited earlier.

In contrast, employment of wage and salary workers fell by 1.7% (-330,000) over the period due to the large decline in wage employment in the agriculture, hunting and forestry sub-sector (-378,000). Decline also occurred among employers (-160,000).

- Employment level increased in thirteen (13) regions with the biggest gains posted in Region III (+197,000), Region IV-A (+192,000), Region VII (+168,000) and NCR (+153,000).

Employment level fell in four (4) Mindanao regions, namely: ARMM (-101,000), Region IX (-36,000), Region X (-20,000) and Region XI (-1,000).

Underemployment

- Underemployment rate went down to 17.9% from 19.8% in July 2009. This corresponds to a reduction of 544,000 in the

number of underemployed persons which now stood at 6.490 million.

Moreover, the rate of visible or time-related underemployment dropped by 0.4 percentage point over the period - from 11.1% to 10.7%.

Unemployment

Unemployment rate in July 2010 fell to 6.9% from 7.6% recorded a year ago. In absolute terms, the total number of unemployed persons stood at 2.708 million – a decline of 214,000 from a year ago level.

As noted earlier, few addition to the labor force were recorded this survey round as compared to the figure in 2009. This means that more people opted to stay out of the labor force and hence, there were lesser persons competing in the labor market.

- More than half (52.4% or 1.419 million) of total unemployed workforce were young workers (aged 15 to 24 years old). Youth unemployment rate at 17.3% was more than twice the national average of 6.9%. This figure was lower compared with the rate recorded last year at 18.7%.
- About three (3) out of every five (5) unemployed were men (62.6% or 1.696 million).

- The majority of the unemployed (44.0% or 1.192 million) were high school graduates or undergraduates. Equally large were college undergraduates and graduates (43.2% or 1.169 million).
- Four (4) regions recorded unemployment rates higher than the national average: NCR (10.9%), Region I (8.1%), Region III (8.0%) and Region IV-A (9.4%). On the other hand, the lowest unemployment rate was noted in Region II (3.9%) followed by Region IX (4.0%), Region X (4.0%) and ARMM (4.0%).
- Two (2) regions recorded unemployment rates lower than last year, namely: Regions IV-A (9.4% from 11.1%) and Region X (4.0% from 5.7%).
- Notable declines in unemployment rates compared with last year were also observed in NCR (from 12.1% to 10.9%), Region III (9.9% to 8.0%), Region VII (7.1% to 6.0%), and Caraga (6.8% to 5.4%). The rest of the regions posted little changes in unemployment rates.

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Table 1 - KEY EMPLOYMENT INDICATORS
PHILIPPINES: July 2008, 2009 and 2010
(In thousands except rates)

INDICATOR	July 2010 ^p	July 2009	July 2008	Increment		Growth Rate	
				2009-2010	2008-2009	2009-2010	2008-2009
Population 15 Years Old and Over	60,934	59,513	58,119	1,421	1,394	2.4	2.4
Labor Force	38,993	38,430	37,343	563	1,087	1.5	2.9
- Employed	36,285	35,508	34,593	777	915	2.2	2.6
- Unemployed	2,708	2,922	2,749	-214	173	-7.3	6.3
Underemployed	6,490	7,034	7,293	-544	-259	-7.7	-3.6
- Visible underemployment ¹	3,867	3,947	4,183	-80	-236	-2.0	-5.6
Not in the Labor Force	21,941	21,083	20,776	858	307	4.1	1.5
Labor Force Participation Rate (%)	64.0	64.6	64.3				
Employment Rate (%)	93.1	92.4	92.6				
Unemployment Rate (%)	6.9	7.6	7.4				
Underemployment Rate (%)	17.9	19.8	21.1				
Visible Underemployment Rate (%)	10.7	11.1	12.1				
Mean Hours of Work	41.7	42.5	42.5				

^p Preliminary.

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

Source: National Statistics Office, Labor Force Survey.

Table 2 - SUMMARY STATISTICS ON EMPLOYMENT
PHILIPPINES: July 2008, 2009 and 2010
(In thousands except rates)

INDICATOR	2010 ^p	2009	2008	Increment		Year-on-Year Growth Rate (%)	
				2009-2010	2008-2009	2009-2010	2008-2009
EMPLOYED PERSONS	36,285	35,508	34,593	777	915	2.2	2.6
SECTOR							
Agriculture, Fishery and Forestry	12,317	11,940	12,103	377	-163	3.2	-1.3
Agriculture, Hunting and Forestry	10,835	10,476	10,695	359	-219	3.4	-2.0
Fishing	1,482	1,464	1,408	18	56	1.2	4.0
Industry	5,391	5,273	5,130	118	143	2.2	2.8
Mining and Quarrying	193	177	154	16	23	9.0	14.9
Manufacturing	2,995	2,947	2,960	48	-13	1.6	-0.4
Electricity, Gas and Water	140	145	146	-5	-1	-3.4	-0.7
Construction	2,062	2,004	1,870	58	134	2.9	7.2
Services	18,577	18,294	17,360	283	934	1.5	5.4
Wholesale and Retail Trade	7,050	6,725	6,599	325	126	4.8	1.9
Hotels and Restaurants	1,034	1,064	984	-30	80	-2.8	8.1
Transport, Storage & Communications	2,697	2,694	2,525	3	169	0.1	6.7
Financial Intermediation	419	376	369	43	7	11.4	1.9
Real Estate, Renting & Business Activities	1,164	1,090	969	74	121	6.8	12.5
Public Administration & Defense, Compulsory Social Security	1,831	1,772	1,741	59	31	3.3	1.8
Education	1,234	1,157	1,076	77	81	6.7	7.5
Health and Social Work	456	428	386	28	42	6.5	10.9
Other Community, Social & Personal Service Activities	862	876	847	-14	29	-1.6	3.4
Private Households with Employed Persons	1,829	2,110	1,863	-281	247	-13.3	13.3
Extra-Territorial Organizations	1	2	1	0	0	0.0	0.0
STATUS OF EMPLOYMENT							
Wage and Salary Workers	19,315	19,645	18,303	-330	1,342	-1.7	7.3
Self-employed Workers	11,244	10,487	10,828	757	-341	7.2	-3.1
Employers	1,385	1,545	1,461	-160	84	-10.4	5.7
Unpaid Family Workers	4,341	3,831	4,002	510	-171	13.3	-4.3
HOURS OF WORK							
Less than 40 Hours (Part-Time Employment)	12,683	12,112	11,709	571	403	4.7	3.4
40 Hours and Over (Full-Time Employment)	23,319	23,046	22,544	273	502	1.2	2.2
Did Not Work	283	350	340	-67	10	-19.1	2.9
REGION							
NCR	4,424	4,271	4,129	153	142	3.6	3.4
CAR	716	693	669	23	24	3.3	3.6
Region I	1,955	1,919	1,872	36	47	1.9	2.5
Region II	1,396	1,393	1,363	3	30	0.2	2.2
Region III	3,844	3,647	3,590	197	57	5.4	1.6
Region IV-A	4,519	4,327	4,219	192	108	4.4	2.6
Region IV-B	1,220	1,181	1,133	39	48	3.3	4.2
Region V	2,092	2,046	2,049	46	-3	2.2	-0.1
Region VI	2,984	2,927	2,824	57	103	1.9	3.6
Region VII	2,898	2,730	2,647	168	83	6.2	3.1
Region VIII	1,677	1,675	1,646	2	29	0.1	1.8
Region IX	1,355	1,391	1,330	-36	61	-2.6	4.6
Region X	1,805	1,825	1,802	-20	23	-1.1	1.3
Region XI	1,729	1,730	1,674	-1	56	-0.1	3.3
Region XII	1,617	1,609	1,548	8	61	0.5	3.9
Caraga	968	956	940	12	16	1.3	1.7
ARMM	1,087	1,188	1,158	-101	30	-8.5	2.6

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 2009 and 2010
(In thousands except rates)

INDICATOR	2010 ^p	2009	Increment
			2009-2010
UNDEREMPLOYED PERSONS	6,490	7,034	-544
Hours Worked			
- Worked less than 40 hours/week ¹	3,867	3,947	-80
- Worked more than 40 hours/week	2,622	3,087	-465
Industry			
- Agriculture	3,030	3,104	-74
- Industry	1,006	1,097	-91
- Services	2,454	2,833	-379
Underemployment rate (%)	17.9	19.8	-1.9
Visible underemployment rate (%) ¹	10.7	11.1	-0.4

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

p Preliminary.

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

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

Table 4 - SUMMARY STATISTICS ON UNEMPLOYMENT
PHILIPPINES: July 2008, 2009 and 2010
(In thousands except rates/percent)

INDICATOR	Total Unemployed Persons			Percent Share (%)			Unemployment Rate (%)			Increment	
	2010 ^p	2009	2008	2010 ^p	2009	2008	2010 ^p	2009	2008	2009-2010	2008-2009
TOTAL	2,708	2,922	2,749	100.0	100.0	100.0	6.9	7.6	7.4	-214	173
Sex											
Male	1,696	1,774	1,699	62.6	60.7	61.8	7.1	7.6	7.4	-78	75
Female	1,012	1,148	1,050	37.4	39.3	38.2	6.7	7.6	7.2	-136	98
Age Group											
15-24 years old	1,419	1,542	1,424	52.4	52.8	51.8	17.3	18.7	17.7	-123	118
25-54 years old	1,197	1,268	1,215	44.2	43.4	44.2	4.7	5.0	5.0	-71	53
55 years old and over	92	113	109	3.4	3.9	4.0	1.8	2.3	2.3	-21	4
Highest Grade Completed											
No Grade Completed	11	15	16	0.4	0.5	0.6				-4	-1
Elementary	336	392	375	12.4	13.4	13.6				-56	17
Undergraduate	157	183	173	5.8	6.3	6.3				-26	10
Graduate	180	209	202	6.6	7.2	7.3				-29	7
High School	1,192	1,314	1,250	44.0	45.0	45.5				-122	64
Undergraduate	312	351	313	11.5	12.0	11.4				-39	38
Graduate	880	963	937	32.5	33.0	34.1				-83	26
College	1,169	1,201	1,108	43.2	41.1	40.3				-32	93
Undergraduate	614	627	571	22.7	21.5	20.8				-13	56
Graduate	555	574	537	20.5	19.6	19.5				-19	37

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.

**Table 5 - LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT AND UNDEREMPLOYMENT
BY REGION, PHILIPPINES: July 2010 and 2009**

(In thousands except rates)

Region	Labor Force				Employment				Unemployment				Underemployment			
	2010 ^P		2009		2010 ^P		2009		2010 ^P		2009		2010 ^P		2009	
	No.	LFPR (%)	No.	LFPR (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)
Philippines	38,993	64.0	38,430	64.6	36,285	93.1	35,508	92.4	2,708	6.9	2,922	7.6	6,490	17.9	7,034	19.8
NCR	4,967	62.1	4,860	62.4	4,424	89.1	4,271	87.9	543	10.9	590	12.1	511	11.6	519	12.2
CAR	753	67.0	727	67.9	716	95.0	693	95.3	37	5.0	34	4.7	96	13.4	122	17.6
Region I	2,128	62.4	2,058	61.7	1,955	91.9	1,919	93.2	173	8.1	139	6.8	288	14.7	265	13.8
Region II	1,454	66.6	1,433	67.0	1,396	96.1	1,393	97.2	57	3.9	40	2.8	194	13.9	225	16.2
Region III	4,179	62.2	4,047	61.3	3,844	92.0	3,647	90.1	335	8.0	400	9.9	273	7.1	414	11.4
Region IV-A	4,989	63.4	4,868	63.8	4,519	90.6	4,327	88.9	470	9.4	540	11.1	717	15.9	819	18.9
Region IV-B	1,277	70.2	1,234	70.2	1,220	95.6	1,181	95.7	56	4.4	53	4.3	285	23.4	323	27.3
Region V	2,226	64.6	2,162	64.5	2,092	94.0	2,046	94.6	134	6.0	116	5.4	785	37.5	677	33.1
Region VI	3,196	64.4	3,159	65.3	2,984	93.4	2,927	92.7	211	6.6	232	7.3	692	23.2	763	26.1
Region VII	3,083	66.2	2,938	64.8	2,898	94.0	2,730	92.9	185	6.0	208	7.1	401	13.8	436	16.0
Region VIII	1,771	64.3	1,772	66.3	1,677	94.7	1,675	94.5	95	5.3	97	5.5	407	24.3	426	25.4
Region IX	1,411	64.4	1,451	68.3	1,355	96.0	1,391	95.9	56	4.0	60	4.1	265	19.6	318	22.9
Region X	1,881	66.9	1,936	71.2	1,805	96.0	1,825	94.3	76	4.0	111	5.7	517	28.6	494	27.1
Region XI	1,837	65.5	1,833	66.1	1,729	94.1	1,730	94.4	108	5.9	103	5.6	414	23.9	378	21.8
Region XII	1,687	65.7	1,696	67.7	1,617	95.8	1,609	94.9	70	4.2	87	5.1	309	19.1	413	25.7
Caraga	1,023	64.4	1,027	64.7	968	94.6	956	93.1	55	5.4	70	6.8	201	20.8	260	27.2
ARMM	1,132	55.6	1,230	59.0	1,087	96.0	1,188	96.6	46	4.0	43	3.5	134	12.4	180	15.2

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

p Preliminary.

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