

Vol. 16 No. 35

December 2012

HIGHLIGHTS OF THE OCTOBER 2012 LABOR FORCE SURVEY



Overview

Results of the October 2012 Labor Force Survey (LFS) round showed mix performance for the Philippine labor market. Employment in terms of "quantity" was down by 2.3% - due in large part to the steep reduction in part-time employment and unpaid family workers. Decline occurred in agriculture sector (-5.5%) and services sector (-1.4%) but increased in industry sector (+1.8%). Reduction in employment was accompanied by better "quality" in employment. In particular, underemployment declined both in terms of rate and level, full-time employment and mean hours of work were up while part-time employment and vulnerable employment rate were down.

Unemployment rate at 6.8% remained below the 7.0% mark and was of little change from a year earlier. The labor force shrank after shedding large number of working youth who joined the labor market last year either as unpaid family worker or part-time worker. Accordingly, the labor force participation rate (LFPR) fell by 2.4 percentage points to 63.9% from 66.3% in 2011.

Labor Force

The country's labor force in October 2012 shrank by 1.9% (-763,000) from last year to reach 40.431 million. This was brought about by the large reduction in the working youth population (-662,000) who joined the labor market last year either as unpaid family worker or part-time worker. Reduction also occurred among the older age cohorts 55-64 years old (-97,000) and 65 years old and over (-52,000).

Accordingly, the labor force participation rate (LFPR) fell sharply by 2.4 percentage points to 63.9% from 66.3% in October a year ago. The biggest reduction (-4.3 percentage points) occurred among the age cohort 15 to 24 years old (Table 4a). This is the first time since January 2008 that year-on-year labor force has contracted.

**TABLE 1 - Key Employment Indicators,
Philippines: October 2011-2012
(In Thousands Except Rates)**

Indicator	Oct 2012 ^p	Oct 2011	Year-on-Year Change
Household Population 15 Years Old and Over	63,253	62,164	1,089
Labor Force	40,431	41,194	-763
– Employed Persons	37,668	38,550	-882
– Unemployed Persons	2,763	2,644	119
Underemployed Persons	7,158	7,381	-223
– Visibly underemployed	4,137	4,447	-310
Not in the Labor Force	22,822	20,970	1,852
LFPR (%)	63.9	66.3	
Unemployment Rate (%)	6.8	6.4	
Underemployment Rate (%)	19.0	19.1	
– Visible Under-employment Rate (%)	11.0	11.5	
Mean Hours of Work	41.9	40.8	

p Preliminary.

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

Employment

Total employed persons was estimated at 37.668 million, down by 2.3% (-882,000) from 38.550 million registered in October 2011. The decline was largely attributed to the steep reduction in part-time employment (-8.1% or -1.156 million) and employment of unpaid family workers (-14.9% or -713,000). Meanwhile, paid employment or wage and salary employment continued to expand, growing by 1.5% or +327,000 from a year ago (*Table 2*).

The decline in employment can be attributed to “base effect” which normally occurs following large expansion in the previous period. The spike in part-time employment and unpaid family workers last year swelled the country’s employment base for the first time in many years as net employment generation breached the 2 million mark (+2.062 million).

Their withdrawal from the labor force this year brought employment back to its normal growth path. Unpaid family workers have “weak attachment to the labor force” and are generally considered as “noise” in the labor force data series.

- Amid the decline in total employment level, industry employment continued to expand (1.8% or +102,000) partly negating losses in agriculture (-705,000) and services (-281,000).
- Quality of employment improved as indicated by the rise in the number of persons in full-time employment (1.4% or +344,000) along with the sharp reduction in persons in part-time employment (-8.1% or -1.156 million). This resulted to an increase in the mean hours of work a week to 41.9 from 40.8.

Moreover, the proportion of self-employed persons and unpaid family workers to total employed (a Millennium Development Goal indicator) dropped by 1.9 percentage points over the period – from 41.2% to 39.3%.

Underemployment

- The incidence of underemployment eased both in terms of rate and level. The number of persons who wanted or expressed the desire for additional hours fell by 223,000 from a year ago level to 7.158 million in 2012. This translates to underemployment rate of 19.0% down by 0.1 percentage point from a year ago (*Table 3*).

For the same period, visible underemployment rate was down to 11.0% from 11.5% a year ago. Their number also declined by 310,000 to 4.137 million.

Unemployment

It is significant to note that the decline in employment has little effect on unemployment. Unemployment rate rose slightly from last year and managed to remain below the 7.0% mark - the third time that unemployment rate breached the downside of the 7.0% since 2011 (*Table 4*). It is worth mentioning that the target for unemployment rate on the Philippine Development Plan 2011-2016 ranges from 6.8% - 7.2%.

Specifically, unemployment rate stood at 6.8% in October 2012 from 6.4% last year. This figure corresponds to 2.763 million unemployed persons, up by just 119,000 from last year.

- About half (48.5% or 1.340 million) of the total unemployed workforce were young workers (*aged 15 to 24 years old*). Youth unemployment rate at 15.4% was more than twice the national average. This rate was higher compared with last year's figure at 14.0%.
- More than three-fifths of total unemployed persons were men (1.715 million or 62.1%). Men unemployment rate at 6.9% and women unemployment rate at 6.7% were both higher compared with last year.
- Most of the unemployed (45.4% or 1.254 million) were high school graduates or undergraduates. College undergraduates and graduates comprised the second largest group (32.7% or 903,000). Those who completed college accounted for 20.3% of total unemployed. Only 8.5% (234,000) have post secondary education.
- Four regions posted unemployment rates higher than the national rate: NCR (11.0%), Region I (7.4%), Region III (9.3%) and Region IV-A (9.2%) (*Table 5*).
- Compared with last year, five regions posted increases in unemployment rate of between 1.0 to 1.2 percentage points: CAR Region III, Region VIII, Region X and ARMM. On the other hand, lower unemployment rate compared with last year occurred in three regions: Region II, Region V and Caraga. Other regions posted little or no change in unemployment rate over the period under review.

FOR INQUIRIES:

Regarding this report contact **EMPLOYMENT AND MANPOWER STATISTICS DIVISION at 527-3000 loc. 313**

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 **527-93-24** E mail: blesemsd@yahoo.com or visit our website at <http://www.bles.dole.gov.ph>

TABLE 1 - Key Employment Indicators, Philippines: October 2010, 2011 and 2012
(In Thousands Except Rates)

INDICATOR	October 2012 ^p	October 2011	October 2010	Increment		Growth Rate	
				2011-2012	2010-2011	2011-2012	2010-2011
Population 15 Years Old and Over	63,253	62,164	61,169	1,089	995	1.8	1.6
Labor Force	40,431	41,194	39,287	-763	1,907	-1.9	4.9
- Employed	37,668	38,550	36,488	-882	2,062	-2.3	5.7
- Unemployed	2,763	2,644	2,799	119	-155	4.5	-5.5
Underemployed	7,158	7,381	7,141	-223	240	-3.0	3.4
- Visible underemployment ¹	4,137	4,447	4,109	-310	338	-7.0	8.2
Not in the Labor Force	22,822	20,970	21,882	1,852	-912	8.8	-4.2
Labor Force Participation Rate (%)	63.9	66.3	64.2				
Employment Rate (%)	93.2	93.6	92.9				
Unemployment Rate (%)	6.8	6.4	7.1				
Underemployment Rate (%)	19.0	19.1	19.6				
Visible Underemployment Rate (%)	11.0	11.5	11.3				
Mean Hours of Work	41.9	40.8	41.6				

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: October 2010, 2011, 2012

(In Thousands Except Rates)

INDICATOR	2012 ^p	2011	2010	Increment		Year-on-Year Growth Rate (%)	
				2011-2012	2010-2011	2011-2012	2010-2011
EMPLOYED PERSONS	37,668	38,550	36,488	-882	2,062	-2.3	5.7
SECTOR							
Agriculture	12,156	12,861	12,265	-705	596	-5.5	4.9
Industry	5,710	5,608	5,375	102	233	1.8	4.3
Services	19,801	20,082	18,850	-281	1,232	-1.4	6.5
CLASS OF WORKER							
Wage and salary workers	21,482	21,155	19,773	327	1,382	1.5	7.0
Worked for private household	2,038	2,055	1,954	-17	101	-0.8	5.2
Worked for private establishment	16,257	15,893	14,742	364	1,151	2.3	7.8
Worked with pay in own-family operated farm or business	120	141	130	-21	11	-14.9	8.5
Worked for government/government corporation	3,066	3,066	2,947	0	119	0.0	4.0
Employer in own family-operated farm or business	1,372	1,499	1,400	-127	99	-8.5	7.1
Self-employed without any paid employee	10,731	11,101	11,035	-370	66	-3.3	0.6
Worked without pay in own-family operated farm or business (Unpaid family workers)	4,082	4,795	4,280	-713	515	-14.9	12.0
HOURS OF WORK							
Less than 40 Hours (Part-Time Employment)	13,123	14,279	12,773	-1,156	1,506	-8.1	11.8
40 Hours and Over (Full-Time Employment)	24,185	23,841	23,276	344	565	1.4	2.4
Did Not Work	360	430	439	-70	-9	-16.3	-2.1
Mean Hours	41.9	40.8	41.6				
REGION							
NCR	4,537	4,567	4,427	-30	140	-0.7	3.2
CAR	714	755	711	-41	44	-5.4	6.2
Region I	1,914	2,089	1,946	-175	143	-8.4	7.3
Region II	1,456	1,526	1,441	-70	85	-4.6	5.9
Region III	3,852	3,966	3,773	-114	193	-2.9	5.1
Region IV-A	4,772	4,874	4,615	-102	259	-2.1	5.6
Region IV-B	1,209	1,304	1,218	-95	86	-7.3	7.1
Region V	2,349	2,186	2,061	163	125	7.5	6.1
Region VI	2,998	3,131	2,994	-133	137	-4.2	4.6
Region VII	2,897	3,031	2,817	-134	214	-4.4	7.6
Region VIII	1,766	1,791	1,640	-25	151	-1.4	9.2
Region IX	1,389	1,474	1,413	-85	61	-5.8	4.3
Region X	1,925	1,957	1,919	-32	38	-1.6	2.0
Region XI	1,855	1,927	1,755	-72	172	-3.7	9.8
Region XII	1,708	1,739	1,613	-31	126	-1.8	7.8
Caraga	1,060	1,027	1,024	33	3	3.2	0.3
ARMM	1,267	1,206	1,122	61	84	5.1	7.5

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

p Preliminary.

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

**TABLE 3 - Summary Statistics on Underemployment,
Philippines: October 2011 and 2012
(In Thousands Except Rates)**

INDICATOR	2012 ^p	2011	Increment
			2011-2012
UNDEREMPLOYED PERSONS	7,158	7,381	-223
Hours Worked			
- Worked less than 40 hours/week ¹	4,137	4,447	-310
- Worked more than 40 hours/week	3,020	2,934	86
Industry			
- Agriculture	3,168	3,092	76
- Industry	1,091	1,212	-121
- Services	2,898	3,077	-179
Underemployment rate (%)	19.0	19.1	-0.1
Visible underemployment rate (%) ¹	11.0	11.5	-0.5

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: October 2010, 2011 and 2012

(In Thousands Except Rates/Percent)

INDICATOR	Total Unemployed Persons			Percent Share (%)			Unemployment Rate (%)		
	2012 ^p	2011	2010	2012 ^p	2011	2010	2012 ^p	2011	2010
TOTAL	2,763	2,644	2,799	100.0	100.0	100.0	6.8	6.4	7.1
Sex									
Men	1,715	1,658	1,772	62.1	62.7	63.3	6.9	6.7	7.4
Women	1,048	986	1,027	37.9	37.3	36.7	6.7	6.1	6.7
Age Group									
15-24 years old	1,340	1,310	1,378	48.5	49.5	49.2	15.4	14.0	16.6
25-54 years old	1,300	1,226	1,319	47.1	46.4	47.1	4.9	4.6	5.1
55 years old and over	124	109	101	4.5	4.1	3.6	2.4	2.0	1.9
Not reported	-	-	-	-	-	-	-	-	-
Highest Grade Completed									
No Grade Completed	17	14	10	0.6	0.5	0.4			
Elementary	355	317	326	12.8	12.0	11.6			
Undergraduate	160	140	140	5.8	5.3	5.0			
Graduate	195	177	186	7.1	6.7	6.6			
High School	1,254	1,182	1,279	45.4	44.7	45.7			
Undergraduate	332	311	346	12.0	11.8	12.4			
Graduate	922	871	933	33.4	32.9	33.3			
Post secondary	234	-	-	8.5	-	-			
Undergraduate	48	-	-	1.7	-	-			
Graduate	186	-	-	6.7	-	-			
College	903	1,131*	1,184*	32.7	42.8*	42.3*			
Undergraduate	341	597	639	12.3	22.6	22.8			
Graduate	562	535	545	20.3	20.2	19.5			

^p Preliminary.

*Includes post secondary. The inquiry on post secondary educational attainment was included in the LFS questionnaire starting January 2012 LFS.

This explains the drop in the figures on the college-educated unemployed.

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

TABLE 4a - Summary Statistics on Household Population 15 Years Old and Over and Labor Force, Philippines: October 2011 and 2012

(In Thousands Except Rates/Percent)

INDICATOR	Total Population 15 Years Old and Over			Labor Force			Labor Force Participation Rate (%)		
	2012 ^p	2011	Increment	2012 ^p	2011	Increment	2012 ^p	2011	Percentage Points Change
TOTAL	63,253	62,164	1,089	40,431	41,194	-763	63.9	66.3	-2.4
Sex									
Men	31,528	30,972	556	24,677	24,899	-222	78.3	80.4	-2.1
Women	31,726	31,193	533	15,754	16,295	-541	49.7	52.2	-2.5
Age Group									
15-24 years old	19,013	18,678	335	8,704	9,366	-662	45.8	50.1	-4.3
25-34 years old	14,493	14,255	238	10,733	10,722	11	74.1	75.2	-1.1
35-44 years old	11,315	11,125	190	8,908	8,870	38	78.7	79.7	-1.0
45-54 years old	8,708	8,555	153	6,867	6,867	0	78.9	80.3	-1.4
55-64 years old	5,497	5,402	95	3,703	3,800	-97	67.4	70.3	-2.9
65 years old and over	4,226	4,148	78	1,515	1,567	-52	35.8	37.8	-2.0

^p Preliminary.

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

**TABLE 5 - Labor Force, Employment, Unemployment and Underemployment
by Region, Philippines: October 2011 and 2012**
(In Thousands Except Rates)

REGION	Labor Force				Employment				Unemployment				Underemployment			
	2012 ^P		2011		2012 ^P		2011		2012 ^P		2011		2012 ^P		2011	
	No.	LFPR (%)	No.	LFPR (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)
Philippines	40,431	63.9	41,194	66.3	37,668	93.2	38,550	93.6	2,763	6.8	2,644	6.4	7,158	19.0	7,381	19.1
NCR	5,097	63.8	5,099	63.7	4,537	89.0	4,567	89.6	561	11.0	533	10.5	568	12.5	695	15.2
CAR	758	66.9	793	70.3	714	94.1	755	95.2	45	5.9	38	4.8	117	16.5	140	18.5
Region I	2,068	60.5	2,237	64.7	1,914	92.6	2,089	93.4	153	7.4	148	6.6	394	20.6	387	18.5
Region II	1,493	66.6	1,570	69.9	1,456	97.6	1,526	97.2	37	2.4	44	2.8	177	12.1	203	13.3
Region III	4,248	61.0	4,325	63.0	3,852	90.7	3,966	91.7	396	9.3	360	8.3	383	9.9	534	13.5
Region IV-A	5,253	64.5	5,358	66.1	4,772	90.8	4,874	91.0	481	9.2	484	9.0	835	17.5	835	17.1
Region IV-B	1,263	66.3	1,352	71.8	1,209	95.7	1,304	96.4	54	4.3	48	3.6	290	24.0	256	19.6
Region V	2,470	65.5	2,309	67.2	2,349	95.1	2,186	94.7	121	4.9	122	5.3	812	34.6	784	35.9
Region VI	3,206	63.0	3,347	65.7	2,998	93.5	3,131	93.5	208	6.5	216	6.5	564	18.8	698	22.3
Region VII	3,099	64.4	3,227	68.5	2,897	93.5	3,031	93.9	203	6.5	196	6.1	534	18.4	650	21.4
Region VIII	1,861	63.0	1,865	68.0	1,766	94.9	1,791	96.0	95	5.1	74	4.0	443	25.1	434	24.2
Region IX	1,438	65.9	1,526	68.1	1,389	96.6	1,474	96.6	49	3.4	52	3.4	384	27.6	323	21.9
Region X	2,028	68.5	2,036	71.4	1,925	94.9	1,957	96.1	104	5.1	79	3.9	600	31.2	448	22.9
Region XI	1,949	63.8	2,020	69.1	1,855	95.2	1,927	95.4	94	4.8	93	4.6	298	16.1	316	16.4
Region XII	1,779	67.2	1,807	67.5	1,708	96.0	1,739	96.2	71	4.0	67	3.7	378	22.1	305	17.5
Caraga	1,107	64.6	1,087	66.7	1,060	95.7	1,027	94.5	47	4.3	60	5.5	223	21.0	253	24.6
ARMM	1,313	57.9	1,235	57.1	1,267	96.5	1,206	97.7	46	3.5	29	2.3	157	12.4	119	9.9

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

p Preliminary.

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