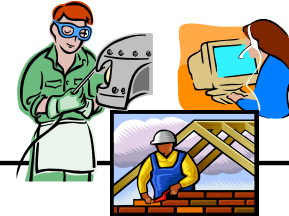


Vol. 16 No. 36

December 2012

THE 2012 EMPLOYMENT SITUATION

(THE YEAR IN REVIEW)



Overview

The year 2012 was marked by volatility in the labor market brought about by a series of flukes that affected both the quantity of employment (sharp reduction in the employed population 15-24 years old in October) and quality of employment (spike in part-time employment in April and steep rise in underemployment rate in July). Despite all these, employment in 2012 managed to grow (1.1%) from a year ago. Wage and salary employment continued its upward trend - in particular the robust growth (6.1%) in employment in private establishments boosted by the strong economic performance. Both underemployment rate and unemployment rate were of little change from a year ago while labor force participation rate declined slightly over the period under review.

There are encouraging signs in 2012 that reinforced the positive trends that emerged in recent years such as the uptrend in employment in private establishments indicating that more jobs are being created by the private sector; the downtrend in vulnerable employment rate (the proportion of self-employed and unpaid family workers to total employment); the resurgence of industry employment; and the falling unemployment rate.

Unless indicated, 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. The use of average for estimating annual data from the LFS is based on NSCB Resolution No. 9 s. 2009 dated July 6, 2009 (Approving and Adopting the Official Methodology for Generating Annual Labor and Employment Estimates).

Labor Force

The country's labor force reached the 40.4 million mark in 2012. It grew at a much slower pace (1.04% or +420,000) than in 2011 (2.9% or +1.113 million). This slowdown is reflected by the reduction in labor force participation rate (LFPR) by 0.4 percentage point to 64.2%. The decline in LFPR was broad based occurring in both men and women and across age groups. (Table 3)

Employment

Employment level in 2012 continued to grow though at a sluggish pace than a year ago. On the average, the full-year employment growth rate across the

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

INDICATOR	2012	2011	Year-on-Year Change
Household Population 15 Years Old and Over	62,985	61,882	1,103
Labor Force	40,426	40,006	420
- Employed Persons	37,600	37,192	408
- Unemployed Persons	2,826	2,814	12
Underemployed Persons	7,514	7,163	351
- Visibly Underemployed	4,489	4,340	149
Not in the Labor Force	22,559	21,876	645
LFPR (%)	64.2	64.6	
Unemployment Rate (%)	7.0	7.0	
Underemployment Rate (%)	20.0	19.3	
- Visible Underemployment Rate (%)	11.9	11.7	
Mean Hours of Work	41.2	41.1	

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

four (4) survey rounds stood at 1.1% (+408,000).

- Employment expansion was led by the industry sector which grew by a robust 3.9% (+213,000) -- exceeding the growth registered in 2011 at 2.4% (+131,000). This gain, however, was negated by the deceleration in growth in the services sector which fell to 1.9% (+370,000) from 3.8% (+712,000) in 2011 and the decline in agriculture employment by 1.4% (-174,000) due to extreme weather condition that affected crop production in the third quarter. (Table 4)
- The quality of employment was mixed. Wage and salary employment continued its uptrend expanding by 4.6% (+954,000) in 2012. This occurred as the number of persons in self-employment fell by 3.3% (-368,000) along with the decline in the number of unpaid family workers by 3.7% (-159,000). As a consequence, the proportion of self-employed persons and unpaid-family workers to total employment (a Millennium Development Goal) eased by as much as 1.8 percentage points to 39.3% from 41.1% in 2011.
- On the downside, persons in full-time employment fell marginally (-0.2% or -57,000) from last year while part-time employment was up by 3.5% (+477,000). The rise was due to the spike in the April survey round when part-time employment surged by 18.4% (+2.515 million). (See LABSTAT Updates, Vol. 16 No. 17). The mean hours of work was up slightly to 41.2 from 41.1 a year ago.

TABLE 2 - Total Underemployed by Sector, Philippines: 2011–2012

ITEM	All Sectors	Sector		
		Agri-culture	Industry	Services
2012				
No. ('000)	7,514	3,235	1,197	3,082
% Share	100.0	43.1	15.9	41.0
Rate (%)	20.0	26.8	20.8	15.6
2011				
No. ('000)	7,163	3,110	1,139	2,914
% Share	100.0	43.4	15.9	40.7
Rate (%)	19.3	25.4	20.6	15.0
Change ('000)	351	125	58	168

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

Underemployment

Underemployment rate exhibited a highly erratic trend in 2012 and was marked by a sharp increase in July at 22.8% (See LABSTAT Updates, Vol. 16 No. 27). On the overall, the full-year underemployment rate was up slightly to 20.0% from 19.3% a year ago. This corresponds to 7.514 million underemployed persons – an increase of 351,000 from a year earlier.

- The incidence of underemployment was highest in the agriculture sector both in terms of rate (26.8%) and share (43.1% or 3.235 million). The rates were comparatively lower in industry (20.8%) and services (15.6%). Between 2011 and 2012, the number of underemployed persons rose in all three sectors with the biggest in services (+168,000).
- Underemployment rate was highest in Region V (34.4%) followed by Region X (28.6%) and Region IX (27.7%). It was lowest in Region II (12.6%), ARMM (12.7%), Region III (13.0%) and NCR (14.4%). (Table 6)

- Between 2011 and 2012, underemployment rate worsened in ten (10) regions most notably in Region IX (+5.8 percentage points), Region XII (+2.7 percentage points) and Region VII (+2.3 percentage points).
- Starting 2012, statistics on persons with post-secondary schooling are available from the LFS. Less than ten percent (8.2% or 233,000) of total unemployed have post secondary education of which 167,000 were graduates.

Unemployment

Despite the slowdown in employment in 2012, the average unemployment rate remained unchanged from last year at 7.0%. (*Table 1*) This occurred as labor force participation rate also declined this year. This suggests that many of the previously employed workforce opted not to seek work but dropped out of the labor force instead. Nonetheless, the number of unemployed persons went up by 12,000 to reach 2.826 million. This is the fourth consecutive year that the number of unemployed has stayed at a little over 2.8 million.

- The youth (persons 15-24 years old) dominated the ranks of the unemployed as they comprised 50.0% (1.412 million) of the total unemployed. (*Table 5*)
- About three out of every five unemployed were men (62.5% or 1.767 million).
- The majority (45.1% or 1.275 million) were high school graduates or undergraduates. Equally large were college graduates (19.6% or 553,000) and undergraduates (13.4% or 378,000).

- Five regions recorded unemployment rates higher than the national average figure of 7.0%: NCR (10.6%), Region III (9.0%), Region IV-A (8.9%), Region I (8.2%) and Region VII (7.1%). The lowest rates occurred in Region II (2.8%) followed by ARMM (3.4%) and Region IX (3.8%) (*Table 6*)

Compared with 2011 rates, six (6) regions posted declines in unemployment rate - most notably in Region IV-A (-0.8 percentage point) and NCR (-0.7 percentage point).

In contrast, eight regions posted increases in unemployment rate – the biggest occurred in Region XI (+0.6 percentage point), Region IX (+0.5 percentage point) and Region III (+0.5 percentage point).

FOR INQUIRIES

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

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

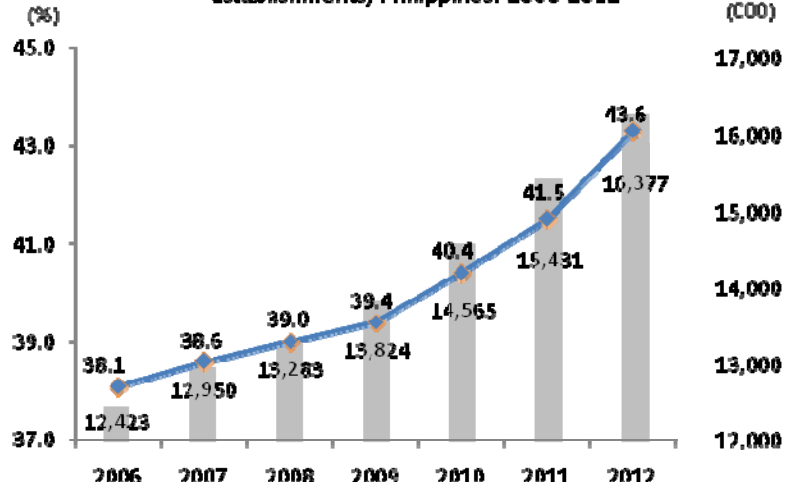
EMERGING TRENDS AND CHANGING STRUCTURES

TAKING STOCK OF THE BRIGHT SPOTS IN THE LABOR MARKET
IN RECENT YEARS

Employment in Private Establishments on the Steady Rise

- Over the period 2006 to 2012 employment share of wage and salary workers in private establishments rose steadily from 38.1% to 43.6%.
- This suggests that more and more jobs are now being created in the economy by the private sector in recent years. On the average, employment in this sector grew by a robust 4.6% per year (+659,000) – increasing from 12.4 million in 2006 to 16.4 million in 2012.

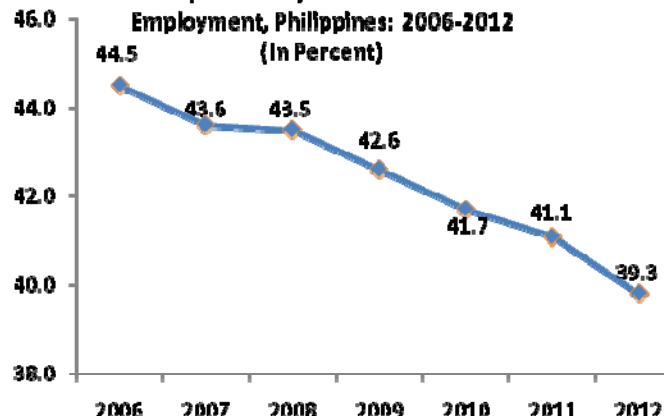
FIGURE 1 - Level and Share of Employment in Private Establishments, Philippines: 2006-2012



Proportion of Workers in Self-Employment and Unpaid Family Workers on the Downtrend

- The proportional share of self-employed and unpaid family workers to total employment exhibited a declining trend in recent years. This has gone down from 44.5% in 2006 to 39.3% in 2012.
- This proportion is one of the employment indicators in the Millennium Development Goals (MDGs).

FIGURE 2 - Proportion of Self-employed and Unpaid Family Workers to Total Employment, Philippines: 2006-2012 (In Percent)



Unemployment Rate Slowing Down

- Unemployment rate has been gradually declining in recent years – from 8.0% in 2006 to 7.0% in 2012.
- Correspondingly, the number of unemployed persons has stayed almost unchanged at a little over 2.8 million.

FIGURE 3 - Unemployment Level and Rate Philippines: 2006-2012

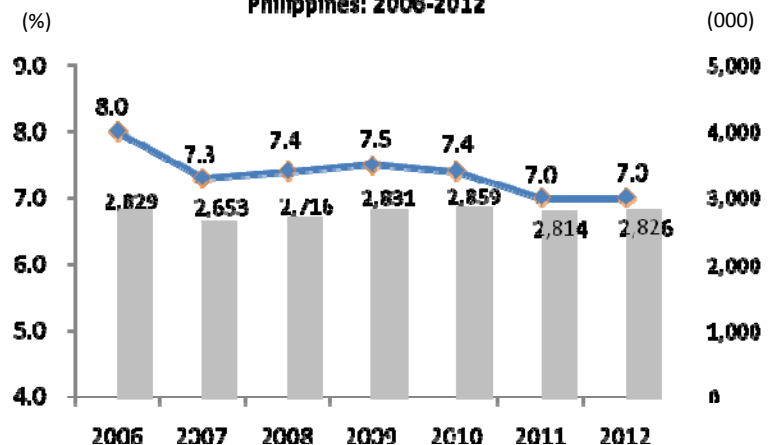


TABLE 3 - Summary Statistics on Household Population 15 Years Old and Over and Labor Force, Philippines: 2011 and 2012
(In Thousands Except Rates/Percent)

INDICATOR	Total Population 15 Years Old and Over					Labor Force					Labor Force Participation Rate (%)				
	2012	2011	2010	Increment		2012	2011	2010	Increment		2012	2011	2010	Increment	
				2011-2012	2010-2011				2011-2012	2010-2011				2011-2012	2010-2011
TOTAL	62,985	61,882	60,717	1,103	1,165	40,426	40,006	38,893	420	1,113	64.2	64.6	64.1	(0.4)	0.5
Sex															
Men	31,369	30,805	30,223	564	582	24,616	24,345	23,729	271	616	78.5	79.0	78.5	(0.6)	0.5
Women	31,616	31,076	30,493	540	583	15,810	15,660	15,164	150	496	50.0	50.4	49.7	(0.4)	0.7
Age Group															
15-24 years old	18,928	18,576	18,220	352	356	8,734	8,675	8,276	59	399	46.1	46.7	45.4	(0.6)	1.3
25-34 years old	14,517	14,256	13,977	261	279	10,750	10,607	10,373	143	234	74.0	74.4	74.2	(0.4)	0.2
35-44 years old	11,244	11,066	10,892	178	174	8,883	8,759	8,565	124	194	79.0	79.2	78.6	(0.2)	0.6
45-54 years old	8,642	8,498	8,332	144	166	6,838	6,753	6,589	85	164	79.1	79.5	79.1	(0.3)	0.4
55-64 years old	5,457	5,363	5,253	94	110	3,698	3,687	3,566	11	121	67.8	68.7	67.9	(1.0)	0.8
65 years old and over	4,194	4,120	4,039	74	81	1,524	1,525	1,525	-1	0	36.3	37.0	37.8	(0.7)	(0.8)
Not reported	4	3	3	*	*	1	1	*	*	*	21.3	22.9	-	-	-

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

* Less than 500.

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

TABLE 4 - Summary Statistics on Employment, Philippines: 2010-2012
(In Thousands Except Rates)

INDICATOR	Total Employed Persons			Increment		Year-on-Year Growth Rate (%)	
	2012	2011	2010	2011-2012	2010-2011	2011-2012	2010-2011
EMPLOYED PERSONS	37,600	37,192	36,035	408	1,157	1.1	3.2
SECTOR							
Agriculture	12,093	12,267	11,956	(174)	311	(1.4)	2.6
Industry	5,743	5,530	5,399	213	131	3.9	2.4
Services	19,764	19,394	18,682	370	712	1.9	3.8
STATUS OF EMPLOYMENT							
Wage and salary workers	21,492	20,538	19,626	954	912	4.6	4.6
- Worked for private establishments	16,377	15,431	14,565	841	866	5.5	5.9
Employers in own family-operated farm or business	1,335	1,354	1,394	(19)	(40)	(1.4)	(2.9)
Self-employed without any paid employment	10,626	10,994	10,858	(368)	136	(3.3)	1.3
Workers without pay in own family-operated farm or business (unpaid family workers)	4,147	4,306	4,157	(159)	149	(3.7)	3.6
<i>Proportion of self-employed and unpaid family workers to total employment</i>	39.3	41.1	41.7				
HOURS OF WORK							
40 Hours and Over (Full-Time Employment)	23,201	23,258	22,905	(57)	353	(0.2)	1.5
Less than 40 Hours (Part-Time Employment)	13,925	13,448	12,654	477	794	3.5	6.3
Did Not Work	474	486	475	(13)	11	(2.6)	2.3
<i>Mean Hours Worked</i>	41.2	41.1	41.7				
REGION							
NCR	4,490	4,463	4,371	27	92	0.6	2.1
CAR	727	730	707	(3)	23	(0.4)	3.3
Region I	1,915	1,982	1,920	(67)	62	(3.4)	3.2
Region II	1,449	1,465	1,399	(16)	66	(1.1)	4.7
Region III	3,877	3,831	3,716	46	115	1.2	3.1
Region IV-A	4,753	4,666	4,493	87	173	1.9	3.9
Region IV-B	1,247	1,263	1,204	(8)	59	(1.3)	4.9
Region V	2,267	2,093	2,072	174	21	8.3	1.0
Region VI	3,008	3,072	2,974	(64)	98	(2.1)	3.3
Region VII	2,926	2,902	2,809	24	93	0.8	3.3
Region VIII	1,771	1,721	1,661	50	60	2.9	3.6
Region IX	1,388	1,426	1,386	(38)	40	(2.7)	2.9
Region X	1,956	1,921	1,858	35	63	1.8	3.4
Region XI	1,874	1,825	1,724	49	101	2.7	5.9
Region XII	1,682	1,682	1,617	0	65	0.0	4.0
Caraga	1,041	1,006	983	35	23	3.5	2.3
ARMM	1,229	1,145	1,142	84	3	7.3	0.3

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

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

**TABLE 5 - Summary Statistics on Unemployed Persons by Sex, Age Group
and Highest Educational Attainment, Philippines: 2010-2012**
(In Thousands Except Rates)

INDICATOR	Total Unemployed			Unemployment Rate			Percent Share (%)	
	2012	2011	2010	2012	2011	2010	2012	2011
TOTAL	2,826	2,814	2,859	7.0	7.0	7.4	100.0	100.0
Sex								
Men	1,767	1,772	1,808	7.2	7.3	7.6	62.5	63.0
Women	1,059	1,041	1,051	6.7	6.6	6.9	37.5	37.0
Age Group								
15-24 years old	1,412	1,417	1,460	16.2	16.3	17.6	50.0	50.4
25-54 years old	1,296	1,289	1,294	4.9	4.9	5.1	45.9	45.8
55 years old and over	117	106	106	2.2	2.0	2.1	4.1	3.8
Highest Grade Completed								
No Grade Completed	14	11	14		1.8	2.2	0.5	0.4
Elementary	373	354	374		3.1	3.3	13.2	12.6
Undergraduate	164	160	174		2.8	3.1	5.8	5.7
Graduate	209	194	200		3.4	3.5	7.4	6.9
High School	1,275	1,268	1,293		7.9	8.4	45.1	45.1
Undergraduate	334	323	363		6.0	7.0	11.8	11.5
Graduate	941	944	930		8.8	9.0	33.3	33.5
Post Secondary	233	-	-		-	-	8.2	-
Undergraduate	66	-	-		-	-	2.3	-
Graduate	167	-	-		-	-	5.9	-
College	931	1,181*	1,178*		10.0*	10.3*	32.9*	42.0*
Undergraduate	378	613	621		10.9	11.3	13.4	21.8
Graduate	553	568	557		9.3	9.4	19.6	20.2

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

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

REGION	Labor Force				Employment				Unemployment				Underemployment			
	2012		2011		2012		2011		2012		2011		2012		2011	
	No.	LFPR (%)	No.	LFPR (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)
PHILIPPINES	40,426	64.2	40,006	64.6	37,600	93.0	37,192	93.0	2,826	7.0	2,814	7.0	7,514	20.0	7,163	19.3
NCR	5,025	63.1	5,029	63.0	4,490	89.4	4,463	88.7	535	10.6	566	11.3	648	14.4	652	14.6
CAR	770	68.3	768	68.5	727	94.4	730	95.1	42	5.5	39	5.1	113	15.5	107	14.7
Region I	2,087	61.1	2,167	62.5	1,915	91.8	1,982	91.5	172	8.2	185	8.5	373	19.5	362	18.3
Region II	1,490	66.4	1,509	67.8	1,449	97.2	1,465	97.1	41	2.8	44	2.9	183	12.6	221	15.1
Region III	4,261	61.7	4,188	61.3	3,877	91.0	3,831	91.5	384	9.0	358	8.5	505	13.0	425	11.1
Region IV-A	5,218	64.4	5,167	64.7	4,753	91.1	4,666	90.3	465	8.9	502	9.7	849	17.9	834	17.9
Region IV-B	1,301	68.4	1,314	70.1	1,247	95.8	1,263	96.1	55	4.2	51	3.9	282	22.6	273	21.6
Region V	2,415	64.2	2,229	64.4	2,267	93.9	2,093	93.9	148	6.1	136	6.1	780	34.4	740	35.4
Region VI	3,220	63.6	3,291	64.9	3,008	93.4	3,072	93.3	212	6.6	219	6.7	659	21.9	710	23.1
Region VII	3,150	65.7	3,109	66.4	2,926	92.9	2,902	93.3	224	7.1	208	6.7	605	20.7	533	18.4
Region VIII	1,868	63.5	1,815	65.4	1,771	94.8	1,721	94.8	98	5.2	94	5.2	442	24.9	414	24.1
Region IX	1,444	66.4	1,474	65.7	1,388	96.1	1,426	96.7	55	3.8	48	3.3	384	27.7	312	21.9
Region X	2,052	69.7	2,011	70.0	1,956	95.3	1,921	95.5	96	4.7	90	4.5	560	28.6	521	27.1
Region XI	1,994	65.5	1,929	66.8	1,874	94.0	1,825	94.6	119	6.0	104	5.4	335	17.9	301	16.5
Region XII	1,756	66.4	1,749	66.3	1,682	95.8	1,682	96.2	74	4.2	68	3.9	391	23.2	345	20.5
Caraga	1,104	65.1	1,070	65.8	1,041	94.3	1,006	94.0	63	5.7	64	6.0	251	24.1	262	26.0
ARMM	1,272	56.5	1,186	55.7	1,229	96.6	1,145	96.5	43	3.4	40	3.4	156	12.7	152	13.3

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

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