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THE 2013 EMPLOYMENT SITUATION (THE YEAR IN REVIEW)



Overview

Employment situation was largely mixed in 2013. Boosted by strong economic performance, employment generation occurred in both the industry sector (3.0%) and services sector (2.4%) but overall growth was dragged down by the steep decline in agriculture employment (-2.8%) brought about by extreme weather conditions. Notwithstanding, the quality of employment improved as reflected by the rise in full time employment (4.7%) and wage and salary employment (3.0%) - particularly in private establishments (4.0%). Moreover, the incidence of underemployment fell slightly to 19.3% from 20.0% a year ago. On the other hand, unemployment rate at 7.1% and labor force participation rate (LFPR) at 63.9% were of little change from last year.

Figures cited in this report are preliminary and unless indicated represent the average of the four (4) rounds of the Labor Force Survey (LFS) conducted by the Philippine Statistics Authority (PSA) 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 size of the country's labor force barely grew in 2013 increasing by just 387,000 to reach 40.813 million. This represents a growth rate of merely one percent (+1.0%) from the level reported a year earlier - the slowest growth recorded since 2006.

This slowdown is reflected by the lower labor force participation rate (LFPR) in 2013 which stood at 63.9%, down by 0.3 percentage point from 64.2% a year ago. By sex, decline in participation rate was most pronounced among the male workforce (-0.4 percentage point or ppt) and by age group among persons 15-24 years old (-0.8 ppt). (Table 3)

**TABLE 1 – Key Employment Indicators,
Philippines: 2012-2013
(In Thousands Except Rates)**

INDICATOR	2013 ^p	2012	Year-on-Year Change
Household Population 15 Years Old and Over	63,847	62,985	862
Labor Force	40,813	40,426	387
- Employed Persons	37,917	37,600	317
- Unemployed Persons	2,896	2,826	70
Underemployed Persons	7,325	7,514	-189
- Visibly Underemployed	4,288	4,489	-201
Not in the Labor Force	23,034	22,559	475
LFPR (%)	63.9	64.2	
Unemployment Rate (%)	7.1	7.0	
Underemployment Rate (%)	19.3	20.0	
- Visible Underemployment Rate (%)	11.3	11.9	
Mean Hours of Work	41.7	41.2	

^p Preliminary.

Source of data: Philippine Statistics Authority, Labor Force Survey.

Employment

Employment level in 2013 was of little change as continued expansions in industry and services sectors were negated by a record decline in agriculture. On the average, the full-year employment growth rate across the four (4) survey rounds stood at 0.8% (+317,000) as total employed persons rose from 37.600 million to 37.917 million.

- Employment in 2013 was driven by the services sector which expanded by 2.4% (+476,000). Growth occurred mainly in wholesale and retail trade (+205,000) and transportation and storage (+102,000) which together accounted for nearly two-thirds (64.5%) of total employment generated in this sector. (*Table 2*)

Fairly large gains were also noted in administrative and support service activities (+76,000); other service activities (+29,000); human health and social work activities (+28,000); and accommodation and food service activities (+27,000).

- Industry sector employment was up by 3.0% (+174,000) on the back of the strong growth in construction (5.9% or +132,000). Modest growth occurred in manufacturing (1.2% or +38,000) and about unchanged in water supply and mining and quarrying.
- The record decline in agricultural employment (-2.8% or -334,000) was the main drag that pared down overall employment growth in 2013. The decline was brought about by extreme weather conditions that occurred throughout the year, i.e., intense heat in the second quarter and

destructive typhoons in the first, third and fourth quarters.

- On a positive note, the quality of employment was better in 2013. Wage and salary employment continued on its uptrend expanding by 3.0% (+644,000). This was accompanied by the sharp decline (-5.8% or -239,000) in employment of unpaid family workers and a marginal decline in self-employed persons (-0.2% or -16,000). As a result, the proportion of self-employed persons and unpaid family workers in total employment (*a Millennium Development Goal employment indicator*) fell to 38.3% from 39.3% in 2012. This figure represents a big improvement from the proportion reported in 2006 at 44.5%. Also on the decline is the proportion of laborers and unskilled workers in total employment – its share was down to 32.5% from 33.4% in 2012. (*Table 2a*)

Another bright spot is the sustained increase in wage and salary employment in private establishments which expanded by another 4.0% (+656,000) this year. This uptrend has been observed since 2006 and indicates the increasing contribution of the private sector in employment generation.

- Another indication of the growing economy is the rise in the number of persons in full-time employment. For 2013, the number of persons in full-time employment grew by more than a million (4.7% or +1.079 million) while persons in part-time employment correspondingly declined (-5.1% or -710,000). Thus, the mean hours of work rose to 41.7 from 41.2 a year ago.

Underemployment

Underemployment rate stood at 19.3% - down by 0.7 percentage point from last year's 20.0%. The decline was accompanied by the reduction in the total number of underemployed persons by 189,000 to 7.325 million.

- Nine (9) regions registered underemployment rate above the national average with the highest in Region V (37.3%), Caraga (27.1%) and Region X (25.7%). The lowest underemployment rate was in NCR (12.1%), Region II (12.9%) and ARMM (12.4%) (Table 5)
- Between 2012 and 2013, underemployment rate improved in eight (8) regions most notably in Region IX (-5.9 ppt) and Region VII (-5.6 ppt).

Meanwhile, underemployment rate worsened in Caraga (+3.0 ppt), Region V (+2.9 ppt) and Region III (+1.5 ppt). Little changes were observed in the rest of the regions.

Unemployment

The rate of unemployment in 2013 rose marginally by 0.1 percentage point to 7.1%. This translates to 2.896 million unemployed persons representing an increase of 70,000 persons from a year ago. It should be noted that the number of unemployed persons in the Philippines have stayed virtually stagnant at around 2.8 million since 2006.

- Unemployment is primarily a problem of the youth. Largely inexperienced, they comprised nearly one-half (48.5%) of total

unemployed. This figure, however, was 1.5 percentage points lower than last year. (Table 4)

- Men continued to dominate the unemployed as they comprised about three-fifths (62.6% or 1.813 million) of the total unemployed workforce, i.e., three in every five unemployed were men.
- More than one-third (34.1% or 988,000) were college educated - 20.3% or 588,000 were graduates. An almost equal proportion (32.9% or 953,000) were high school graduates while those who completed post secondary education accounted for just 6.2% (180,000) of total unemployed persons.
- Only the National Capital Region posted a double-digit unemployment rate (10.3%) - the highest across regions. Ranking a close second is Region IV-A (9.2%) followed by Region III (8.7%) and Region I (8.3%). The rest of the regions have unemployment rates lower than the national average. (Table 5)
- Small reductions in unemployment rates, ranging from 0.1 to 1.0 percentage point, were posted in six (6) regions, namely: NCR, CAR, Region III, Region IV-B, Region VII and Region IX.
- Two regions posted notable increases in unemployment rate: Region X (+1.0 percentage point) and Region XI (+0.9 percentage point). Small increases were recorded in the rest of the regions.

FOR INQUIRIES

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TABLE 2 - Employed Persons by Major Industry Group, Philippines: 2012 - 2013
(In Thousands Except Percent)

INDICATOR	2013 ^p	2012	Increment	Percent Change (%)
EMPLOYED PERSONS	37,917	37,600	317	0.8
MAJOR INDUSTRY GROUP				
Agriculture	11,759	12,093	(334)	(2.8)
Agriculture, forestry and hunting	10,362	10,660	(298)	(2.8)
Fishing	1,397	1,432	(35)	(2.4)
Industry	5,917	5,743	174	3.0
Mining and quarrying	250	250	0	0.0
Manufacturing	3,150	3,112	38	1.2
Electricity, gas, steam and airconditioning supply	94	89	5	5.6
Water supply; sewerage, waste management and remediation activities	60	59	1	1.3
Construction	2,364	2,232	132	5.9
Services	20,240	19,764	476	2.4
Wholesale and retail trade; repair of motor vehicles and motorcycles	7,069	6,864	205	3.0
Transportation and storage	2,719	2,617	102	3.9
Accommodation and food service activities	1,598	1,571	27	1.7
Information and communication	343	338	5	1.4
Financial and insurance activities	447	437	10	2.2
Real estate activities	172	170	2	1.0
Professional, scientific and technical activities	194	189	5	2.5
Administrative and support service activities	1,013	937	76	8.1
Public administration and defense; compulsory social security	1,951	1,958	(7)	(0.3)
Education	1,220	1,200	20	1.7
Human health and social work activities	466	438	28	6.4
Arts, entertainment and recreation	346	328	18	5.6
Other service activities	2,178	2,149	29	1.4
Activities of households as employers; undifferentiated goods-and-services-producing activities of households for own use	521	566	(46)	(8.0)
Activities of extraterritorial organizations and bodies	4	2	2	100.0

Notes: 1. Details may not add up to totals due to rounding.

2. Estimates for October 2013 excludes the province of Leyte.

^p Preliminary.

Source of basic data: Philippine Statistics Authority, Labor Force Survey.

**TABLE 2a - Employed Persons by Major Occupation Group,
Class of Worker and Hours Worked, Philippines: 2012 - 2013**
(In Thousands Except Percent)

INDICATOR	2013 ^p	2012	Increment	Percent Change (%)
EMPLOYED PERSONS	37,917	37,600	317	0.8
OCCUPATION				
Officials of government and special-interest organizations, corporate executives, managers, managing proprietors and supervisors	6,141	5,608	533	9.5
Professionals	1,867	1,807	60	3.3
Technicians and associate professionals	992	1,030	(38)	(3.7)
Clerks	2,240	2,116	124	5.9
Service workers and shop and market sales workers	4,665	4,554	111	2.4
Farmers, forestry workers and fishermen	4,966	5,297	(331)	(6.2)
Trades and related workers	2,592	2,511	81	3.2
Plant and machine operators and assemblers	2,019	2,014	5	0.2
Laborers and unskilled workers	12,328	12,547	(219)	(1.7)
Special occupations	108	116	(9)	(7.3)
CLASS OF WORKER				
Wage and salary workers	22,136	21,492	644	3.0
Worked for private household	1,959	1,993	(34)	(1.7)
Worked for private establishment	17,033	16,377	656	4.0
Worked for government and government-controlled corporation	3,018	3,000	18	0.6
Worked with pay in own family-operated farm or business	127	121	6	4.5
Self-employed without any paid employee	10,610	10,626	(16)	(0.2)
Employer in own family-operated farm or business	1,263	1,335	(72)	(5.4)
Worked without pay in own family-operated farm or business (unpaid family worker)	3,908	4,147	(239)	(5.8)
<i>Proportion of self-employed and unpaid family workers in total employment</i>	38.3	39.3		
HOURS WORKED IN A WEEK				
At work	37,495	37,127	368	1.0
Worked less than 40 hours (Part-time employment)	13,215	13,925	(710)	(5.1)
Worked 40 hours or longer (Full-time employment)	24,280	23,201	1,079	4.7
With job, not at work	422	474	(52)	(11.0)
Mean number of hours worked in a week	41.7	41.2	1	1.2

Notes: 1. Details may not add up to totals due to rounding.

2. Estimates for October 2013 excludes the province of Leyte.

^p Preliminary.

Source of basic data: Philippine Statistics Authority, Labor Force Survey.

**TABLE 3 - Summary Statistics on Household Population 15 years Old and Over
and Labor Force, Philippines: 2012 and 2013**

(In Thousands Except Rates)

INDICATOR	Total Population 15 Years Old and Over			Labor Force			Labor Force Participation Rate (%)		
	2013 ^p	2012	Increment	2013 ^p	2012	Increment	2013 ^p	2012	Increment
TOTAL	63,847	62,985	862	40,813	40,426	387	63.9	64.2	(0.3)
Sex									
Male	31,809	31,369	440	24,836	24,616	220	78.1	78.5	(0.4)
Female	32,038	31,616	422	15,977	15,810	167	49.9	50.0	(0.1)
Age Group									
15-24 years old	19,177	18,928	249	8,694	8,734	(40)	45.3	46.1	(0.8)
25-54 years old	34,886	34,403	483	26,854	26,470	384	77.0	76.9	0.0
55 years old and over	9,783	9,651	132	5,266	5,221	45	53.8	54.1	(0.3)
Not reported	2	4	(2)	*	1	(1)	*	*	*

Notes: 1. Details may not add to totals due to rounding of figures.

2. Estimates for October 2013 excludes the province of Leyte.

^p Preliminary.

* Less than 500/0.05 percent.

Source of data: Philippine Statistics Authority, Labor Force Survey.

TABLE 4 - Summary Statistics on Unemployment, Philippines: 2012 and 2013
(In Thousands Except Rates/Percent)

INDICATOR	Unemployed Persons		Percent Share		Labor Force		Unemployment Rate (%)	
	2013 ^P	2012	2013 ^P	2012	2013 ^P	2012	2013 ^P	2012
TOTAL	2,896	2,826	100.0	100.0	40,813	40,426	7.1	7.0
Sex								
Male	1,813	1,767	62.6	62.5	24,836	24,616	7.3	7.2
Female	1,083	1,059	37.4	37.5	15,977	15,810	6.8	6.7
Age Group								
15-24 years old	1,405	1,412	48.5	50.0	8,694	8,734	16.2	16.2
25-54 years old	1,373	1,296	47.4	45.9	26,854	26,470	5.1	4.9
55 years old and over	119	117	4.1	4.1	5,266	5,221	2.3	2.2
Highest Grade Completed								
No Grade Completed	15	14	0.5	0.5				
Elementary	377	373	13.0	13.2				
Undergraduate	171	164	5.9	5.8				
Graduate	206	209	7.1	7.4				
High School	1,287	1,275	44.4	45.1				
Undergraduate	334	334	11.5	11.8				
Graduate	953	941	32.9	33.3				
Post Secondary	231	233	8.0	8.2				
Undergraduate	50	66	1.7	2.3				
Graduate	180	167	6.2	5.9				
College	988	931	34.1	32.9				
Undergraduate	399	378	13.8	12.4				
Graduate	588	553	20.3	19.6				

Notes: 1. Details may not add up to totals due to rounding of figures.

2. Estimates for October 2013 excludes the province of Leyte.

p Preliminary.

Source of data: Philippine Statistics Authority, Labor Force Survey.

**TABLE 5 - Labor Force, Employment, Unemployment and Underemployment by Region
Philippines: 2012 - 2013**
(In Thousands Except Rates)

REGION	Labor Force				Employment				Unemployment				Underemployment			
	2013 ^P		2012		2013 ^P		2012		2013 ^P		2012		2013 ^P		2012	
	No.	LFPR (%)	No.	LFPR (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)
PHILIPPINES	40,813	63.9	40,426	64.2	37,917	92.9	37,600	93.0	2,896	7.1	2,826	7.0	7,325	19.3	7,514	20.0
NCR	5,130	63.5	5,025	63.1	4,603	89.7	4,490	89.4	527	10.3	535	10.6	556	12.1	648	14.4
CAR	771	67.1	770	68.3	735	95.3	727	94.4	35	4.5	42	5.5	104	14.1	113	15.5
I - Ilocos Region	2,130	61.3	2,087	61.1	1,954	91.7	1,915	91.8	176	8.3	172	8.2	391	20.0	373	19.5
II - Cagayan Valley	1,524	67.0	1,490	66.4	1,476	96.9	1,449	97.2	48	3.1	41	2.8	190	12.9	183	12.6
III - Central Luzon	4,370	62.0	4,261	61.7	3,991	91.3	3,877	91.0	380	8.7	384	9.0	579	14.5	505	13.0
IVA - CALABARZON	5,331	64.5	5,218	64.4	4,842	90.8	4,753	91.1	489	9.2	465	8.9	867	17.9	849	17.9
IVB - MIMAROPA	1,294	66.3	1,301	68.4	1,241	95.9	1,247	95.8	53	4.1	55	4.2	290	23.4	282	22.6
V - Bicol Region	2,452	63.9	2,415	64.2	2,292	93.5	2,267	93.9	160	6.5	148	6.1	855	37.3	780	34.4
VI - Western Visayas	3,235	62.7	3,220	63.6	3,011	93.1	3,008	93.4	224	6.9	212	6.6	682	22.7	659	21.9
VII - Central Visayas	3,160	64.7	3,150	65.7	2,961	93.7	2,926	92.9	199	6.3	224	7.1	448	15.1	605	20.7
VIII- Eastern Visayas	1,725	64.7	1,868	63.5	1,631	94.6	1,771	94.8	94	5.4	98	5.2	413	25.3	442	25.0
IX - Zamboanga Peninsula	1,445	65.1	1,444	66.4	1,395	96.5	1,388	96.1	50	3.5	55	3.8	304	21.8	384	27.7
X - Northern Mindanao	2,051	68.3	2,052	69.7	1,934	94.3	1,956	95.3	117	5.7	96	4.7	497	25.7	560	28.6
XI - Davao Region	1,989	64.2	1,994	65.5	1,851	93.1	1,874	94.0	138	6.9	119	6.0	319	17.2	335	17.9
XII - SOCCSKSARGEN	1,769	65.5	1,756	66.4	1,691	95.6	1,682	95.8	78	4.4	74	4.2	385	22.8	391	23.2
Caraga	1,152	66.5	1,104	65.1	1,083	94.0	1,041	94.3	70	6.1	63	5.7	293	27.1	251	24.1
ARMM	1,289	56.0	1,272	56.5	1,230	95.4	1,229	96.6	59	4.6	43	3.4	152	12.4	156	12.7

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2. Estimates for October 2013 excludes the province of Leyte.

p Preliminary.

Source of data: Philippine Statistics Authority, Labor Force Survey.