



THE EMPLOYMENT SITUATION IN 1997 (The Year in Review)

Overview

The Philippine labor market in 1997 remained relatively sluggish compared with the high growth year of 1996. This is due in large part to the continued slump in agricultural employment and the effects of the Asian currency crisis that disrupted the country's growth momentum during the second half of the year.

For the year under review, labor force grew by 2.1 percent to 30.354 million as the number of jobless persons rose by 94,000 and employment growth rate edged down to 1.9 percent from a high of 5.9 percent recorded in 1996. This notwithstanding, the quality of employment managed to improve with full-time employment on the rise and wage and salary employment sustaining its previous year growth.

Employment

In comparison to last year, employment level showed little change increasing by only a third (+ 529,000) of the 1.510 million increment recorded a year earlier. On an annual basis, **total employed persons** in 1997 averaged at 27.715 million.

Year	Employment ('000)	Increment ('000)	Growth Rate (%)
1996 (Ave.)	27,186	1,510	5.9
January	26,527	1,333	5.3
April	27,358	1,634	6.3
July	27,419	1,329	5.1
October	27,442	1,744	6.8
1997 (Ave.)	27,715	529	1.9
January	27,335	808	3.0
April	28,105	747	2.7
July	27,531	112	0.4
October	27,888	446	1.6

Figures in Table A indicate that for the four (4) survey rounds in 1997, employment growth rates reflected a diminishing trend which is in direct contrast to the stable and strong growth posted in 1996.

Sectoral Group

Agricultural employment which grew strongly last year at 4.5 percent (+ 498,000), decline steadily throughout 1997 contracting by 2.8 percent (-326,000) on a full-year basis. This decline pulled down to 40.8 percent the share of agriculture to total employment, a full 2.0 percentage points drop from 1996.

Though modest in comparison to the gains in previous year, employment increases occurred in the **goods-producing sector** (4.5% from 7.0% in 1996) and **service-producing sector** (5.9% from 7.0% in 1996).

Employment gains were concentrated in the **service-producing sector** (+ 656,000) notably in **community** (+ 346,000), **trade** (+ 125,000) and **utility** (+ 111,000) sub-sectors. As a proportion to total employment, their collective share edged up to 42.4 percent from 40.8 percent in 1996.

In the **goods-producing sector**, **construction** continued to take the lead - though this year's growth has decelerated to 8.8 percent (+ 132,000) from a high of 15.5 percent (+ 202,000) the previous year. Similarly, growth in **manufacturing** employment was down to a negligible 1.3 percent (+ 36,000) from 3.0 percent (+ 79,000) in 1996. Overall, the share of the goods-producing sector to total employment was unchanged from last year (16.7%).

Hours of Work

On a positive note, more persons found full-time employment this year. Data showed that **full-time employment** (40 hours work per week and over) expanded 6.7 percent (+1.147 million), about three times the previous year rate (2.2% or + 375,000). This reflects a big improvement from the 1996 when **part-time employment** accounted for the biggest employment increment (+1.127 million). For this year, part-time employment was down by 6.9 percent (-684,000).

Class of Worker

Another bright spot in the 1997 data is the respectable growth in **wage and salary employment** which expanded at the same rate last year (6.4% or + 812,000).

It should be underscored that the strong employment in 1996 was mainly attributed to the unusually large increase in **unpaid-family workers** (10.8% or + 410,000) and the moderate growth in **own-account employment** (3.2% or + 321,000).

For this year, however, **unpaid family workers** suffered a sharp decline (-7.3% or -309,000) while **own-account employment** was about unchanged (0.3% or + 26,000). This suggests that while employment growth has fallen, the slowdown was confined mostly to less desirable types of employment while growth was maintained in more remunerative ones.

Region

Only eight (8) regions posted notable gains in employment while others recorded little change in employment levels. Employment gain was registered highest in National Capital Region (+ 150,000) followed in order of increment by Region I (+ 97,000), Region XII (+ 82,000), Regions IV and VII (+ 73,000 each), Region VI (+ 63,000) and Region III (+ 31,000). On the other hand, large employment losses were observed in Region XI (-57,000) and ARMM (-19,000).

Unemployment

Despite the slump in employment, the **national unemployment rate** for 1997 managed to stay at about the same rate last year increasing by a negligible 0.1 percent to 8.7 percent.

Table B showed that the jobless rates during the months of January (7.7%) and April (10.4%) were still on the decline from last year level (8.3% and 10.9%, respectively). It was not until the second half of the year that the jobless rates for July (8.7%) and October (7.9%) went up and exceeded the rates in the previous year (7.5% and 7.4%, respectively). The rate would have been higher if this year's **labor force participation rate** (66.3 %) had gone up from last year (66.7%).

In absolute terms, the **level of unemployment** fell in January (-101,000) and April (-92,000) then rose in July (+385,000) and October (+182,000). Overall, the **number of unemployed persons** for 1997 went up by an average of 94,000 to 2.640 million persons.

Five (5) regions registered jobless rate higher than the national average, namely: NCR (13.8%), Region III (9.9%), CARAGA (9.3%), Region VII (9.1%) and Region VI (8.9%). Jobless rate remained lowest in ARMM (3.4%) and Region II (4.6%).

The youth (15-24 years old) continued to account for the biggest proportion of the unemployed persons (50.8% or 1.340 million). This year, youth unemployment rate was upped to 18.1 percent from 17.8 percent last year.

About 42.0 percent of the total employed persons were women. Female unemployment rate (9.8%) was observed higher than their male counterpart (8.1%).

Table B
Summary Statistics on Unemployment,
Philippines :1996-1997

Year	Unemployment ('000)	Increment ('000)	Unemployment Rate (%)
1996 (Ave.)	2,546	-158	8.6
January	2,397	-28	8.3
April	3,355	-180	10.9
July	2,238	-278	7.5
October	2,195	-147	7.4
1997 (Ave.)	2,640	94	8.7
January	2,296	-101	7.7
April	3,263	-92	10.4
July	2,623	385	8.7
October	2,377	182	7.9

Underemployment

The incidence of **underemployment** was placed at 22.1 percent, upped by 1.1 percentage points from last year. This corresponds to a **total underemployed persons** of 6.122 million.

Of the total underemployed persons, close to one-half or 3.031 million worked less than 40 hours a week or **visibly underemployed**. This number was slightly lower compared to the level recorded last year at 3.042 million.

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TABLE 1.0
SUMMARY STATISTICS ON LABOR FORCE
PHILIPPINES: 1996 AND 1997
(in thousands)

Year/Month	Labor Force	Employment	Unemployment	Underemployment
1996 (Average)	<u>29,733</u>	<u>27,186</u>	<u>2,546</u>	<u>5,719</u>
January	28,924	26,527	2,397	5,561
April	30,713	27,358	3,355	6,086
July	29,657	27,419	2,238	5,904
October	29,637	27,442	2,195	5,326
1997 (Average)	<u>30,354</u>	<u>27,715</u>	<u>2,640</u>	<u>6,122</u>
January	29,631	27,335	2,296	5,755
April	31,368	28,105	3,263	6,577
July	30,154	27,531	2,623	6,348
October	30,265	27,888	2,377	5,806

Details may not add up to totals due to roundings.

TABLE 2.0.
SUMMARY STATISTICS ON LABOR FORCE
PHILIPPINES: 1996 AND 1997
(in percent)

Year/Month	Labor Force Participation Rate	Unemployment Rate	Underemployment Rate	Visible Underemployment Rate
1996 (Ave.)	<u>66.7</u>	<u>8.6</u>	<u>21.0</u>	<u>11.2</u>
January	65.5	8.3	21.0	10.9
April	69.1	10.9	22.2	13.1
July	66.3	7.5	21.5	10.6
October	65.8	7.4	19.4	10.1
1997 (Ave.)	<u>66.3</u>	<u>8.7</u>	<u>22.1</u>	<u>10.9</u>
January	65.4	7.7	21.1	11.0
April	68.8	10.4	23.4	11.8
July	65.7	8.7	23.1	10.4
October	65.5	7.9	20.8	10.5

Details may not add up to totals due to roundings.

Source: **National Statistics Office**

TABLE 3.0
SUMMARY STATISTICS ON EMPLOYMENT BY INDUSTRY,
PHILIPPINES : 1996-1997
(in thousands except rates)

Industry	Employment (Average)		Increment		Growth rate (%)	
	1996	1997	1996	1997	1996	1997
ALL INDUSTRIES	27,186	27,715	1,510	529	5.9	1.9
Agriculture, Fishery & Forestry	11,645	11,319	498	-326	4.5	-2.8
Industry	4,430	4,629	291	199	7.0	4.5
Mining and Quarrying	113	129	6	16	5.6	14.1
Manufacturing	2,696	2,732	79	36	3.0	1.3
Electricity, Gas & Water	118	132	4	14	3.5	11.9
Construction	1,504	1,636	202	132	15.5	8.8
Services	11,107	11,763	729	656	7.0	5.9
Wholesale & Retail Trade	4,013	4,138	246	125	6.5	3.1
Transportation, Storage & Communication	1,630	1,741	153	111	10.3	6.8
Financing, Insurance, Real Estate & Bus. Services	614	688	79	74	14.8	12.0
Community, Social & Personal Services	4,850	5,196	250	346	5.4	7.3
Not adequately classified	4	6	-8	2		

Details may not add up to totals due to roundings.

Source : *National Statistics Office*

TABLE 4.0
SUMMARY STATISTICS ON EMPLOYMENT BY HOURS OF WORK AND CLASS OF WORKER,
PHILIPPINES : 1996-1997
(in thousands except rates)

Item	Employment (Average)		Increment		Growth rate (%)	
	1996	1997	1996	1997	1996	1997
<u>ALL EMPLOYED PERSONS</u>	27,186	27,715	1,510	529	5.9	1.9
Employed Working						
Less than 40 hours (Part-time Employment)	9,855	9,171	1,127	-684	12.9	-6.9
40 hours and over (Full-time Employment)	17,022	18,169	375	1,147	2.2	6.7
Not working	309	375	8	66		
Class of Worker						
Wage and Salary Worker	12,649	13,461	779	812	6.6	6.4
Own-account Worker	10,326	10,352	321	26	3.2	0.3
Unpaid Family Worker	4,211	3,902	410	-309	10.8	-7.3

Details may not add up to totals due to roundings.

Source : *National Statistics Office*

TABLE 5.0
SUMMARY STATISTICS ON EMPLOYMENT BY REGION,
PHILIPPINES : 1996-1997
(in thousands except rates)

Region	Total Employed Persons (Average)		Increment	Growth rate (%)
	1996	1997		
PHILIPPINES	27,186	27,715	529	1.9
NCR - National Capital Region	3,390	3,540	150	4.4
CAR -Cordillera Administrative Region	559	551	-8	-1.4
Region I - Ilocos Region	1,482	1,579	97	6.5
Region II - Cagayan Valley	1,235	1,228	-7	-0.6
Region III - Central Luzon	2,544	2,575	31	1.2
Region IV - Southern Tagalog	3,628	3,701	73	2.0
Region V- Bicol	1,961	1,965	4	0.2
Region VI - Western Visayas	2,381	2,444	63	2.6
Region VII - Central Visayas	1,961	2,034	73	3.7
Region VIII - Eastern Visayas	1,486	1,483	-3	-0.2
Region XI - Western Mindanao	1,064	1,075	11	1.0
Region X - Northern Mindanao	1,152	1,185	33	2.9
Region XI - Southern Mindanao	1,981	1,924	-57	-2.9
Region XII - Central Mindanao	829	911	82	9.9
ARMM-Autonomous Region in Muslim Mindanao	677	658	-19	-2.8
Caraga	857	860	3	0.4

Details may not add up to totals due to roundings.

Source : **National Statistics Office**

TABLE 6.0
SUMMARY STATISTICS ON UNEMPLOYMENT BY REGION,
PHILIPPINES : 1996-1997
(in thousands except rates)

Region	Total Unemployed Persons (Average)		Increment	Unemployment Rate (%)
	1996	1997		
PHILIPPINES	2,546	2,640	94	8.7
NCR - National Capital Region	546	568	22	13.8
CAR -Cordillera Administrative Region	40	36	-4	6.1
Region I - Ilocos Region	135	140	5	8.1
Region II - Cagayan Valley	47	60	13	4.6
Region III - Central Luzon	290	282	-8	9.9
Region IV - Southern Tagalog	318	332	14	8.2
Region V- Bicol	149	155	6	7.3
Region VI - Western Visayas	245	239	-6	8.9
Region VII - Central Visayas	210	202	-8	9.1
Region VIII - Eastern Visayas	123	140	17	8.6
Region XI - Western Mindanao	62	73	11	6.3
Region X - Northern Mindanao	78	82	4	6.5
Region XI - Southern Mindanao	150	162	12	7.8
Region XII - Central Mindanao	56	63	7	6.4
ARMM-Autonomous Region in Muslim Mindanao	15	23	8	3.4
Caraga	83	88	5	9.3

Details may not add up to totals due to roundings.

Source : **National Statistics Office**

TABLE 7.0
SELECTED CHARACTERISTICS OF UNEMPLOYED PERSONS,
PHILIPPINES: 1996-1997
(in thousands except rates)

Item	Total Unemployed Persons		Percent Share (%)		Unemployment Rate (%)	
	1996	1997	1996	1997	1996	1997
Sex	2,546	2,640	100.0	100.0	8.6	8.7
Male	1,464	1,530	57.5	58.0	13.7	8.1
Female	1,082	1,110	42.5	42.0	9.7	9.8
Age	2,546	2,640	100.0	100.0	8.6	8.7
15 -24	1,321	1,340	51.9	50.8	17.8	18.1
25 and Over	1,225	1,299	48.1	49.2	5.4	5.7
Area	2,546	2,640	100.0	100.0	8.6	8.7
Urban	1,567	1,569	61.5	59.4	11.0	11.1
Rural	979	1,070	38.5	40.5	6.3	6.6

Details may not add up to totals due to roundings.

Source : National Statistics Office

TABLE 8.0
SUMMARY STATISTICS ON UNDEREMPLOYMENT,
PHILIPPINES : 1996-1997
(in thousands except rates)

<u>Year/Month</u>	Total Underemployed Persons	Visible Underemployed Persons	Underemployment Rate (%)	Visible Underemployment Rate (%)
1996 (Average)	5,719	3,042	21.0	11.2
January	5,561	2,891	21.0	10.9
April	6,086	3,596	22.2	13.1
July	5,904	2,919	21.5	10.6
October	5,326	2,763	19.4	10.1
1997 (Average)	6,122	3,031	22.1	10.9
January	5,755	3,006	21.1	11.0
April	6577	3,321	23.4	11.8
July	6,348	2,866	23.1	10.4
October	5,806	2,932	20.8	10.5

Details may not add up to totals due to roundings

Source : *National Statistics Office*

TABLE 9.0
DISTRIBUTION OF UNDEREMPLOYED PERSONS BY AREA,
PHILIPPINES: 1996-1997
(in thousands except rate)

Item	Total Underemployed Persons		Visible Underemployed Persons	
	Number	Percent Share (%)	Number	Percent Share (%)
1996				
Philippines	5,719	100.0	3,042	100.0
Urban	2,240	39.2	1,042	34.4
Rural	3,479	60.8	2,000	65.6
1997				
Philippines	6,122	100.0	3,031	100.0
Urban	2,303	37.6	925	30.5
Rural	3,818	62.4	2,106	69.5

Details may not add up to totals due to roundings

Source : *National Statistics Office*