



A PROFILE of EMPLOYMENT in ESTABLISHMENTS with FOREIGN EQUITY (1996 - 1997)



INTRODUCTION

This report presents 1996-1997 statistics on the profile of establishments with foreign equity, their level and pattern of employment, the extent of unionism and collective bargaining agreement and employment of specific groups of workers. The data presented herein were obtained from one of the surveys being conducted annually by the Bureau of Labor and Employment Statistics, the **Survey of Specific Groups of Workers**. Some 8,374 agricultural and non-agricultural establishments with at least ten (10) workers were covered in 1996 and 9,795 were sampled in 1997.

SURVEY RESULTS

PROFILE OF ESTABLISHMENTS WITH FOREIGN EQUITY

Establishments with foreign equity grew by 23.3 percent in 1997

An estimated 3,700 or 8.5 percent of the 43,400 establishments hiring ten workers or more have acquired foreign equity in 1997. This figure represents a net addition of some 700 establishments to the existing 3,000 establishments with foreign equity in 1996 or a 23.3 percent growth rate over the period.

Foreign partnership common in manufacturing

Businesses engaged in manufacturing accounted for the biggest proportion of establishments with foreign equity (35.1%) in 1997. Following next, with a share of a little more than one-fifth (21.6%) each, were financing services and wholesale and retail trade. The relative shares of other sectors were found to be at ten (10) percent or lower.

Between 1996 and 1997, virtually all sectors registered an increase in the number of establishments with acquired foreign capital. The biggest increment was recorded in manufacturing (+300) followed by community services (+100), trade (+100) and transport, storage and communication (+100). Financing is the only sector that suffered a decline (-100).

Majority of establishments with foreign equity were NCR-based

The National Capital Region continued to be the top choice for foreign investors. Though slightly lower than last year's 63.3 percent, NCR still accounted for more than half of the total establishments with foreign ownership (59.5% in 1997) with Region IV ranking a poor second (13.5%) but with a growth rate of 150 percent for the period. The rest

were spread thinly across other regions of the country.

LEVEL AND PATTERN OF EMPLOYMENT

About 126,000 new jobs created in establishments with foreign equity in 1997

The estimated number of workers in establishments with ten (10) workers or more grew by 10 percent in 1997, as employment rose to 2.9 million from previous year's 2.6 million. Accordingly, the estimated employment in establishments with foreign equity increased to 654,000 from 528,000 reported a year ago. This brought about a total of 126,000 newly hired workers in establishments with foreign equity.

The bulk of workers were found in the manufacturing sector

Workers in the manufacturing sector constituted the biggest proportion of workforce in establishments with foreign capital claiming more than one-half (56.0%) of its total employment in 1997. The employment shares of other sectors were lower at less than ten (10) percent each.

Of the estimated 126,000 jobs created in 1997, the biggest volume was in community services (+48,000) followed by transportation, storage and communication (+31,000), manufacturing (+21,000) and construction (+13,000). On the other hand, the financing sector posted a decrease in employment (-9,000) due to the decline in the number of establishments with foreign equity in said sector.

Jobs created in establishments with foreign equity posted highest in NCR and Region IV

The bulk of the jobs created by establishments with foreign equity were concentrated largely in NCR (+72,000) and Region IV (+20,000) where most of the country's industrial and export processing zones are located. Considerable numbers were also reported in Region XI (+16,000) and Region III (+11,000).

EMPLOYMENT OF SPECIFIC GROUPS OF WORKERS

Ratios of women and young workers higher in establishments with foreign equity

From 1996 to 1997, more women have been hired in establishments with foreign equity than in locally-owned establishments

(43.4% vs. 35.8% in 1996 and 42.2% vs. 36.2% in 1997).

Similarly, more young workers (aged 15-24) were given employment opportunities in firms with foreign equity. Their employment shares of 15.1 percent in 1997 and 14.2 percent in 1996 exceed that of young workers in Filipino-owned establishments (13.0% and 10.7%, respectively).

Workers in establishments with foreign equity better paid than locally owned establishments

Minimum wage earners made up 18.3 percent of total workers affiliated in companies with foreign capital in 1997 and even lesser at 12.9 percent in 1996. Meanwhile, of the total employed in local establishments, 30.5 percent and 27.5 percent in 1997 and 1996, respectively, were minimum earners. This implies that those firms with foreign equity holdings granted higher salaries than their local counterpart.

Unionism and collective bargaining more prevalent in establishments with foreign equity

Unionism was more prevalent in establishments with foreign equity than in companies without foreign equity. Specifically, over one-third of its total workforce were members of

various labor organizations (45.1% in 1996 and 36.9% in 1997) compared to only one-fifth (23.5% in 1996 and 20.0% in 1997) for locally-owned companies.

these establishment are covered by collective bargaining agreements than those employed in firms without foreign equity (23.4% in 1996 and 20.3% in 1997).

Accordingly, more workers (46.0% in 1996 and 35.9% in 1997) in



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Table 1
SUMMARY STATISTICS
NUMBER OF ESTABLISHMENTS WITH FOREIGN EQUITY:
1996-1997

Indicator	Number of Establishment		Percent Distribution		1996-1997	
	1996	1997	1996	1997	Incre- ment	Growth Rate (%)
1. Total Establishments	35,000	43,400				
- With Foreign Equity	3,000	3,700			700	23.3
- % share	8.6	8.5				
2. Industry Distribution						
Top Five						
- Manufacturing	1,000	1,300	33.3	35.1	300	30.0
- Financing	900	800	30.0	21.6	-100	-11.1
- Trade	700	800	23.3	21.6	100	14.3
- Community Services	300	400	10.0	10.8	100	33.3
- Transport, Storage And communication	100	200	3.3	5.4	100	100.0
Others	*	200	*	5.4	200	*
3. Regional Distribution						
Top Five						
- NCR	1,900	2,200	63.3	59.5	300	15.8
- Region IV	200	500	6.7	13.5	300	150.0
- Region VII	200	200	6.7	5.4	0	0.0
- Region III	200	200	6.7	5.4	0	0.0
- Region VI	100	100	3.3	2.7	0	0.0
Other Regions	400	500	13.3	13.5	100	25.0

* Less than 100 establishments.

Table 2
SUMMARY STATISTICS
EMPLOYMENT IN ESTABLISHMENTS WITH FOREIGN EQUITY:
1996-1997

(In thousands except percent)

Indicator	Total Workers		Percent Distribution		1996-1997	
	1996	1997	1996	1997	Increase	Growth Rate (%)
1. Total Employment	2,606	2,865				
- With Foreign Equity	528	654			126	23.9
- % share	20.2	22.8				
2. Industry Distribution						
Top Five						
- Manufacturing	345	366	65.3	56.0	21	6.1
- Community Services	16	64	3.0	9.8	48	300.0
- Transport, Storage and Communication	19	50	3.6	7.6	31	163.2
- Financing	56	47	10.6	7.2	-9	-16.1
- Construction	31	44	5.9	6.7	13	41.9
Others	61	83	11.6	12.7	22	36.1
3. Regional Distribution						
Top Five						
- NCR	306	378	58.0	57.8	72	23.5
- Region IV	89	109	16.9	16.7	20	22.5
- Region XI	35	51	6.6	7.8	16	45.7
- Region VII	35	36	6.6	5.5	1	2.9
- Region III	10	21	1.9	3.2	11	110.0
Other Regions	53	59	10.0	9.0	6	11.3

Table 3
SUMMARY STATISTICS
EMPLOYMENT OF SPECIFIC GROUPS OF WORKERS:
1996-1997
(In thousands except percent)

Indicator	1996		1997	
	Number of Workers	% Share	Number of Workers	% Share
1. Establishments with Foreign Equity	528	20.2	654	22.8
- Female Workers	229	43.4	276	42.2
- Young Workers (15-19 years 10 old)	75	14.2	99	15.1
- Minimum Wage Earners	68	12.9	120	18.3
- Unionized Workers	238	45.1	241	36.9
- Workers Covered by CBA	243	46.0	235	35.9
2. Establishments without Foreign Equity	2,078	79.7	2,211	77.2
- Female Workers	744	35.8	801	36.2
- Young Workers (15-19 years old)	222	10.7	286	13.0
- Minimum Wage Earners	572	27.5	674	30.5
- Unionized Workers	488	23.5	441	20.0
- Workers Covered by CBA	486	23.4	448	20.3