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## The LABOR FORCE SURVEY In Brief July (1997-1998)

### OVERVIEW

The July round of the **1998 Labor Force Survey (UFS)** showed mixed results for the country's labor market. While agricultural sector employment has slightly recovered and service sector employment grew at a modest pace (3.7%), overall employment growth remained weak (1.2%) as industry sector employment continued to decline (-2.9%) due to the lingering effects of the currency crisis.

Contrary to expectations of a higher unemployment rate, the July unemployment figure edged up by a negligible 0.2 percentage point, from 8.7 percent that prevailed a year ago to 8.9 percent. This can be attributed to fewer people entering the labor market. Moreover, the incidence of underemployment has gone down considerably by 2.3 percentage points to 20.8 percent.

### Participation Rate

The labor force participation rate (LFPR) decreased by 0.8 percentage point from 65.7 percent in July of last year. Young workers and women workers accounted for nearly all of the decline in LFPR. Overall, labor force population expanded by 439,000 to reach 30.593 million in July 1998.

### EMPLOYMENT

Compared to July last year, employment grew by a modest 1.2 percent increasing by 325,000 to reach 27.856 million. This, however, represents a slight improvement from the April 1998 LFS round when employment contracted by 1.0 percent from previous year level. Despite the slight recovery, the quality of employment remained weak.

☞ Industry employment fell (-136,000) reflecting the effects of the currency crisis. Losses were particularly heavy in construction (-106,000) and to certain extent in manufacturing(-51,000).

Increases in employment were concentrated mainly in sectors where informal activities predominate, namely; community, social and personal services (+256,000), wholesale and retail trade (+112,000) and transportation, storage and communication (+81,000).

Employment in the agriculture, fishery and forestry sector managed to bounce back (+19,000) after suffering a series of decline last year.

☞ Employment gains were largely driven by the growth in part-time employment (+1,042,000), own-account employment (+430,000) and unpaid family workers (+172,000). On the other hand, employment losses were noted among persons usually in full-time employment (-767,000) and those in wage and salary employment (-276,000).

☞ Employment rose in all but five regions. Strong employment growth were noted in Region 111 (+103,000), Region IV (+88,000), Region V (+59,000) and Region X (+55,000). The regions, which recorded employment slump were: Region I (-11,000), Region II (-15,000), Region VII (-19,000), Region VIII (-25,000) and Region IX (-30,000).

## UNEMPLOYMENT

In July 1998, the level of unemployment rose marginally by 114,000 from the same period last year. This placed the total unemployed persons at 2.737 million or an unemployment rate of 8.9 percent.

☞ The withdrawal of youth (15-24 years old) in the labor force, as indicated by the drop in their labor force participation rate (from 50.2% to 48.5%), put downward pressure on the expected increase in the number of unemployed persons. As a consequence, unemployment rate for this age group dropped by 0.5 percentage point to 17.8 percent.

☞ Similarly, participation rate among women declined during the period (48.8% to 48.0%) pushing down their unemployment rate by 0.3 percentage point to 9.4 percent.

☞ Unemployment rate was down considerably in Region III (-1.8 percentage points to 8.7%) and ARMM (-1.0 percentage point to 2.3%). However, the rates rose sharply in Region VII (+3.0 percentage points to 11.5%) and to some extent in Region XII (1.4 percentage points to 7.7%) and Caraga (+1.2 percentage points to 10.0%). There were no significant changes in other regions.

## UNDEREMPLOYMENT

The number of persons wanting more hours of work or '*underemployed*' fell by 545,000 to 5.803 million. The decline was mainly attributed to those who worked 40 hours or more a week or '*invisibly underemployed*' (-715,000). On the other hand, the number of '*visibly underemployed*' persons or those who worked less than 40 hours a week registered on increase of +170,000.

☞ The bulk (62.2%) of the underemployed persons were in the rural areas, mostly in the agriculture, fishery and forestry sector (48.0%). Relatively large proportions were also found in the informal sector particularly those engaged in community, social and personal services (15.6%) and wholesale and retail trade (11.8%).

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## LABOR FORCE SURVEY: July 1997-1998

### I. SUMMARY STATISTICS (in million except rates)

Indicator	July 1997	July 1998	Change (July 1997-1998)
Labor Force	30.154	30.593	0.439
Employed	27.531	27.856	0.325
Underemployed	6.348	5.803	-0.545
Unemployed	2.623	2.737	0.114
Labor Force Participation Rate (%)	65.7	64.9	-0.8
Unemployment Rate (%)	8.7	8.9	0.2
Underemployment Rate (%)	23.1	20.8	-2.3

### II. INDUSTRY EMPLOYMENT (in thousands, except rate)

Industry	Total Employed Persons		Change (July 1997- 1998)	Growth Rate (%)
	July 1997	July 1998		
<b><i>ALL INDUSTRIES</i></b>	<b><u>27,531</u></b>	<b><u>27,856</u></b>	<b><u>325</u></b>	<b><u>1.2</u></b>
Agriculture, Fishery & Forestry Industry	10,987	11,006	19	0.2
Mining & Quarrying	4,656	4,520	-136	-2.9
Manufacturing	133	128	-5	-3.8
Electricity, Gas & Water	2,697	2,646	-51	-1.9
Construction	125	151	26	20.8
Service	1,701	1,595	-106	-6.2
Wholesale & Retail Trade	11,883	12,327	444	3.7
Transportation	4,129	4,241	112	2.7
Financing	1,750	1,831	81	4.6
Community	676	671	-5	-0.7
NEC	5,328	5,584	256	4.8
	6	3	-3	-50.0

Source: National Statistics Office.

III. EMPLOYMENT BY HOURS OF WORK (in thousands)

Indicator	July 1997	July 1998	Change (July 1997-1998)
Part-time (less than 40 hrs.)	8,377	9,419	1,042
Full-time (40 hrs. and more)	18,899	18,132	-767

IV. EMPLOYMENT BY CLASS OF WORKER (in thousands)

Indicator	July 1997	July 1998	Change (July 1997-1998)
Wage and salary	13,917	13,641	-276
Own - Account	10,016	10,446	430
Unpaid family workers	3,598	3,770	172

V. EMPLOYMENT BY REGION (in thousands, except rote)

Region	Total Employed Persons		Change (July 1997-1998)	Growth Rate (%)
	July 1997	July 1998		
<b><i>PHILIPPINES</i></b>	<b><u>27,531</u></b>	<b><u>27,856</u></b>	<b><u>325</u></b>	<b><u>1.2</u></b>
NCR	3,577	3,602	25	0.7
CAR	549	554	5	0.9
Region I	1,552	1,541	-11	-0.7
Region II	1,219	1,204	-15	-1.2
Region III	2,563	2,666	103	4.0
Region IV	3,656	3,744	88	2.4
Region V	1,928	1,987	59	3.1
Region VI	2,454	2,490	36	1.5
Region VII	2,035	2,016	-19	-0.9
Region VIII	1,471	1,446	-25	-1.7
Region IX	1,099	1,069	-30	-2.7
Region X	1,153	1,208	55	4.8
Region XI	1,899	1,900	1	0.1
Region XII	899	901	2	0.2
ARMM	646	676	30	4.6
Caraga	832	853	21	2.5

Source: National Statistics Office.

VI. UNEMPLOYED: SELECTED CHARACTERISTICS  
(in thousands, except rate)

Indicator	Total Unemployed Persons		Labor Force Participation Rate (%)		Unemployment Rate (%)		Percent Share (%)	
	1997	1998	1997	1998	1997	1998	1997	1998
<b>Sex</b>	<b>2,623</b>	<b>2,737</b>	<b>65.7</b>	<b>64.9</b>	<b>8.7</b>	<b>8.9</b>	<b>100.0</b>	<b>100.0</b>
Men	1,528	1,661	82.9	82.2	8.1	8.7	58.3	60.7
Women	1,095	1,076	48.8	48.0	9.7	9.4	41.7	39.3
<b>Age</b>	<b>2,623</b>	<b>2,737</b>	<b>65.7</b>	<b>64.9</b>	<b>8.7</b>	<b>8.9</b>	<b>100.0</b>	<b>100.0</b>
15-24	1,306	1,244	50.2	48.5	18.3	17.8	18.3	17.8
25 & Over	1,317	1,493	72.6	72.2	5.7	6.3	5.7	6.3
<b>Area</b>	<b>2,623</b>	<b>2,737</b>	<b>65.7</b>	<b>64.9</b>	<b>8.7</b>	<b>8.9</b>	<b>100.0</b>	<b>100.0</b>
Urban	1,622	1,683	63.4	62.8	11.5	11.7	61.8	61.5
Rural	1,001	1,054	67.8	67.0	6.3	6.5	38.2	38.5

VII. REGIONAL UNEMPLOYMENT (in thousands, except rate)

Region	Unemployed Persons		Unemployment Rate(%)	
	July 1997	July 1998	July 1997	July 1998
<b><i>PHILIPPINES</i></b>	<b><u>2,623</u></b>	<b><u>2,737</u></b>	<b><u>8.7</u></b>	<b><u>8.9</u></b>
NCR	585	620	14.0	14.7
CAR	27	33	4.7	5.6
Region I	151	146	8.9	8.7
Region II	44	51	3.5	4.1
Region III	300	256	10.5	8.7
Region IV	359	354	9.0	8.6
Region V	136	153	6.6	7.2
Region VI	229	218	8.5	8.1
Region VII	189	261	8.5	11.5
Region VIII	134	122	8.4	7.8
Region IX	72	78	6.1	6.8
Region X	88	91	7.1	7.0
Region XI	147	169	7.2	8.2
Region XII	60	75	6.3	7.7
ARMM	22	16	3.3	2.3
Caraga	81	95	8.8	10.0

Source: Notional Statistics Office.

VIII. UNDEREMPLOYED PERSONS (in thousands, except rate)

Indicator	July 1997	July 1998	Change (July 1997- 1998)
<b>Total Underemployed</b>	<b>6,348</b>	<b>5,803</b>	<b>545</b>
Worked less than 40 Hours	2,866	3,036	170
Worked 40 Hours or More	3,482	2,767	-715
<b>Underemployment Rate (%)</b>	<b>23.1</b>	<b>20.8</b>	<b>-2.3</b>
<b>Visible Underemployment Rate (%)</b>	<b>11.8</b>	<b>10.9</b>	<b>-0.9</b>

IX. CHARACTERISTICS OF THE UNDEREMPLOYED

(in thousands, except rate)

Indicator	July 1997		July 1998	
	Total Under-employed	Percent	Total Under-employed	Percent
<b>Area</b>	<b>6,348</b>	<b>100.0</b>	<b>5,803</b>	<b>100.0</b>
Urban	2,395	37.7	2,195	37.8
Rural	3,952	62.3	3,608	62.2
<b>Class of Worker</b>	<b>6,348</b>	<b>100.0</b>	<b>5,803</b>	<b>100.0</b>
Wage & Salary	3,091	48.7	2,810	48.4
Own-account	2,415	38.0	2,223	38.3
Unpaid family	842	13.3	770	13.3
<b>Sector</b>	<b>6,348</b>	<b>100.0</b>	<b>5,803</b>	<b>100.0</b>
<b>Agriculture, Fishery &amp; Forestry</b>	<b>3,031</b>	<b>47.7</b>	<b>2,786</b>	<b>48.0</b>
<b>Industry</b>				
Mining & quarrying	44	0.7	40	0.7
Manufacturing	585	9.2	503	8.7
Electricity, Gas & Water	22	0.3	22	0.4
Construction	433	6.8	412	7.1
<b>Service</b>				
Wholesale & Retail Trade	771	12.1	685	11.8
Transportation	359	5.6	339	5.8
Financing	100	1.6	106	1.8
Community	1,002	15.8	908	15.6

Source: National Statistics Office.