

THE 2000 EMPLOYMENT SITUATION (The Year in Review)

Overview

The Philippine labor market experienced a downturn in 2000 after posting a moderate recovery in 1999. For the year under review, total employment dipped 1.0 percent pushing up unemployment rate to a record two-digit level (11.2%). The increase in unemployment rate could have been higher if not for a matching decline in labor force participation rate. Despite the slump in employment, it is noteworthy that wage and salary employment and full-time employment remained positive throughout most of the year. In addition, underemployment rate (21.7%) edged down slightly from last year (22.1%).

The figures cited in this report were derived as average of the four (4) rounds of the Labor Force Survey (LFS) conducted by the National Statistics Office during the months of January, April, July and October.

**Table 1
KEY INDICATORS OF
LABOR MARKET PERFORMANCE
PHILIPPINES: 1999-2000 (Annual Average)
(In Percent)**

Indicator	1999	2000
Labor Force	30,759	30,911
Employment	27,742	27,453
- Underemployment	6,127	5,955
Unemployment	3,017	3,459
LFPR	66.4	64.9
Employment Growth (%)	3.8	-1.0
Underemployment Rate (%)	22.1	21.7
Unemployment Rate (%)	9.8	11.2

Labor Force Participation Rate (LFPR)

For the first time in many years, the average annual labor force participation rate posted a decline - from 66.4 percent in 1999

to 64.9 percent in 2000. The decrease in LFPR affects all age groups but were most pronounced among workers 55 years old and over (-1.7 percentage points) and the youth 15 to 24 years old (-1.8 percentage points). As of October 2000, the country's labor force was estimated at 30.908 million.

Employment

Following little change in January (+586,000), employment level in 2000 experienced two (2) consecutive rounds of large decline in April (-1.01 million) and July (-747,000) before capping off with near-zero growth in October (13,000). On an annual basis, total employment contracted by a full one percentage point percent (-289,000) – a reversal from the 3.8 percent growth rate recorded in 1999. Over the period, total employed persons declined from 27.742 million to 27.453 million.

- Most of the decline in employment originated in agriculture, fishery and forestry sector which now accounts for only 37.1 percent of total employment. For 2000, employment in this sector fell by 5.5 percent which is a large departure from 1999 when the sector recovered strongly from the effects of the previous year drought by posting 6.3 percent growth rate.

personal services (+2.9% or 158,000). As a reflection of the on-going political and economic crisis, employment in financing and business services contracted by 0.3 percent (-2,000) after expanding by 7.1 percent last year.

- The full effect of the economic instability was felt during October when the level of full-time employment and wage and

Table 2
Summary Statistics on Employment
Philippines: 1999-2000 (Annual Average)
(in '000 except rates)

Year	Jan.	April	July	October	Average
1999	27,147	28,217	27,840	27,762	27,742
2000	27,733	27,209	27,093	27,775	27,453
Increment/decrement	586	-1,008	-747	13	-289
Growth Rate (%)	2.2	-3.6	-2.7	0.05	-1.0

- For three (3) years in a row, growth in industry employment remained on a slump (-1.3%) as many companies continued to restructure themselves by laying off more workers. As in the past year, employment losses occurred mostly in construction (-2.6% or 40,000) followed by electricity, gas and water (-12.2% or 17,000) and manufacturing (-0.5% or -14,000). In contrast, employment in mining and quarrying bounced back strongly (+10.5% or +11,000) after several years of sluggish performance.
- The service-producing industry provided the only source of employment growth this year. However, the size of growth has gone down to 2.9 percent (+365,000) which is the lowest growth figure since 1996. Among the sub-sectors, transportation, storage and communication grew the fastest (+4.2% or +80,000) followed by trade (+3.0 % or +131,000) and community, social and

salary employment finally posted a decline (-635,000 and -285,000, respectively). This occurred despite their good showing in July when the number of full-time employment expanded by 937,000 and wage and salary employment grew 156,000.

- The slack in employment this year was accompanied by a large fall in part-time employment (-5.8% or -553,000) and employment of unpaid-family workers (-11.4% or -431,000). Own-account employment also recorded a slight decline (-0.2% or -22,000). These declines partly explain why the rate of underemployment dropped to 21.7 percent from 22.1 percent last year.
- Employment declines were felt in all regions except Regions I, VII, IX and ARMM. The most notable declines were recorded in Regions X (-3.0%), VI (-2.5%), XII (-2.8%), II (-2.2%), XI (-1.4%) and NCR (-2.0%).

Table 3
Summary Statistics on Unemployment
Philippines: 1999 –2000 (Annual Average)
(in '000 except rates)

Year/Month	Unemployed Persons	Unemployment Rate (%)
1999	3,017	9.8
January	2,741	9.2
April	3,796	11.9
July	2,600	8.5
October	2,931	9.6
2000	3,459	11.2
January	2,899	9.5
April	4,378	13.9
July	3,425	11.2
October	3,133	10.1

UNEMPLOYMENT

Reflective of the weak labor market, the overall unemployment rate for 2000 topped the two-digit level. Average data from the four (4) survey rounds of the LFS revealed a full-year unemployment rate of 11.2 percent, upped from 9.8 percent last year. The rate could have been higher if this year's LFPR (64.9%) exceeded the rate that prevailed a year ago (66.4%). On a full year basis, the average number of unemployed persons in 2000 stood at 3.459 million, an increase of 442,000 from last year.

Unlike in the past years, two-digit unemployment rates were recorded in three out of the four rounds of the LFS. Of particular interest are the two-digit unemployment rates recorded during the months of July (11.2%) and October (10.1%) which were normally associated with single-digit rate.

- There were eight (8) regions that posted two-digit unemployment rate, the highest were recorded in NCR (17.5%), Regions IV (12.0%), III (11.4%), VII (11.5%) and VI (11.1%).

- Female unemployment rate rose to 11.6 percent from 9.9 percent a year ago. Similarly, male unemployment rate increased from 9.5 percent to 10.8 percent.
- Young people aged 15 to 24 bore the brunt of the lower demand for jobs this year. Youth unemployment rate rose by a full 3.0 percentage points from last year increasing from 20.8 percent to 23.8 percent. On the other hand, unemployment rates for persons in prime working age 25 to 54 years and persons 55 years old and over posted less than one percentage point increase over the period.

Table 4
Summary Statistics on Underemployment
Philippines: 1999 –2000 (Annual Average)
(in '000 except rates)

Year/ Month	Under-employed Persons	Under-Employment Rate (%)	Visibly Under-employed Persons	Visible Under-employment Rate (%)
1999	6,127	22.1	3,238	11.7
January	5,945	21.9	3,208	11.8
April	6,347	22.5	3,419	12.1
July	6,129	22.0	3,256	11.7
October	6,088	21.9	3,070	11.1
2000	5,955	21.7	3,040	11.1
January	5,818	21.0	3,169	11.4
April	6,721	24.7	3,315	12.2
July	5,752	21.2	2,704	10.0
October	5,528	19.9	2,970	10.7

UNDEREMPLOYMENT

The incidence of underemployment was placed at 21.7 percent, down 0.4 percentage point from last year. This corresponds to some 5.955 million underemployed persons.

Of the total underemployed persons, close to one-half or 3.040 million worked less than 40 hours a week or visibly underemployed. This number was slightly lower compared to the level recorded last year at 3.238 million.

**Table 5- EMPLOYMENT BY SECTOR, CLASS OF WORKER, HOURS OF WORK
AND REGION, PHILIPPINES: 1999-2000
(In thousands)**

Indicator	1999	2000				
	(Ave.)	Ave.	Jan.	April	July	Oct.
TOTAL EMPLOYMENT	27,742	27,453	27,733	27,209	27,093	27,775
SECTOR						
Agriculture	10,774	10,181	10,622	9,845	9,855	10,401
Industry	4,515	4,454	4,400	4,542	4,430	4,444
Mining & Quarrying	97	108	106	112	106	106
Manufacturing	2,759	2,745	2,714	2,758	2,715	2,792
Electricity, Gas & Water	140	123	118	140	116	116
Construction	1,519	1,479	1,462	1,532	1,493	1,430
Services	12,446	12,811	12,708	12,816	12,796	12,925
Wholesale & Retail Trade	4,353	4,484	4,450	4,486	4,412	4,587
Transportation, Storage & Comm.	1,907	1,987	1,959	1,960	2,003	2,024
Financing, Ins., R. Estate & Bus. Svcs.	713	711	730	727	709	678
Community, Social & Personal Svcs.	5,472	5,630	5,569	5,643	5,672	5,636
Not Elsewhere Classified	7	6	2	5	12	4
CLASS OF WORKER						
Wage & Salary Worker	13,761	13,925	13,805	13,956	14,112	13,827
Own-account Worker	10,205	10,183	10,257	10,074	9,917	10,483
Unpaid-family Worker	3,775	3,344	3,670	3,178	3,064	3,465
HOURS OF WORK						
Part-time Employment	9,560	9,007	9,519	8,965	8,131	9,411
Full-time Employment	17,160	18,090	17,826	17,765	18,702	18,067
Did not Work	421	356	387	478	261	297
REGION						
NCR	3,676	3,602	3,612	3,640	3,612	3,542
CAR	525	524	531	537	509	517
Region I	1,520	1,524	1,526	1,518	1,531	1,522
Region II	1,141	1,116	1,142	1,113	1,106	1,101
Region III	2,687	2,667	2,739	2,620	2,576	2,731
Region IV	4,011	4,000	4,003	3,910	4,000	4,086
Region V	1,687	1,683	1,705	1,645	1,643	1,737
Region VI	2,331	2,272	2,322	2,202	2,245	2,320
Region VII	2,006	2,022	2,028	2,022	1,987	2,049
Region VIII	1,357	1,337	1,329	1,288	1,351	1,379
Region IX	1,081	1,085	1,085	1,122	1,066	1,067
Region X	1,183	1,148	1,179	1,090	1,104	1,218
Region XI	2,011	1,983	1,998	2,007	1,936	1,989
Region XII	985	957	1,001	951	917	958
ARMM	719	719	718	723	713	723
Caraga	824	818	814	821	800	837

Note: Details may not add up to total due to rounding.

Table 5.a - EMPLOYMENT GROWTH RATES BY SECTOR, CLASS OF WORKER, HOURS OF WORK AND REGION, PHILIPPINES: 1999-2000

Indicator	1999 (Ave.)	2000				
		Ave.	Jan.	April	July	Oct.
EMPLOYMENT GROWTH RATES (%)	3.8	-1.3	1.9	-4.0	-3.0	0.05
SECTOR						
Agriculture	6.3	-5.6	1.0	-12.4	-10.1	-1.0
Industry	-1.1	-1.1	-0.7	-1.3	-1.8	-1.3
Mining & Quarrying	-16.0	10.5	5.8	6.5	9.2	20.4
Manufacturing	1.1	-0.5	0.7	-1.4	-1.2	-0.1
Electricity, Gas & Water	1.4	-13.5	-12.3	-9.7	-14.5	-17.7
Construction	-3.9	-2.3	-2.6	-1.0	-2.4	-3.1
Services	3.5	2.6	3.6	3.2	3.0	1.4
Wholesale & Retail Trade	4.4	2.9	4.7	1.9	2.1	2.7
Transportation, Storage & Comm.	5.0	4.0	3.3	4.4	5.4	2.8
Financing, Ins., R. Estate & Bus. Svs.	7.1	-0.8	0.8	4.1	-3.4	-4.8
Community, Social & Personal Svs.	1.8	2.8	3.1	3.8	3.8	0.6
CLASS OF WORKER						
Wage & Salary Worker	3.3	1.2	2.0	0.7	3.2	-1.3
Own-account Worker	3.1	-1.1	1.8	-2.0	-4.6	2.6
Unpaid-family Worker	7.6	-11.3	1.3	-24.1	-20.3	-2.0
HOURS OF WORK						
Part-time Employment	5.1	-11.8	2.3	-11.6	-17.2	3.0
Full-time Employment	3.5	1.7	1.8	1.2	5.1	-1.2
REGION						
NCR	2.2	-1.7	-0.3	-1.5	-0.8	-4.3
CAR	2.0	-0.5	5.5	-4.0	-2.0	-1.5
Region I	2.3	-0.2	2.7	-2.9	0.4	-0.9
Region II	6.9	-1.9	2.0	-4.0	-2.2	-3.4
Region III	4.4	-0.9	4.0	-3.0	-5.3	0.8
Region IV	3.4	-0.9	1.3	-3.6	-1.3	-0.1
Region V	1.6	-0.4	1.7	-4.6	-2.1	3.6
Region VI	4.7	-2.7	0.7	-7.0	-3.7	-0.8
Region VII	3.4	0.2	2.6	-2.6	-3.1	3.9
Region VIII	3.3	-1.4	1.2	-6.8	-1.6	1.4
Region IX	5.6	0.3	2.8	0.7	-2.4	0.2
Region X	7.5	-3.0	3.0	-10.9	-8.2	3.8
Region XI	3.4	-1.8	0.1	-2.9	-5.4	0.8
Region XII	4.8	-2.7	3.3	-6.4	-8.4	-0.6
ARMM	5.4	-0.5	3.4	-5.2	-2.0	1.8
Caraga	6.3	-1.4	3.8	-5.5	-5.3	1.3

**Table 6 - UNEMPLOYMENT RATE BY SEX, AGE GROUP, AREA AND REGION
PHILIPPINES: 1999-2000**

Indicator	1999 (Ave.)	2000				
		Ave.	Jan.	April	July	Oct.
UNEMPLOYED PERSONS ('000)	3,017	3,459	2,899	4,378	3,425	3,133
UNEMPLOYMENT RATE (%)	9.8	11.2	9.5	13.9	11.2	10.1
SEX						
Male	9.5	10.8	9.3	12.7	10.9	10.3
Female	9.9	11.6	9.1	15.9	11.3	9.9
AGE GROUP						
15 - 24 years old	20.8	23.8	18.9	30.6	24.4	21.2
25 -54 years old	6.4	7.3	6.7	8.3	7.1	7.1
55 years old and over	5.5	6.1	5.5	6.3	6.9	5.8
AREA						
Urban	12.6	14.0	12.1	16.2	14.3	13.3
Rural	7.1	8.4	6.7	11.8	8.1	7.1
REGION						
NCR	16.3	17.5	16.4	18.4	17.2	17.8
CAR	6.9	7.8	5.4	9.6	8.5	7.2
Region I	8.4	10.3	8.0	13.7	10.6	8.8
Region II	5.0	6.1	4.1	8.5	6.5	5.4
Region III	10.6	11.4	10.0	12.4	13.2	9.9
Region IV	9.6	12.0	10.9	13.5	11.1	11.3
Region V	9.0	10.1	8.6	13.5	10.0	8.4
Region VI	8.9	11.1	7.5	17.5	10.5	9.0
Region VII	10.4	11.5	10.3	15.0	10.2	10.4
Region VIII	7.9	10.9	7.6	19.3	9.0	7.8
Region IX	7.1	7.7	6.0	9.7	8.0	7.0
Region X	7.4	7.6	6.0	10.1	8.0	6.2
Region XI	8.8	9.6	8.5	11.3	10.0	8.8
Region XII	7.3	9.8	7.0	12.8	10.6	8.6
ARMM	4.1	4.6	3.0	7.0	4.2	4.1
Caraga	8.9	8.8	7.6	10.4	8.7	8.7

FOR INQUIRIES:

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