

## THE LABOR FORCE SURVEY IN BRIEF

### July (2000-2001)

#### Overview

The country's employment situation improved considerably in July, following the higher than expected growth in the country's Gross Domestic Product (GDP) in the second quarter of this year. Based on the results of the latest Labor Force Survey (LFS), employment level on the aggregate grew by a robust 8.1 percent driven largely by the strong growth in wholesale and retail trade sector (19.6%) and agriculture, forestry and fishery sector (11.4%).

The expansion in employment was also accompanied by a corresponding drop in unemployment rate. From 11.2 percent posted in July 2000, the rate of unemployment declined by a full 1.1 percentage point to settle at 10.1 percent in July this year. This is the first time since 1999 that unemployment rate on a year-on-year basis recorded a notable reduction. Similarly, the incidence of underemployment also eases from 21.2 percent to 17.7 percent over the period.

#### Labor Force Participation Rate

Labor force participation rate (LFPR) edged up by 2.5 percent, 66.3 percent in July. Notable increases were observed among women (47.7% to 51.3%), persons in the prime working age 25 to 54 years old (74.8% to 78.6%) and those in the age group 55 years old and over (40.5% to 57.5%). Overall, the country's labor force population expanded by 2.049 million to reach 32.567 million.

#### Employment

Total employed persons in July rose by 2.188 million over the figure reported in the same month last year to reach 29.281 million. This implies a year-on-year growth rate of 8.1 percent, a complete turnaround from the slump (-2.7%) recorded in July last year.

#### KEY INDICATORS OF LABOR MARKET PERFORMANCE PHILIPPINES: July (2000-2001) (in '000 except rates)

Indicator	2001	2000
Labor Force	32,567	30,518
Employment	29,281	27,093
- Underemployment	5,188	5,752
Unemployment	3,286	3,425
LFPR	66.3	63.8
Employment Growth (%)	8.1	-2.7
Underemployment Rate (%)	17.7	21.2
Unemployment Rate (%)	10.1	11.2



The agriculture, fishery and forestry sector accounted for the bulk of the total increase in employment. Employment in this sector grew by 1.125 million to reach 10.980 million in July. Its share to total employment also increased from 36.4 percent to 37.5 percent.

□ Industry sector employment expanded by a respectable 6.1 percent (+271,000) driven by strong performance in manufacturing (8.1%) and construction (4.2%) sectors. This partly offsets the decline posted in mining and quarrying (-12.3%) and sluggish growth exhibited in electricity, gas and water sector (1.7%).

□ Employment in the service-producing sector expanded by 6.3 percent (+804,000). The wholesale and retail trade sector led the way posting a hefty 19.6 percent increment (+866,000). Modest gains were recorded in transportation, storage and communication (+109,000) and financing, insurance, real estate and business services (+116,000). Interestingly, employment in the community, social and personal services sector continued its decline (-287,000). This is the third consecutive survey round that employment of this sector has declined on a year-on-year basis.

□ Part-time employment (employed persons who worked less than 40 hours a week) rose by 34.0 percent (+2.762 million) virtually accounting for all the employment gains during the period. On the other hand, full-time employment (employed persons who worked 40 hours or more a week) was down slightly by 4.0 percent (-757,000).

By class of worker, more than half of the increment in employment this year was due to entrepreneurial activities created by own-account workers. Statistics show that 55.3 percent (1.210 million) of the total 2.188 million additional employment generated in July was accounted for by own-account workers - most of them engaged in activities related to

agriculture (564,000) and trade (520,000). The rest of the increment in employment was attributed to wage and salary workers (237,000) and unpaid-family workers (739,000).

□ Growth in employment was felt in all regions of the country reversing the trend observed last year. The top five gainers were: Region IV (+333,000), Region III (+302,000), Region X (+185,000), Region VI (+181,000) and Region XI (+170,000).

## Unemployment

Despite the expansion in the country's labor force by 6.7 percent (+2.049 million), the number of unemployed persons managed to decline by 4.1 percent (-139,000) as more persons found employment during the period. This pulled down the unemployment rate to 10.1 percent from 11.2 percent recorded last year. Overall, the total unemployed persons declined from 3.425 million to 3.286 million over the period.

□ The youth (15 to 24 years old), which accounted for nearly half (48.0%) of the unemployed persons, experienced the biggest decline in unemployment (-154,000). Specifically, youth unemployment rate dropped from 24.4 percent to 21.3 percent.

□ Women unemployment rate eased down slightly from 11.3 percent to 10.5 percent. However, due to the increase in their participation rate (47.7% to 51.3%) their absolute number went up by 58,000.

□ Urban unemployment rate was placed at 12.9 percent, down from 14.3 percent last year. Rural unemployment rate also exhibited a slight decline - from 8.1 percent to 7.4 percent.

□ Nine (9) regions experienced a notable decline in unemployment rates. The biggest reductions were reported in Region XII (10.6% to 7.2%), Region III (13.2% to 10.1%), Region X (8.0% to 5.3%) and Region II (6.5% to 4.4%). Little change or slight increase in unemployment rates was observed in Region I, Region VI, Region VII, Region XI and ARMM. The National Capital Region, which accounted for more than one-fifth of the country's unemployed, posted a decline from 17.2 percent to 15.7 percent.

## Visibly Underemployed Persons

The incidence of underemployment (employed persons who expressed the desires for additional hours/additional jobs/new jobs) declined substantially in July both in terms of rate (21.2% to 17.7%) and number (5.752 million to 5.188 million).

However, underemployment remained a problem as visible underemployment (that portion of the total underemployed persons who worked 40 hours or more a week) continued to rise. Results of the survey indicate an increase in the number of visibly underemployed persons from 2.704 million in July last year to 3.321 million. Two-thirds (66.7%) of visibly underemployed person worked in the rural areas.

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**TABLE 1.0**  
**SUMMARY STATISTICS ON LABOR FORCE, PHILIPPINES: 1999-2001 (July)<sup>a</sup>**  
*(In thousands)*

<b>Year/Month</b>	<b>Labor Force</b>	<b>Employed</b>	<b>Unemployed</b>	<b>Underemployed</b>
<b>1999 (Ave.)</b>	<b>30,759</b>	<b>27,742</b>	<b>3,017</b>	<b>6,127</b>
January	29,888	27,147	2,741	5,945
April	32,013	28,217	3,796	6,347
July	30,440	27,840	2,600	6,129
October	30,693	27,762	2,931	6,088
<b>2000 (Ave.)</b>	<b>30,911</b>	<b>27,453</b>	<b>3,459</b>	<b>5,955</b>
January	30,632	27,733	2,899	5,818
April	31,587	27,209	4,378	6,721
July	30,518	27,093	3,425	5,752
October	30,908	27,775	3,133	5,528
<b>2001 (Ave.)</b>				
January	31,684	28,087	3,597	4,743
April	33,621	29,160	4,461	5,092
July	32,567	29,281	3,286	5,188

*Note: Details may not add up to totals due to rounding of figures.*

<sup>a</sup> *Estimates based on the revised population benchmark using the 1995 Census of Population results.*

*Source: Labor Force Survey, National Statistics Office.*

**TABLE 2.0**  
**SUMMARY STATISTICS ON LABOR FORCE, PHILIPPINES: 1999-2001 (July)<sup>a</sup>**  
*(In percent)*

<b>Year/Month</b>	<b>Labor Force Participation Rate</b>	<b>Employment Rate</b>	<b>Unemployment Rate</b>	<b>Underemployment Rate</b>	<b>Visible Underemployment Rate</b>
<b>1999 (Ave.)</b>	<b>66.6</b>	<b>90.2</b>	<b>9.8</b>	<b>22.1</b>	<b>11.7</b>
January	65.2	90.8	9.2	21.9	11.8
April	69.3	88.1	11.9	22.5	12.1
July	65.5	91.5	8.5	22.0	11.7
October	65.7	90.4	9.6	21.9	11.1
<b>2000 (Ave.)</b>	<b>64.9</b>	<b>88.8</b>	<b>11.2</b>	<b>21.7</b>	<b>11.1</b>
January	64.9	90.5	9.5	21.0	11.4
April	66.5	86.1	13.9	24.7	12.2
July	63.8	88.8	11.2	21.2	10.0
October	64.3	89.9	10.1	19.9	10.7
<b>2001 (Ave.)</b>					
January	65.5	88.6	11.4	16.9	9.9
April	69.0	86.7	13.3	17.5	11.8
July	66.3	89.9	10.1	17.7	11.3

*Source: National Statistics Office, Labor Force Survey.*

<sup>a</sup> *Estimates based on the revised population benchmark using the 1995 Census of Population results.*

*Source: Labor Force Survey, National Statistics Office.*

**Table 3.0**  
**SUMMARY STATISTICS ON LABOR FORCE, PHILIPPINES: 2000-2001 (July)<sup>a</sup>**

*(in thousands except rates)*

<b>Indicator</b>	<b>2000</b>	<b>2001</b>	<b>Increment</b>	<b>Growth Rate (Percent)</b>
<b>LABOR FORCE POPULATION</b>	<b>30,518</b>	<b>32,567</b>	<b>2,049</b>	<b>6.7</b>
<b>EMPLOYED PERSONS</b>	<b>27,093</b>	<b>29,281</b>	<b>2,188</b>	<b>8.1</b>
<b>SECTOR</b>				
<b>Agriculture, Fishery and Forestry</b>	<b>9,855</b>	<b>10,980</b>	<b>1,125</b>	<b>11.4</b>
<b>Industry</b>	<b>4,430</b>	<b>4,701</b>	<b>271</b>	<b>6.1</b>
Mining and Quarrying	106	93	-13	-12.3
Manufacturing	2,715	2,934	219	8.1
Electricity, Gas and Water	116	118	2	1.7
Construction	1,493	1,556	63	4.2
<b>Services</b>	<b>12,796</b>	<b>13,600</b>	<b>804</b>	<b>6.3</b>
Wholesale and Retail Trade	4,412	5,278	866	19.6
Transportation, Storage & Comm.	2,003	2,112	109	5.4
Financing, Insurance, R. Estate & Bus.Svs.	709	825	116	16.4
Community, Social & Personal Services	5,672	5,385	-287	-5.1
NEC	12	0	-12	-100.0
<b>CLASS OF WORKER</b>				
Wage and Salary Workers	14,112	14,349	237	1.7
Own-Account Workers	9,919	11,129	1,210	12.2
Unpaid Family Workers	3,064	3,803	739	24.1
<b>HOURS OF WORK</b>				
Less than 40 Hours (Part-Time Employment)	8,131	10,893	2,762	34.0
40 Hours and Over (Full-Time Employment)	18,702	17,945	-757	-4.0
Did Not Work	261	442	181	69.3
<b>REGION</b>				
NCR	3,612	3,835	223	6.2
CAR	509	536	27	5.3
Region I	1,531	1,562	31	2.0
Region II	1,106	1,194	88	8.0
Region III	2,576	2,878	302	11.7
Region IV	4,000	4,333	333	8.3
Region V	1,643	1,783	140	8.5
Region VI	2,245	2,426	181	8.1
Region VII	1,987	2,083	96	4.8
Region VIII	1,351	1,447	96	7.1
Region IX	1,066	1,125	59	5.5
Region X	1,104	1,289	185	16.8
Region XI	1,936	2,106	170	8.8
Region XII	917	1,037	120	13.1
ARMM	713	754	41	5.8
Caraga	800	891	91	11.4

*Note: Details may not add to totals due to rounding of figures.*

*a Estimates based on the revised population benchmark using the 1995 Census of Population results.*

*Source: National Statistics Office, Labor Force Survey.*

**Table 4.0**  
**SUMMARY STATISTICS ON LABOR FORCE PARTICIPATION RATE**  
**PHILIPPINES: 2000-2001 (July)<sup>a</sup>**  
*(in thousands except percent)*

Indicator	Labor Force Participation Rate (%)		Total Unemployed Persons		Percent Share (%)		Unemployment Rate (%)	
	2000	2001	2000	2001	2000	2001	2000	2001
<b>Sex</b>	<b>63.8</b>	<b>66.3</b>	<b>3,425</b>	<b>3,286</b>	<b>100.0</b>	<b>100.0</b>	<b>11.2</b>	<b>10.1</b>
Men	80.4	81.3	2,154	1,956	62.9	59.5	10.9	9.8
Women	47.7	51.3	1,271	1,329	37.1	40.4	11.3	10.5
<b>Age Group</b>	<b>63.8</b>	<b>66.3</b>	<b>3,425</b>	<b>3,286</b>	<b>100.0</b>	<b>100.0</b>	<b>11.2</b>	<b>10.1</b>
15-24 years old	47.8	49.6	1,732	1,578	50.6	48.0	24.4	21.3
25-54 years old	74.8	78.6	1,425	1,417	41.6	43.1	7.1	6.9
55 years old and over	40.5	57.5	267	290	7.8	8.8	6.9	6.1
<b>Area</b>	<b>63.8</b>	<b>66.3</b>	<b>3,425</b>	<b>3,286</b>	<b>100.0</b>	<b>100.0</b>	<b>11.2</b>	<b>10.1</b>
Urban	62.2	64.0	2,164	2,058	63.2	62.6	14.3	12.9
Rural	65.6	68.6	1,261	1,227	36.8	37.3	8.1	7.4
<b>Region</b>	<b>63.8</b>	<b>66.3</b>	<b>3,425</b>	<b>3,286</b>	<b>100.0</b>	<b>100.0</b>	<b>11.2</b>	<b>10.1</b>
NCR	62.5	63.7	751	713	21.9	21.7	17.2	15.7
CAR	64.4	64.7	47	40	1.4	1.2	8.5	7.0
Region I	65.3	64.8	182	174	5.3	5.3	10.6	10.0
Region II	68.6	70.8	77	55	2.2	1.7	6.5	4.4
Region III	60.5	63.4	393	323	11.5	9.8	13.2	10.1
Region IV	64.0	66.4	550	554	16.1	16.9	12.1	11.3
Region V	64.9	68.1	182	176	5.3	5.4	10.0	9.0
Region VI	63.2	66.3	264	272	7.7	8.3	10.5	10.1
Region VII	63.4	65.0	225	245	6.6	7.5	10.2	10.5
Region VIII	66.6	69.0	133	136	3.9	4.1	9.0	8.6
Region IX	61.3	61.9	92	87	2.7	2.6	8.0	7.2
Region X	70.5	77.8	97	72	2.8	2.2	8.0	5.3
Region XI	66.9	70.8	215	242	6.3	7.4	10.0	10.3
Region XII	63.8	67.7	109	81	3.2	2.5	10.6	7.2
ARMM	54.9	57.1	31	38	0.9	1.2	4.2	4.8
Caraga	66.0	70.6	77	77	2.2	2.3	8.7	7.9

*Note: Details may not add to totals due to rounding of figures.*

*a Estimates based on the revised population benchmark using the 1995 Census of Population results.*

*Source: National Statistics Office, Labor Force Survey.*

**TABLE 5.0**  
**UNDEREMPLOYED PERSONS BY TYPE AND AREA**  
**PHILIPPINES: 2000-2001 (July)<sup>a</sup>**  
*(in thousands except percent)*

Year/Area	Total Underemployed Persons	Visibly Underemployed Persons	Underemployment Rate (%)	Visible Underemployment Rate (%)
<b>2000</b>	<b>5,752</b>	<b>2,704</b>	<b>21.2</b>	<b>10.0</b>
Urban	2,457	917	19.0	7.1
Rural	3,294	1,788	23.2	12.6
<b>2001</b>	<b>5,188</b>	<b>3,321</b>	<b>17.7</b>	<b>11.3</b>
Urban	2,012	1,108	14.5	8.0
Rural	3,176	2,214	20.6	14.3

*Note: Details may not add to totals due to rounding of figures.*

<sup>a</sup> *Estimates based on the revised population benchmark using the 1995 Census of Population results.*

*Source: Labor Force Survey, National Statistics Office.*