

HIGHLIGHTS OF THE OCTOBER 2001 LABOR FORCE SURVEY

Overview

The country's labor market held up better in October 2001 despite of the global economic slump as the unemployment rate eased to 9.8 percent from 10.1 percent recorded a year earlier. Employment level continued to grow at a respectable rate of 8.3 percent driven by the sustained growth in agriculture, forestry and fishery sector (8.2%) and the expansion in wholesale and retail trade sector (20.5%). The rate of underemployment also dipped to 16.6 percent from 19.9 percent a year ago.

The weakness in the labor market was, however, reflected by more workers accepting part-time work because they were unable to find full-time employment and the consequent rise (10.3%) in the number of visible underemployed persons.

Labor Force and Labor Force Participation Rate (LFPR)

More people joined the labor market in October as labor force participation rate (LFPR) hit a high of 67.5 percent, a full 3.2 percentage points increase from the same month last year. Overall, the country's labor force population swelled by 2.453 million to reach 33.361 million.

Employment

Employment level posted an 8.3 percent year-on-year growth in October, continuing the uptrend that began in the April round (7.2%) and July round (8.1%) of the Labor Force Survey. In absolute terms, total employed persons increased from 27.775 million to 30.090 million or an increment of 2.315 million over the period.

KEY EMPLOYMENT INDICATORS OCTOBER 2000-2001 (in thousands, except rates)			
Indicator	Oct. 2001	Oct. 2000	Year- On-Year Change
Labor Force	33,361	30,908	+2,453
Employed Persons	30,090	27,775	+2,315
Unemployed Persons	3,271	3,133	+138
Underemployed Persons	4,995	5,528	-534
LFPR (%)	67.5	64.3	+3.2
Employment Growth Rate(%)	8.3	0.1	+8.1
Unemployment Rate (%)	9.8	10.1	-0.3
Underemployment Rate (%)	16.6	19.9	-3.3

- Employment in the **agriculture, fishery and forestry sector** continued to expand growing by 8.2 percent (+851,000) in October. This figure is lower compared to the year-on-year growth rates registered in the April (10.9%) round and July round (11.4%).
- Industry sector employment rose by 5.3 percent (+237,000), upped from 1.3 percent decline registered in the same period last year. Employment in the **construction sector** bounced back from the decline (-3.1%) registered last year to post a 9.8 percent (+140,000) growth. On the other hand, growth in **manufacturing** employment was moderate at 3.5 percent (+99,000) while small declines were observed in **mining and quarrying** (-1.9%). Meanwhile the **Electricity, gas and water employment** was unchanged.
- The growth in service sector employment accelerated to 9.5 percent from only 1.4 percent last year. The **wholesale and retail trade sector**, which grew by a robust 20.5 percent (+942,000), provided the largest source of growth even surpassing the gains achieved in agriculture, fishery and forestry sector. Notable employment gains were also observed in **financing, insurance, real estate and business services** (25.1% or +170,000) and **transportation, storage and communication** (7.3% or +147,000). The **community, social and personal services** was the only sub-sector which suffered a slump (-0.5 %).
- **Part-time employment** (worked less than 40 hours a week) increased by a hefty 20.5 percent (+1.929 million), virtually accounting for over four-fifths

(83.3%) of all the growth in employment during this period. **Full-time employment** (worked 40 hours a week or more) remained sluggish at 1.1percent (+206,000).

- Employment increases in all classes of workers: **Wage and salary employment** rose by 6.7% (+945,000); **own-account workers** by 7.4 percent (+773,000) and **unpaid family workers** by 17.8 percent (+618,000).
- Employment growth was broadbased with all regions posting positive growth rates. Double-digit growth rates were recorded in four (4) regions, namely: **NCR** (10.6%), **Region II** (10.6%), **Region IV** (10.1%) and **Region XII** (12.0%).

Unemployment

The national unemployment rate in October 2001 fell slightly to 9.8 percent from 10.1 percent a year earlier. Despite the decline, the number of unemployed persons edged up slightly from 3.133 million to 3.271 million over the period. This is due to the high labor force participation rate recorded in October mainly as a result of more people looking for employment.

- Unemployment rate declined for male workers (10.3% to 9.4%) but posted an increase among female workers (9.9% to 10.3%).
- Unemployment rate among the youth (15 to 24 years old) was down (21.1% to 19.0%). Meanwhile, the rates for the elderly persons 55 years old and over (5.8% to 5.9%) and for persons in the prime working age (7.1% to 7.2%) were of little change from last year.

- Unemployment rate recorded a decline in both urban areas (13.3% to 12.8%) and rural areas (7.1% to 6.9%).
- Across regional boundaries, only three (3) regions experienced a notable decline in unemployment rates, namely: NCR (17.8% to 16.5%), CAR (7.2% to 6.1%) and Region XII (8.6% to 6.9%). Unemployment rates in other regions recorded very slight changes from last year except for Region X which posted a full one percentage point increase (6.2% to 7.2%).

Underemployment

The incidence of underemployment went down from 19.9 percent a year ago to 16.6 percent in October. Correspondingly, the number of employed persons wanting more hours of worked fell from 5.528 million to 4.995 million.

- Nearly half (47.8%) of the underemployed were engaged agriculture, fishery and forestry sector. Relatively large proportions were also noted in wholesale and retail

trade (13.0%) and community, social and personal services (13.6%).

- The majority (60.7%) of the underemployed were rural workers and the rest (39.3%) urban workers.
- By class of worker, one-half (50.2%) were wage and salary workers and a little over one-third (38.0%) were own-account workers. The rest (11.8%) were unpaid family workers.

Visible underemployment

- About two-thirds (65.6%) of the total underemployed persons worked less than 40 hours a week or **visibly underemployed**, majority (65.5%) of the them rural workers.
- For the period under review, the number of visibly underemployed persons rose by 10.3 percent (+307,000), from 2.970 million to 3.277 million.

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TABLE 1.0
SUMMARY STATISTICS ON LABOR FORCE, PHILIPPINES: 2000-2001
(In thousands)

Year/Month	Labor Force	Employed	Unemployed	Underemployed
1999 (Ave.)	30,759	27,742	3,017	6,127
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
2000 (Ave.)	30,911	27,453	3,459	5,955
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
2001 (Ave.)	32,808	29,155	3,654	5,005
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
October	33,361	30,090	3,271	4,995

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

^a *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: 2000-2001
(In percent)

Year/Month	Labor Force Participation Rate	Employment Rate	Unemployment Rate	Underemployment Rate	Visible Underemployment Rate
1999 (Ave.)	66.6	90.2	9.8	22.1	11.7
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
2000 (Ave.)	64.9	88.8	11.2	21.7	11.1
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
2001 (Ave.)	67.1	88.9	11.2	17.2	11.0
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
October	67.5	90.2	9.8	16.6	10.9

Source: National Statistics Office, Labor Force Survey.

^a 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 EMPLOYED PERSONS
PHILIPPINES: OCTOBER (2000-2001)
(in thousands)

Indicator	2000	2001	Increment	Year-on-Year Growth Rete(%)
Labor Force	30,908	33,361	2,453	7.9
Employed Persons	27,775	30,090	2,315	8.3
Sector				
Agriculture, Fishery and Forestry Industry	10,401	11,252	851	8.2
Industry	4,444	4,681	237	5.3
Mining and Quarrying	106	104	-2	-1.9
Manufacturing	2,792	2,891	99	3.5
Electricity, Gas and Water	116	116	0	0.0
Construction	1,430	1,570	140	9.8
Services	12,925	14,155	1,230	9.5
Wholesale and Retail Trade	4,587	5,529	942	20.5
Transportation, storage and Comm.	2,024	2,171	147	7.3
Financing, Insurance, R. Estate & Bus. Svrs.	678	848	170	25.1
Community, Social & Personal Svrs.	5,636	5,607	-29	-0.5
NEC	4	-	-4	
Class of Worker				
Wage and Salary Worker	13,827	14,752	925	6.7
Own-account Worker	10,483	11,256	773	7.4
Unpaid Family Worker	3,465	4,083	618	17.8
Hours Worked				
Less than 40 Hours (Part-time Employment)	9,411	11,340	1,929	20.5
40 Hours and Over (Full-time employment)	18,067	18,273	206	1.1
Did not work	297	477	180	60.0
Region				
NCR	3,542	3,919	377	10.6
CAR	517	560	43	8.3
Region I	1,522	1,608	86	5.6
Region II	1,101	1,218	117	10.6
Region III	2,731	2,936	205	7.5
Region IV	4,086	4,498	412	10.1
Region V	1,737	1,875	138	7.9
Region VI	2,320	2,482	162	7.0
Region VII	2,049	2,181	132	6.4
Region VIII	1,379	1,510	131	9.4
Region IX	1,067	1,161	94	8.8
Region X	1,218	1,254	36	3.0
Region XI	1,989	2,140	151	7.6
Region XII	958	1,073	115	12.0
ARMM	723	754	31	4.3
Caraga	837	920	83	9.9

Source: Labor Force Survey

Table 4.0
SUMMARY STATISTICS ON UNEMPLOYED PERSONS
PHILIPPINES: OCTOBER (2000-2001)

Indicator	October 2000	October 2001
UNEMPLOYED PERSONS ('000)	3,133	3,271
UNEMPLOYMENT RATE (%)	10.1	9.8
SEX		
Male	10.3	9.4
Female	9.9	10.3
AGE GROUP		
15 - 24 years old	21.2	19.0
25 - 54 years old	7.1	7.2
55 years old and over	5.8	5.9
AREA		
Urban	13.3	12.8
Rural	7.1	6.9
REGION		
NCR	17.8	16.5
CAR	7.2	6.1
Region I	8.8	9.1
Region II	5.4	4.8
Region III	9.9	10.3
Region IV	11.3	10.6
Region V	8.4	7.6
Region VI	9.0	9.0
Region VII	10.4	9.9
Region VIII	7.8	8.0
Region IX	7.0	7.0
Region X	6.2	7.2
Region XI	8.8	9.5
Region XII	8.6	6.9
ARMM	4.1	4.0
Caraga	8.7	8.0

Source: Labor Force Survey

Table 5.0
SUMMARY STATISTICS ON UNDEREMPLOYED PERSONS
PHILIPPINES: OCTOBER (2000-2001)

Indicator	October 2000	October 2001
UNDEREMPLOYED PERSONS ('000)	5,528	4,995
UNDEREMPLOYMENT RATE (%)	19.9	16.6
Hours of Worked		
Less than 40 hours (Visibly underemployed)	2,970	3,277
40 hours and more (Invisibly Underemployed)	2,558	1,718
AREA		
Urban	2,084	1,961
Rural	3,444	3,034
Sector		
Agriculture, Fishery and Forestry	2,639	2,387
Industry	886	860
Mining and Quarrying	32	29
Manufacturing	496	458
Electricity, Gas and Water	20	16
Construction	338	357
Services	2,002	1,747
Wholesale and Retail Trade	701	651
Transportation, storage and Comm.	355	333
Financing, Insurance, R. Estate & Bus. Svcs.	80	86
Community, Social & Personal Svcs.	866	677
Class of Worker		
Wage and Salary Worker	2,575	2,509
Own-account Worker	2,224	1,899
Unpaid Family Worker	728	587

Source: Labor Force Survey