

THE LABOR FORCE SURVEY IN BRIEF

January (2000-2001)

Overview

The January 2001 Labor Force Survey (LFS) showed mixed results for the country's labor market. Following two consecutive survey rounds of decline in April and July and a negligible gain in October, employment finally yielded a modest increase (1.3%) and this was accompanied by a large reduction in underemployment rate (from 21.0% to 16.9%). This improvement, however, was matched by a strong rebound in labor force (+1.052 million) which pushes the unemployment rate to 11.4 percent from 9.5 percent recorded a year ago.



Industry employment posted a strong recovery (6.3%) after two years of sluggish growth with manufacturing and construction sub-sectors contributing the biggest gains. These increases were negated by the continuous contraction in agricultural employment (-3.5%) and the unexpected slump in community, social and personal services (-4.0%). Overall, the quality of employment has improved with more people finding wage employment and working full-time.

Labor Force

After slowing down throughout 2000, the country's labor force participation rate (LFPR) rose by 0.6 percentage points to 65.5 percent in January. In absolute terms, the country's labor force population grew by 3.4 percent (+1.052 million) over the period to reach 31.684 million.

over-year basis, total employed persons increased from 27.73 million to 28.09 million.

- The steady decline in agricultural employment that began in April 1999 continued with 3.5 percent (-370,000) slump in January. Given this, the share to total employment of agriculture sector shrunk further to 36.5 percent from 38.3 percent last year.

Employment

Employment level expanded by 1.3 percent (+354,000) in January 2001. While this represents a modest gain, it reverses the employment downtrend that started in April last year. On year-

- Industry employment posted a strong comeback (6.3% or

+277,000) after remaining sluggish throughout 2000. The biggest increase was in manufacturing (+170,000) followed by construction (+97,000) and mining and quarrying (+12,000). Small decrease in employment was reported in electricity, gas and water (-2,000). Worthy of note is the employment recovery in construction which had suffered a long downward trend that started in the middle of 1998.

- ❑ Growth in service-producing sector held steady at 3.5 percent (+443,000). The gains in employment were concentrated in wholesale and retail trade (+506,000) and transportation, storage and communication (+119,000) with small gain recorded in financing, insurance, real estate and business services (+43,000). Interestingly, community, social and personal services which has been the major source of employment growth in the past years suffered a setback (-225,000).
- ❑ Wage and salary employment grew by a respectable 4.4 percent (+602,000) while own-account employment showed little increase (+193,000). Unpaid family workers posted a sharp decline (-441,000) with the bulk (87.5% or 386,000) occurring in agriculture.
- ❑ Full-time employment in January rose by an estimated 1.426 million while part-time

employment declined by 1.034 million.

- ❑ Notable gains in employment were observed in seven (7) regions which include Region IV (+137,000), Region V (+70,000), NCR (+67,000), Region VIII (+57,000), Region X (+38,000), Region XI (+37,000) and Region II (+20,000). In contrast, employment losses were felt in six (6) regions with Region XII (-44,000) topping the list followed by Region VI (-27,000), Region III (-19,000), CAR (-6,000), ARMM (-5,000) and Region VII (-3,000).

Unemployment

The number of people seeking employment but failed to find one increased by 698,000 in January to reach 3.597 million. This corresponds to **unemployment rate** of 11.4 percent, upped 1.9 percentage points from 2000. The increase in unemployment was due in large part to the rise in participation rate and the decline in employment in agriculture sector and community, social and personal services sector.

- ❑ Youth unemployment rate jumped to 22.5 percent from 18.9 percent a year ago. Similarly, adult (those 25 and over) unemployment rate rose from 7.6 percent to 8.1 percent.
- ❑ Unemployment rates for both men and women were upped slightly above 11.0 percent from a little over 9.0 percent in the previous year. For the same period, urban unemployment rate

edged up by 2.6 percentage points to 14.7 percent and rural unemployment rate by 1.4 percentage points to 8.1 percent.

- ❑ Of the sixteen regions, nine (9) registered double-digit unemployment rates: NCR (18.0%), Region I (10.8%), Region III (12.2%), Region IV (12.6%), Region VI (10.6%), Region VII (12.4%), Region VIII (10.3%), Region XI (10.2%) and Region XII (10.3%).

Underemployment

The incidence of underemployment plunged by 4.1 percentage points to 16.9 percent in January. Correspondingly, the number

of underemployed persons decreased by 1.075 million to 4.743 million.

- ❑ The large decline in underemployment was due to the steep fall in employment of unpaid family workers (-441,000) and part-time employment (-1.034 million).
- ❑ More than one-half (62.0% or 2.939 million) of the underemployed were rural workers. By hours worked, 49.4 percent or 2.344 million worked less than 40 hours a week or **visibly underemployed.**

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TABLE 1.0**SUMMARY STATISTICS ON LABOR FORCE, PHILIPPINES: 1999-2001^a***(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				
January	31,684	28,087	3,597	4,743

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: National Statistics Office, Labor Force Survey.

TABLE 2.0**SUMMARY STATISTICS ON LABOR FORCE, PHILIPPINES: 1999-2001^a***(In percent)*

Year/Month	Labor Force Participation Rate	Employment Rate	Unemployment Rate	Underemployment Rate	Visible Underemployment Rate
1999 (Ave.)	66.4	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					
January	65.5	88.6	11.4	16.9	8.3

Source: National Statistics Office, Labor Force Survey.^a *Estimates based on the revised population benchmark using the 1995 Census of Population results.**Source: National Statistics Office, Labor Force Survey.*

Table 3.0**SUMMARY STATISTICS ON LABOR FORCE, PHILIPPINES: January (2000-2001)^a***(in thousands except rates)*

Indicator	2000	2001	Increment	Growth Rate (Percent)
LABOR FORCE POPULATION	30,632	31,684	1,052	3.4
EMPLOYED PERSONS	27,733	28,087	354	1.3
SECTOR				
Agriculture, Fishery and Forestry	10,622	10,252	-370	-3.5
Industry	4,400	4,677	277	6.3
Mining and Quarrying	106	118	12	11.3
Manufacturing	2,714	2,884	170	6.3
Electricity, Gas and Water	118	116	-2	-1.7
Construction	1,462	1,559	97	6.6
Services	12,708	13,151	443	3.5
Wholesale and Retail Trade	4,450	4,956	506	11.4
Transportation, Storage & Comm.	1,959	2,078	119	6.1
Financing, Insurance, R. Estate & Bus.Svs.	730	773	43	5.9
Community, Social & Personal Services	5,569	5,344	-225	-4.0
NEC	2	7	5	250.0
CLASS OF WORKER				
Wage and Salary Workers	13,805	14,407	602	4.4
Own-Account Workers	10,257	10,450	193	1.9
Unpaid Family Workers	3,670	3,229	-441	-12.0
HOURS OF WORK				
Less than 40 Hours (Part-Time Employment)	9,519	8,485	-1,034	-10.9
40 Hours and Over (Full-Time Employment)	17,826	19,252	1,426	8.0
Did Not Work	387	350	-37	-9.6
REGION				
NCR	3,612	3,679	67	1.9
CAR	531	525	-6	-1.1
Region I	1,526	1,532	6	0.4
Region II	1,142	1,162	20	1.8
Region III	2,739	2,720	-19	-0.7
Region IV	4,003	4,140	137	3.4
Region V	1,705	1,775	70	4.1
Region VI	2,322	2,295	-27	-1.2
Region VII	2,028	2,025	-3	-0.1
Region VIII	1,329	1,386	57	4.3
Region IX	1,085	1,096	11	1.0
Region X	1,179	1,217	38	3.2
Region XI	1,998	2,035	37	1.9
Region XII	1,001	957	-44	-4.4
ARMM	718	713	-5	-0.7
Caraga	814	830	16	2.0

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
SELECTED CHARACTERISTICS OF UNEMPLOYED PERSONS
PHILIPPINES: January (2000-2001)^a
(In thousands except rates)

Indicator	Total Unemployed Persons		Percent Share		Unemployment Rate	
	2000	2001	2000	2001	2000	2001
Sex	2,899	3,597	100.0	100.0	9.5	11.4
Men	1,826	2,224	63.0	61.8	9.3	11.4
Women	1,073	1,373	37.0	38.2	9.1	11.3
Age	2,899	3,597	100.0	100.0	9.5	11.4
15 -24	1,320	1,612	45.5	44.8	18.9	22.5
25 and Over	1,579	1,986	54.5	55.2	7.6	7.0
Area	2,899	3,597	100.0	100.0	9.5	11.4
Urban	1,858	2,285	64.1	63.5	12.1	14.7
Rural	1,041	1,312	35.9	36.5	6.7	8.1

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 - SUMMARY STATISTICS ON LABOR FORCE PARTICIPATION RATE AND UNEMPLOYED PERSONS, PHILIPPINES: January (2000-2001)^a

(In thousands except rates)

Region	Labor Force Participation Rate (%)		Total Unemployed Persons		Percent Share (%)		Unemployment Rate (%)	
	2000	2001	2000	2001	2000	2001	2000	2001
Philippines	64.9	65.5	2,899	3,597	100.0	100.0	9.5	11.4
NCR	62.7	63.8	706	805	24.4	22.4	16.4	18.0
CAR	66.1	65.0	32	41	1.1	1.1	5.7	7.2
Region I	64.0	64.8	133	186	4.6	5.2	8.0	10.8
Region II	69.7	69.6	49	52	1.7	1.4	4.1	4.3
Region III	62.7	62.4	305	378	10.5	10.5	10.0	12.2
Region IV	64.1	65.5	489	597	16.9	16.6	10.9	12.6
Region V	67.3	68.3	161	164	5.6	4.6	8.6	8.5
Region VI	64.0	64.0	189	272	6.5	7.6	7.5	10.6
Region VII	65.7	65.6	234	287	8.1	8.0	10.3	12.4
Region VIII	65.2	68.4	109	158	3.8	4.4	7.6	10.3
Region IX	61.8	61.5	69	86	2.4	2.4	6.0	7.3
Region X	74.7	76.1	76	96	2.6	2.7	6.0	7.3
Region XI	68.8	69.3	185	231	6.4	6.4	8.5	10.2
Region XII	68.0	65.3	76	110	2.6	3.1	7.0	10.3
ARMM	55.4	55.1	22	44	0.8	1.2	3.0	5.8
CARAGA	67.8	68.1	67	89	2.3	2.5	7.6	9.7

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 6.0 -UNDEREMPLOYED PERSONS BY TYPE AND AREA

PHILIPPINES: January (2000-2001)^a

(in thousands except rates)

Year/Area	Total Underemployed Persons	Visibly Underemployed Persons	Underemployment Rate (%)	Visible Underemployment Rate (%)
2000	5,818	3,169	21.0	11.4
Urban	2,282	1,059	17.5	8.1
Rural	3,536	2,110	24.1	14.4
2001	4,743	2,344	16.9	8.3
Urban	1,804	793	13.6	6.0
Rural	2,939	1,551	19.9	10.5

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.