

HIGHLIGHTS OF THE JULY 2002 LABOR FORCE SURVEY

Overview

Employment continued to grow in July exceeding by 2.8 percent the level recorded last year as indicated by the latest results of the Labor Force Survey (LFS). The gain in employment was recorded strongest in the service sector (4.9%) with agriculture, fishery and forestry sector posting a modest increase (1.5%) while growth in industry employment was essentially flat (-0.1%). The quality of employment also improved with more people finding full-time employment; wage and salary employment on an uptrend; and underemployment rate posting a slight decline from a year earlier.

The gain in employment, however, was matched by an even larger growth in the labor force (4.1%) as more people entered or rejoined the labor market in anticipation of better employment prospects. The unexpected rise in labor supply pushed the July unemployment rate to 11.2 percent from 10.1 percent in the same month last year. It should be noted that unemployment rate often continues rising even after the economy starts to improve because most businesses are hesitant to hire additional workers until they are certain the rebound is sustainable.

Labor Force

The labor force rose sharply by 1.351 million to 33.918 million in July, representing a hefty 4.1 percent increase from a year ago. This translates to a labor force participation rate (LFPR) of 67.1 percent, upped 0.8 percentage point from last year. Most notable increases were observed among women (784,000), persons in the prime working age 25 to 54 years old (734,000) and rural workers (716,000).

**KEY EMPLOYMENT INDICATORS
PHILIPPINES: JULY 2001-2002**
(in '000 except rates)

Indicator	July 2002	July 2001	Year-On - Year Change
Labor Force	33,918	32,567	1,351
Employed Persons	30,104	29,281	823
Agri, Fishery and Forestry	11,144	10,980	164
Industry	4,694	4,701	(7)
Services	14,266	13,600	666
Unemployed Persons	3,814	3,286	528
Underemployed Persons	5,161	5,188	(27)
LFPR (%)	67.1	66.3	xxxx
Unemployment Rate (%)	11.2	10.1	xxxx
Underemployment Rate (%)	17.1	17.7	xxxx

Employment

Total employed persons in July rose by 823,000 from a year earlier to reach 30.104 million. This implies a year-on-year growth rate of 2.8 percent.

- ❑ Service sector employment grew the strongest posting a 4.9 percent (+666,000) year-on-year growth rate. Supporting the growth was the continued expansion in wholesale and retail trade (+260,000) and transportation, storage and communication (+93,000).
- ❑ Employment growth in the agriculture, fishery and forestry sector decelerated to 1.5 percent (+164,000). On the other hand, industry sector employment was generally sluggish. Decline in employment was observed in manufacturing (-1.6% or -46,000) and electricity, gas and water (-8.5% or -10,000). This negated the gains recorded in construction (+2.6% or +41,000) and mining and quarrying (+8.6% or +8,000).
- ❑ Wage and salary employment grew by 3.6 percent (+522,000) exceeding the growth rates recorded for own-account workers (1.6% or +177,000) and unpaid family workers (3.3% or +124,000).
- ❑ More people found full-time employment in July as compared to last year. Of the total employed persons, 60.9 percent or 18.343 million were engaged in full-time

employment (worked 40 hours or more a week). On the other hand, persons with part-time employment (employed persons who worked less than 40 hours a week) accounted for 37.0 percent or 11.142 million.

- ❑ Across regional boundaries, the top employment gainers were: Region IV (+156,000), Region VI (+128,000), Region IX (+108,000) Region VII (+97,000) and Region VIII (+93,000). On the other hand, very little change in employment was noted in the four regions of CAR (+7,000), Region XII (+6,000), ARMM (+7,000) and Caraga (-7,000). Employment growth in NCR was sluggish (0.8% or +30,000).

Unemployment

The July data also showed mixed results, as weakness in the labor market was reflected by the increase in the number of unemployed from 3.286 million to 3.814 million. The rise in the July figure was a consequence of more people entering the labor market, pushing up the unemployment rate from 10.1 percent to 11.2 percent.

- ❑ The rise in unemployment rate was observed more pronounced among male workers (9.8% to 11.2%) than its counterpart female workers (10.5% to 11.3%).
- ❑ Youth (15-24 years old) unemployment rate rose considerably by 2.5 percentage points to 23.8 percent. In

contrast, little change was observed among workers in the prime-working age 25-54 years old and those 55 years old and over.

- ❑ Urban unemployment rate worsens from 12.9 percent to 14.3 percent while rural unemployment rate edged up slightly from 7.4 percent to 8.4 percent.
- ❑ Unemployment rate rose in all but three regions. Most notable increases were observed in Region III (10.1% to 13.3%), Region VII (10.5% to 12.4%), CAR (7.0% to 8.8%), Caraga (7.9% to 9.7%), NCR (15.7% to 17.4%), ARMM (5.7% to 7.4%) and Region XII (8.0% to 9.6%). Decline in rates was observed in Regions V (9.0% to

8.6%), VI (10.1% to 9.9%) and IX (7.2% to 6.8%).

Visibly Underemployed Persons

The incidence of underemployment (employed persons who expressed the desires for additional hours/additional jobs/new jobs) dipped marginally in July both in terms of rate (17.7% to 17.1%) and number (5.188 million to 5.161 million).

Likewise, the number of visibly underemployed persons (underemployed persons who worked less than 40 hours a week) was about unchanged from last year at 3.274 million.

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Table 1 - SUMMARY STATISTICS ON LABOR FORCE
PHILIPPINES: JULY (2001-2002)
(in thousands except percent)

Indicator	Total Household Population 15 Yrs. Old and Over		Labor Force Participation Rate (%)		Total Labor Force		Year-on-Year Change in LF	
	2002	2001	2002	2001	2002	2001	Number	Growth Rate (%)
Sex	50,530	49,137	67.1	66.3	33,918	32,567	1,351	4.1
Men	25,118	24,501	81.6	81.3	20,494	19,926	568	2.9
Women	25,412	24,636	52.8	51.3	13,424	12,640	784	6.2
Age Group	50,530	49,137	67.1	66.3	33,918	32,567	1,351	4.1
15-24 years old	15,276	14,918	50.4	49.6	7,697	7,396	301	4.1
25-54 years old	26,636	26,000	79.5	78.6	21,181	20,447	734	3.6
55 years old and over	8,615	8,217	58.5	57.5	5,040	4,723	317	6.7
Area	50,530	49,137	67.1	66.3	33,918	32,567	1,351	4.1
Urban	25,499	24,835	64.8	64.0	16,525	15,889	636	4.0
Rural	25,031	24,303	69.5	68.6	17,392	16,676	716	4.3
Region	50,530	49,137	67.1	66.3	33,918	32,567	1,351	4.1
NCR	7,295	7,135	64.2	63.7	4,681	4,548	133	2.9
CAR	918	891	64.9	64.7	596	576	20	3.5
Region I	2,760	2,680	65.4	64.8	1,805	1,736	69	4.0
Region II	1,811	1,764	71.4	70.8	1,293	1,249	44	3.5
Region III	5,166	5,049	64.7	63.4	3,343	3,201	142	4.4
Region IV	7,625	7,363	67.3	66.4	5,130	4,887	243	5.0
Region V	2,936	2,878	67.5	68.1	1,982	1,959	23	1.2
Region VI	4,181	4,071	67.7	66.3	2,833	2,698	135	5.0
Region VII	3,679	3,579	67.6	65.0	2,488	2,328	160	6.9
Region VIII	2,350	2,293	71.8	69.0	1,688	1,583	105	6.6
Region IX	2,016	1,958	65.6	61.9	1,322	1,212	110	9.1
Region X	2,329	2,254	75.3	77.8	1,754	1,698	56	3.3
Region XI	2,416	2,347	69.6	70.8	1,681	1,634	47	2.9
Region XII	2,114	2,038	70.2	67.7	1,484	1,452	32	2.2
ARMM	1,513	1,465	56.8	57.1	859	835	24	2.9
Caraga	1,420	1,371	68.9	70.6	979	968	11	1.1

Notes: 1. Details may not add to totals due to rounding of figures.

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

Source of data: National Statistics Office, Labor Force Survey.

Table 2 - SUMMARY STATISTICS ON EMPLOYMENT
PHILIPPINES: JULY (2001-2002)
(in thousands except rates)

Indicator	2002	2001	Increment	Year-on-Year Growth Rate (%)
LABOR FORCE POPULATION	33,918	32,567	1,351	4.1
EMPLOYED PERSONS	30,104	29,281	823	2.8
SECTOR				
Agriculture, Fishery and Forestry	11,144	10,980	164	1.5
Industry	4,694	4,701	(7)	(0.1)
Mining and Quarrying	101	93	8	8.6
Manufacturing	2,888	2,934	(46)	(1.6)
Electricity, Gas and Water	108	118	(10)	(8.5)
Construction	1,597	1,556	41	2.6
Services	14,266	13,600	666	4.9
Wholesale and Retail Trade	5,538	5,278	260	4.9
Hotels and Restaurants	704	649	55	8.5
Transportation, Storage & Communication	2,205	2,112	93	4.4
Financial Intermediation	329	292	37	12.7
Real Estate, Renting & Business Activities	525	533	(8)	(1.5)
Public Administration & Defense, Compulsory Social Security	1,439	1,360	79	5.8
Education	956	948	8	0.8
Health and Social Work	342	312	30	9.6
Other Community, Social & Personal Services	914	875	67	4.5
Private Households with Employed Persons	1,311	1,237	74	6.0
Extra-Territorial Organizations	3	4	(1)	(25.0)
CLASS OF WORKER				
Wage and Salary Workers	14,871	14,349	522	3.6
Own-Account Workers	11,306	11,129	177	1.6
Unpaid Family Workers	3,927	3,803	124	3.3
HOURS OF WORK				
Less than 40 Hours (Part-Time Employment)	11,142	10,893	249	2.3
40 Hours and Over (Full-Time Employment)	18,343	17,945	398	2.2
Did Not Work	619	442	177	40.0
REGION				
NCR	3,865	3,835	30	0.8
CAR	543	536	7	1.3
Region I	1,609	1,562	47	3.0
Region II	1,224	1,194	30	2.5
Region III	2,897	2,878	19	0.7
Region IV	4,489	4,333	156	3.6
Region V	1,812	1,783	29	1.6
Region VI	2,554	2,426	128	5.3
Region VII	2,180	2,083	97	4.7
Region VIII	1,540	1,447	93	6.4
Region IX	1,233	1,125	108	9.6
Region X	1,624	1,589	35	2.2
Region XI	1,513	1,473	40	2.7
Region XII	1,342	1,336	6	0.4
ARMM	795	788	7	0.9
Caraga	884	891	(7)	(0.8)

Notes: 1. Details may not add to totals due to rounding of figures.

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

Source of data: National Statistics Office, Labor Force Survey.

Table 3 - SUMMARY STATISTICS ON UNEMPLOYMENT
PHILIPPINES: JULY (2001-2002)
(in thousands except percent)

Indicator	Total Unemployed Persons		Percent Share (%)		Unemployment Rate (%)	
	2002	2001	2002	2001	2002	2001
Sex	3,814	3,286	100.0	100.0	11.2	10.1
Men	2,302	1,956	60.4	59.5	11.2	9.8
Women	1,512	1,329	39.6	40.5	11.3	10.5
Age Group	3,814	3,286	100.0	100.0	11.2	10.1
15-24 years old	1,834	1,578	48.1	48.0	23.8	21.3
25-54 years old	1,656	1,417	43.4	43.1	7.8	6.9
55 years old and over	324	290	8.5	8.8	6.4	6.1
Area	3,814	3,286	100.0	100.0	11.2	10.1
Urban	2,357	2,058	61.8	62.6	14.3	12.9
Rural	1,457	1,227	38.2	37.3	8.4	7.4
Region	3,814	3,286	100.0	100.0	11.2	10.1
NCR	816	713	21.4	21.7	17.4	15.7
CAR	53	40	1.4	1.2	8.8	7.0
Region I	196	174	5.1	5.3	10.8	10.0
Region II	69	55	1.8	1.7	5.3	4.4
Region III	446	323	11.7	9.8	13.3	10.1
Region IV	641	554	16.8	16.9	12.5	11.3
Region V	170	176	4.5	5.4	8.6	9.0
Region VI	279	272	7.3	8.3	9.9	10.1
Region VII	308	245	8.1	7.4	12.4	10.5
Region VIII	148	136	3.9	4.1	8.8	8.6
Region IX	89	87	2.3	2.6	6.8	7.2
Region X	130	109	3.4	3.3	7.4	6.4
Region XI	168	161	4.4	4.9	10.0	9.8
Region XII	142	116	3.7	3.5	9.6	8.0
ARMM	64	47	1.7	1.4	7.4	5.7
Caraga	95	77	2.5	2.3	9.7	7.9

Notes: 1. Details may not add to totals due to rounding of figures.

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

Source of data: National Statistics Office, Labor Force Survey.

Table 4 - SUMMARY STATISTICS ON UNDEREMPLOYMENT
PHILIPPINES: JULY (2001-2002)
(in thousands except percent)

Indicator	2002	2001
UNDEREMPLOYED PERSONS	5,161	5,188
Less than 40 hours (Visibly Underemployed)	3,274	3,321
40 hours and more (Invisibly Underemployed)	1,886	1,866
Underemployment Rate (%)	17.1	17.7
Visible Underemployment Rate (%)	10.9	11.3
Area		
Urban	1,960	2,012
Rural	3,200	3,176
Sector		
Agriculture, Fishery and Fishery	2,517	2,505
Industry	864	890
Mining and Quarrying	23	21
Manufacturing	442	453
Electricity, Gas and Water	20	17
Construction	346	399
Services	1,780	1,791
Wholesale and Retail Trade	696	683
Hotels and Restaurants	67	71
Transportation, Storage & Communication	330	336
Financial Intermediation	29	31
Real Estate, Renting & Business Activities	60	76
Public Administration & Defense, Compulsory Social Security	174	174
Education	62	60
Health and Social Work	39	36
Other Community, Social & Personal Services	206	215
Private Households with Employed Persons	117	109
Extra-Territorial Organizations	*	*
Class of Worker		
Wage and Salary Worker	2,521	2,566
Own-account Worker	1,998	1,949
Unpaid Family Worker	6,423	673

Notes: 1. Details may not add to totals due to rounding of figures.

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

** Less than 500.*

Source of data: National Statistics Office, Labor Force Survey.