

HIGHLIGHTS OF THE OCTOBER 2002 LABOR FORCE SURVEY

Overview

The results of the October 2002 Labor Force Survey (LFS) indicate little change in the country's labor market situation in comparison to the same period last year. On the overall, the level of employment has improved slightly (0.6% or +167,000) with modest gain in the agriculture, fishery and forestry sector (+60,000) and service sector (+120,000). Meanwhile, employment in the industry sector recorded a marginal decline (-16,000) as employers are hesitant to hire back workers until they are certain that the improvement in the economy is sustainable.

On a brighter note, some improvements in the quality of employment were noted as indicated by the decline in underemployment rate from 16.6 percent to 15.3 percent and the continuing increase in level of full-time employment (+359,000). Wage and salary employment edged down slightly (-131,000) while unpaid family workers posted a decline (-93,000).

Despite the decline in labor force participation rate (-1.3 percentage points), the size of the country's labor force continued to expand (+321,000) pushing up slightly the country's unemployment rate by 0.4 percentage point to 10.2 percent.

Labor Force

Labor force participation rate (LFPR) declined by 1.3 percentage points, from 67.5 percent in October 2001 to 66.2 percent in October this year. In nominal terms, however, the size of the country's labor force increased by 1.0 percent (+321,000) to 33.675 million.

Employment

Total employed persons in October rose by 167,000 from a year earlier to reach 30.252 million. This implies a year-on-year growth rate of 0.6 percent.

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

Indicator	Oct. 2002	Oct. 2001	Year-On - Year Change
Labor Force	33,675	33,354	321
Employed Persons	30,252	30,085	167
<i>Agri, Fishery and Forestry</i>	11,313	11,253	60
<i>Industry</i>	4,666	4,682	(16)
<i>Services</i>	14,271	14,151	120
Unemployed Persons	3,423	3,269	154
Underemployed Persons	4,628	5,000	(372)
LFPR (%)	66.2	67.5	XXXX
Unemployment Rate (%)	10.2	9.8	XXXX
Underemployment Rate (%)	15.3	16.6	XXXX

- ❑ Industry sector employment at 4.666 million remained sluggish, declining by 0.3 percent (-16,000). Slump in employment was observed in manufacturing (-1.3% or -37,000) and mining and quarrying (-1.9% or -2,000). This negated the gains recorded in construction (+1.0% or +15,000) and electricity, gas and water (+6.9% or +8,000).
- ❑ Employment in the combined agriculture, fishery and forestry sector was up slightly by 0.5 percent (+60,000), increasing from 11.253 million to 11.313 million.
- ❑ Growth in service sector employment slowed down (+0.8%) this period to reach 14.271 million. This can be attributed largely to the slowdown in employment growth in wholesale and retail trade (+1.7% or +95,000) and transportation, storage and communication (+0.04% or +1,000), which together accounts for more than one-half of total employment in this sector.
- ❑ Persons in full-time employment (worked 40 hours or more in the past week) increased by 2.0 percent (+359,000). On the other hand, the number of persons in part-time employment fell by 1.4 percent (-157,000). This figure represents an improvement from last year when part-time employment rose by 20.5 percent (+1.929 million) while full-time employment grew by only 1.1 percent (+206,000).
- ❑ As a corollary, the incidence of underemployment declined during the period from 16.6 percent to 15.3 percent. In absolute terms, the number of underemployed persons was down by 372,000 to 4.628 million.
- ❑ Wage and salary employment edged down slightly (-0.9%) to 14.620 million. Own-account workers posted an increase (3.5% or +390,000) while unpaid family workers fell (-2.3% or -93,000) during the period.
- ❑ Notable gains in employment were observed in five (5) regions: Region VI (+120,000), Region X (+54,000), Region IX (+52,000), ARMM (+48,000) and Region VIII (+34,000). On the other hand, slump in employment occurred in four (4) regions, namely: Region I (-35,000), Region V (-44,000), Region VII (-57,000), and Caraga (-37,000). Small changes in employment were noted in the rest of the regions including NCR (+0.6% or +22,000).

Unemployment

Unemployment rate in October 2002 stood at 10.2 percent, upped slightly by 0.4 percentage point from last year's rate of 9.8 percent. Total unemployed persons was estimated at 3.423 million, an increase of 154,000 from the same month last year. The increase was attributed to the 1.0 percent (+321,000) expansion in the labor force.

- ❑ Women unemployment rate was about unchanged at 10.2 percent while male unemployment rate increased slightly from 9.4 percent to 10.1 percent.
- ❑ Youth (15 - 24 years old) unemployment rate rose considerably by 2.4 percentage points to 21.4 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 edged up from 12.8 percent to 13.2 percent while rural unemployment rate was up slightly from 6.9 percent to 7.3 percent.
- ❑ Six (6) regions registered a more than one-percentage point increase in unemployment rate, namely: CAR, Regions I, IV, VII, XII, and Caraga. Likewise, three (3) other regions recorded less

than one percent increase in unemployment rate, namely: Regions III, V and ARMM. The rest of the seven (7) regions experienced a decline in unemployment rates with Region VI posting the biggest decline (-1.0 percentage point).

Visibly Underemployed Persons

The incidence of underemployment (employed persons who expressed the desires for additional hours/additional jobs/new jobs) dipped marginally in October both in terms of rate (16.6% to 15.3%) and number (5.000 million to 4.628 million).

Likewise, the number of visibly underemployed persons (underemployed persons who worked less than 40 hours a week) fell to 3.019 million from 3.282 million reported a year earlier.

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**Table 1.0 - SUMMARY STATISTICS ON LABOR FORCE
PHILIPPINES: October (2001-2002)**
(in thousands except percent)

Indicator	Total Household Population 15 Yrs. Old and Over		Labor Force Participation Rate (%)		Total Labor Force (LF)		Year-on-Year Change in LF	
	2001	2002	2001	2002	2001	2002	Number	Growth Rate (%)
Sex	49,424	50,841	67.5	66.2	33,354	33,675	321	2.9
Men	24,597	25,387	82.3	80.8	20,247	20,515	268	1.3
Women	24,826	25,454	52.8	51.7	13,112	13,159	47	0.4
Age Group	49,424	50,841	67.5	66.2	33,354	33,675	321	2.9
15-24 years old	14,994	15,390	52.4	49.1	7,859	7,553	(306)	(4.1)
25-54 years old	26,162	26,723	79.1	79.0	20,691	21,112	421	2.0
55 years old and over	8,268	8,728	58.2	57.4	4,809	5,010	201	4.0
Area	49,424	50,841	67.5	66.2	33,354	33,675	321	2.9
Urban	24,988	25,655	65.3	64.1	16,308	16,448	140	0.9
Rural	24,435	25,186	69.8	68.4	17,053	17,228	175	1.0
Region	49,424	50,841	67.5	66.2	33,354	33,675	321	2.9
NCR	7,162	7,349	65.5	64.4	4,694	4,731	37	0.8
CAR	896	926	66.5	65.3	596	605	9	1.5
Region I	2,697	2,776	65.6	63.2	1,769	1,754	(15)	(0.9)
Region II	1,776	1,818	72.1	69.6	1,280	1,266	(14)	(1.1)
Region III	5,073	5,201	64.5	63.4	3,272	3,298	26	0.8
Region IV	7,436	7,688	67.6	66.4	5,028	5,105	77	1.5
Region V	2,885	2,947	70.3	67.6	2,029	1,993	(36)	(1.8)
Region VI	4,095	4,195	66.6	67.4	2,726	2,826	100	3.5
Region VII	3,600	3,704	67.2	64.5	2,420	2,390	(30)	(1.3)
Region VIII	2,308	2,362	71.1	70.6	1,641	1,668	27	1.6
Region IX	1,963	2,028	63.5	63.6	1,246	1,290	44	3.4
Region X	2,264	2,338	75.3	74.3	1,704	1,736	32	1.8
Region XI	2,357	2,434	70.2	68.7	1,655	1,673	18	1.1
Region XII	2,058	2,125	71.3	69.9	1,467	1,486	19	1.3
ARMM	1,472	1,520	56.3	57.8	829	878	49	5.6
Caraga	1,381	1,429	72.3	68.2	999	974	(25)	(2.6)

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 2.0 - SUMMARY STATISTICS ON EMPLOYMENT
PHILIPPINES: OCTOBER (2001-2002)
(in thousands except rates)

Indicator	2001	2002	Increment	Year-on-Year Growth Rate (%)
LABOR FORCE POPULATION	33,354	33,675	321	1.0
EMPLOYED PERSONS	30,085	30,252	167	0.6
SECTOR				
Agriculture, Fishery and Forestry	11,253	11,313	60	0.5
Industry	4,682	4,666	(16)	(0.3)
Mining and Quarrying	103	101	(2)	(1.9)
Manufacturing	2,892	2,855	(37)	(1.3)
Electricity, Gas and Water	116	124	8	6.9
Construction	1,571	1,586	15	1.0
Services	14,151	14,271	120	0.8
Wholesale and Retail Trade	5,526	5,621	95	1.7
Hotels and Restaurants	700	712	12	1.7
Transportation, Storage & Comm.	2,171	2,172	1	0.0
Financial Intermediation	314	319	5	1.6
Real Estate, Renting & Bus. Activities	534	560	26	4.9
Public Administration & Defense, Compulsory Social Security	1,385	1,460	75	5.4
Education	955	939	(16)	(1.7)
Health and Social Work	339	347	8	2.4
Other Community, Social & Personal Services	890	847	(43)	(4.8)
Private Households with Employed Persons	1,334	1,289	(45)	(3.4)
Extra-Territorial Organizations	3	5	2	66.7
CLASS OF WORKER				
Wage and Salary Workers	14,751	14,620	(131)	(0.9)
Own-Account Workers	11,257	11,647	390	3.5
Unpaid Family Workers	4,077	3,984	(93)	(2.3)
HOURS OF WORK				
Less than 40 Hours (Part-Time Employment)	11,344	11,187	(157)	(1.4)
40 Hours and Over (Full-Time Employment)	18,265	18,624	359	2.0
Did Not Work	477	441	(36)	(7.5)
REGION				
NCR	3,920	3,942	22	0.6
CAR	560	559	(1)	(0.2)
Region I	1,608	1,573	(35)	(2.2)
Region II	1,218	1,210	(8)	(0.7)
Region III	2,936	2,942	6	0.2
Region IV	4,499	4,506	7	0.2
Region V	1,875	1,831	(44)	(2.3)
Region VI	2,481	2,601	120	4.8
Region VII	2,180	2,123	(57)	(2.6)
Region VIII	1,510	1,544	34	2.3
Region IX	1,158	1,210	52	4.5
Region X	1,569	1,623	54	3.4
Region XI	1,521	1,517	(4)	(0.3)
Region XII	1,341	1,348	7	0.5
ARMM	791	839	48	6.1
Caraga	919	882	(37)	(4.0)

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 3.0 - SUMMARY STATISTICS ON UNEMPLOYMENT
PHILIPPINES: OCTOBER (2001-2002)**
(in thousands except percent)

Indicator	Total Unemployed Persons		Percent Share (%)		Unemployment Rate (%)	
	2001	2002	2001	2002	2001	2002
Sex	3,269	3,423	100.0	100.0	9.8	10.2
Men	1,913	2,076	58.5	60.6	9.4	10.1
Women	1,357	1,347	41.5	39.4	10.3	10.2
Age Group	3,269	3,423	100.0	100.0	9.8	10.2
15-24 years old	1,489	1,616	45.5	47.2	19.0	21.4
25-54 years old	1,497	1,505	45.8	44.0	7.2	7.1
55 years old and over	283	302	8.7	8.8	5.9	6.0
Area	3,269	3,423	100.0	100.0	9.8	10.2
Urban	2,090	2,163	63.9	63.2	12.8	13.2
Rural	1,181	1,261	36.1	36.8	6.9	7.3
Region	3,269	3,423	100.0	100.0	9.8	10.2
NCR	774	789	23.7	23.0	16.5	16.7
CAR	36	46	1.1	1.3	6.1	7.6
Region I	161	181	4.9	5.3	9.1	10.3
Region II	62	56	1.9	1.6	4.8	4.4
Region III	336	356	10.3	10.4	10.3	10.8
Region IV	529	599	16.2	17.5	10.6	11.7
Region V	154	162	4.7	4.7	7.6	8.1
Region VI	245	225	7.5	6.6	9.0	8.0
Region VII	240	267	7.3	7.8	9.9	11.2
Region VIII	131	124	4.0	3.6	8.0	7.4
Region IX	88	80	2.7	2.3	7.0	6.2
Region X	135	113	4.1	3.3	7.2	6.5
Region XI	134	156	4.1	4.6	9.5	9.3
Region XII	126	138	3.8	4.0	6.9	9.3
ARMM	38	39	1.2	1.1	4.0	4.4
Caraga	80	92	2.4	2.7	8.0	9.5

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 4.0 - SUMMARY STATISTICS ON UNDEREMPLOYMENT
PHILIPPINES: OCTOBER (2001-2002)
(in thousands except percent)

Indicator	2001	2002
UNDEREMPLOYED PERSONS ('000)	5,000	4,628
Less than 40 hours (Visibly Underemployed)	3,282	3,019
40 hours and more (Invisibly Underemployed)	1,718	1,609
Underemployment Rate (%)	16.6	15.3
Visible Underemployment Rate (%)	10.9	10.0
Area	5,000	4,628
Urban	1,961	1,659
Rural	3,039	2,969
Sector	5,000	4,628
Agriculture, Fishery and Fishery	2,392	2,290
Industry	861	777
Mining and Quarrying	29	17
Manufacturing	459	410
Electricity, Gas and Water	16	18
Construction	357	332
Services	1,746	1,560
Wholesale and Retail Trade	650	607
Hotels and Restaurants	82	63
Transportation, Storage & Communication	333	283
Financial Intermediation	23	30
Real Estate, Renting & Business Activities	63	43
Public Administration & Defense,		
Compulsory Social Security	175	158
Education	71	63
Health and Social Work	42	33
Other Community, Social & Personal Services	204	184
Private Households with Employed Persons	103	95
Extra-Territorial Organizations	-	1
Class of Worker	5,000	4,628
Wage and Salary Workers	2,511	2,260
Own-account Workers	1,898	1,792
Unpaid Family Workers	590	576

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.