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HIGHLIGHTS OF THE JANUARY 2005 LABOR FORCE SURVEY



Overview

The results of the January 2005 Labor Force Survey (LFS) indicate little change in the country's labor market situation in comparison to the same period last year. Employment grew at a sluggish pace (0.3%). Only agriculture, fishery and forestry sector posted significant gains in employment while declines were recorded in the industry and service sectors. The slack in employment may be attributed to the oil price surge and inflation rate uptrend in recent months. These dampened consumer demand that led to significant employment cutbacks in such sectors as manufacturing, other community, social and personal service activities and private households with employed persons.

Despite the employment slowdown, unemployment rate (11.3%) rose only marginally from last year as there was a matching decrease in Labor Force Participation Rate (LFPR). Moreover, underemployment decline both in terms of rate and magnitude. The weakness in the labor market was also reflected by the decline in wage and salary employment and full-time employment.

Labor Force and Labor Force Participation Rate (LFPR)

Total labor force grew by less than one percent (0.6% or 217,000) to reach 35.664 million in January. This is the lowest year-on-year increment in labor force recorded in recent years.

The slowdown is reflected by the decline in the Labor Force Participation Rate (LFPR) from 67.3 percent to 66.1 percent. Decline in LFPR occurred across age groups and among men and women as can be observed in Table 1.

KEY EMPLOYMENT INDICATORS PHILIPPINES: JANUARY 2004-2005 (in thousands except rates)			
Indicator	Jan. 2005	Jan. 2004	Year-On-Year Change
Household Population 15 Years Old and Over	53,975	52,675	+1,300
Labor Force	35,664	35,447	+217
Employed Persons	31,634	31,547	+87
- Underemployed	5,098	5,522	-424
- Visibly underemployed	3,286	3,282	+4
Unemployed Persons	4,030	3,900	+130
LFPR (%)	66.1	67.3	XXXXX
Employment Growth Rate (%)	0.3	4.7	XXXXX
Unemployment Rate (%)	11.3	11.0	XXXXX
Underemployment Rate (%)	16.1	17.5	XXXXX
- Visible Underemployment Rate (%)	10.4	10.4	XXXXX

Source: National Statistics Office, Labor Force Survey.

Employment

Compared to last year, employment in January has increased moderately by 87,000 to reach 31.634 million. This translates to a year-on-year growth rate of only 0.3 percent.

- Agriculture, fishery and forestry sector grew by 1.7 percent (+185,000), the only sector that posted gains in employment. This represents an improvement from the near zero growth (0.2% or 28,000) recorded a year ago of the same period.
- Industry employment dipped by 1.4 percent (-73,000) as manufacturing employment fell by 3.5 percent (-109,000). This negated the combined gains recorded in electricity, gas and water (+18,000), construction (+12,000) and mining and quarrying (+6,000).
- Employment in the service sector contracted slightly by 0.2 percent (-24,000) after posting a 6.5 percent growth last year. The main losers were other community, social and personal service activities (-116,000) and private households with employed persons (-79,000). On the other hand, gains in employment were recorded in wholesale and retail trade (+87,000) and transport, storage and communications (+90,000) but these gains were lower when compared to last year.
- Wage and salary employment fell by 3.5 percent (-586,000) from the robust 15.2 percent growth recorded a year ago. As shown in Table 4, the three (3) sub-sectors which experienced the biggest

decline in wage and salary workers were agriculture, hunting and forestry (-301,000), other community, social and personal service activities (-103,000) and manufacturing (-102,000).

The decline in wage and salary employment was matched by a corresponding increase in unpaid family workers which grew by 18.4 percent (+574,000). It can be observed that it is also in agriculture, hunting and forestry where the largest increase in unpaid family workers occurred (+380,000).

- Full-time employment continued to account for the bulk (62.6% or 19.814 million) of employed persons. The rest were engaged in part-time employment (35.8% or 11.323 million) or did not work (1.6% or 496,000) during the reference week. Over the period, however, persons in full-time employment declined by 1.1 percent (-214,000) while those in part-time employment grew by 2.1 percent (+228,000).
- Growth in employment was posted in ten (10) regions with the highest in Regions IV-B (4.5%) and X (4.3%). The rest of the regions suffered a decline notably in NCR (2.6%), CAR (2.6%), Region II (2.3%) and Region V (2.0%).

Unemployment

Unemployment rate was of little change from last year increasing by a negligible 0.3 percentage point to reach 11.3 percent. The rate could have been higher if not for the decline in labor force participation rate (LFPR) as noted earlier. In absolute terms,

the number of unemployed increased by 130,000 to reach 4.030 million.

- The youth accounted for almost one-half (44.1% or 1.778 million) of total unemployed. Their unemployment rate at 22.2 percent was two times higher than the national unemployment figure.
- Three (3) in every five (5) unemployed persons were males. Male unemployment rate (11.2%) was slightly lower than their female counterpart (11.4%).
- Majority (29.2% or 1.177 million) of the unemployed were high school graduates. Equally large were those with college education, (668,000) and college undergraduate (676,000).
- Five (5) regions recorded unemployment rate higher than the national average, namely: NCR (17.4%), Region I (13.5%), Region III (12.4%), Region IV-A (13.9%) and Region VII (12.3%).

ILO Concept of Unemployment

In July 2004, the NSO has included in its Press Release data series on unemployment that adopt the international standard definition as recommended by the International Labor Office (ILO). **In accordance with NSCB Resolution No. 15 series of 2004, the new official definition of unemployment based on international standard shall be adopted in the LFS starting the April 2005 round.**

Following are the highlights of the January 2005 LFS series:

- As shown in Table 6, unemployment rate stood at 7.3 percent as compared to 6.5 percent a year ago. This corresponds to total unemployed persons of 2.476 million and 2.200 million, respectively.
- Labor force was estimated at 34.110 million, an increase of 1.1 percent (363,000) from last year. The increase occurred despite the decline in labor force participation rate from 64.1 percent to 63.2 percent.
- The levels for other key indicators such as total household population 15 years old and over, employment and underemployment are left unchanged.

Underemployment

The number of the underemployed persons dropped from 5.522 million to 5.098 million over the period under review (see Table 5). The underemployed represented 16.1 percent of total employed, down from 17.5 percent posted a year ago. Nearly two-thirds (64.5% or 3.286 million) of the total underemployed persons worked less than 40 hours a week or considered visibly underemployed. This placed the visible underemployment rate at 10.4 percent or unchanged from the same period last year.

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Table 1.0 - SUMMARY STATISTICS ON LABOR FORCE
PHILIPPINES: January (2004-2005)
(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	
	2005	2004	2005	2004	2005	2004	Number	Growth Rate (%)
Sex	53,975	52,675	66.1	67.3	35,664	35,447	217	0.6
Men	26,879	26,255	82.8	83.6	22,252	21,940	312	1.4
Women	27,095	26,420	49.5	51.1	13,412	13,508	(96)	0.7
Age Group	53,975	52,675	66.1	67.3	35,664	35,447	217	0.6
15-24 years old	16,265	15,995	49.2	50.6	7,999	8,092	(93)	(1.1)
25-54 years old	29,598	28,864	77.7	78.8	22,983	22,743	240	1.1
55 years old and over	8,110	7,815	57.7	59.0	4,681	4,612	69	1.5
Region	53,975	52,675	66.1	67.3	35,664	35,447	217	0.6
NCR	7,616	7,557	64.5	66.3	4,912	5,010	(98)	(2.0)
CAR	980	956	67.2	69.0	659	660	(1)	(0.2)
Region I	2,952	2,831	63.1	64.7	1,862	1,831	31	1.7
Region II	1,989	1,943	67.5	70.0	1,343	1,360	(17)	(1.3)
Region III	5,680	5,524	63.0	64.3	3,581	3,552	29	0.8
Region IV-A	6,620	6,416	65.5	66.7	4,338	4,277	61	1.4
Region IV-B	1,477	1,456	70.5	68.9	1,041	1,003	38	3.8
Region V	3,088	3,008	67.8	70.9	2,094	2,132	(38)	(1.8)
Region VI	4,438	4,333	68.0	69.0	3,017	2,988	29	1.0
Region VII	3,939	3,881	65.8	65.7	2,591	2,550	41	1.6
Region VIII	2,499	2,394	71.5	71.7	1,787	1,716	71	4.1
Region IX	2,030	1,937	62.4	65.8	1,267	1,275	(8)	(0.6)
Region X	2,512	2,433	75.7	74.9	1,901	1,822	79	4.3
Region XI	2,595	2,559	66.5	68.9	1,726	1,764	(38)	(2.2)
Region XII	2,322	2,247	66.9	67.6	1,554	1,519	35	2.3
Region XIII (Caraga)	1,501	1,476	66.9	67.7	1,004	999	5	0.5
ARMM	1,736	1,723	56.7	57.3	985	988	(3)	(0.3)

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: JANUARY (2004-2005)**

(in thousands except rates)

INDICATOR	2005	2004	Increment	Year-on-Year Growth Rate (%)
LABOR FORCE POPULATION	35,664	35,447	217	0.6
EMPLOYED PERSONS	31,634	31,547	87	0.3
SECTOR				
Agriculture, Fishery and Forestry	11,359	11,174	185	1.7
Industry	4,977	5,050	(73)	(1.4)
Mining and Quarrying	129	123	6	4.9
Manufacturing	2,995	3,104	(109)	(3.5)
Electricity, Gas and Water	128	110	18	16.4
Construction	1,725	1,713	12	0.7
Services	15,298	15,322	(24)	(0.2)
Wholesale and Retail Trade	5,910	5,823	87	1.5
Hotels and Restaurants	836	830	6	0.7
Transport, Storage & Communications	2,526	2,436	90	3.7
Financial Intermediation	304	327	(23)	(7.0)
Real Estate, Renting & Business Activities	711	697	14	2.0
Public Administration & Defense, Compulsory Social Security	1,436	1,478	(42)	(2.8)
Education	959	937	22	2.3
Health and Social Work	382	365	17	4.7
Other Community, Social & Personal Service Activities	763	879	(116)	(13.2)
Private Households with Employed Persons	1,469	1,548	(79)	(5.1)
Extra-Territorial Organizations	0	2	(2)	(100.0)
CLASS OF WORKER				
Wage and Salary Workers	16,114	16,700	(586)	(3.5)
Own-Account Workers	11,822	11,723	99	0.8
Unpaid Family Workers	3,698	3,124	574	18.4
HOURS OF WORK				
Less than 40 Hours (Part-Time Employment)	11,323	11,095	228	2.1
40 Hours and Over (Full-Time Employment)	19,814	20,028	(214)	(1.1)
Did Not Work	496	423	73	17.3
REGION				
NCR	4,057	4,166	(109)	(2.6)
CAR	598	614	(16)	(2.6)
Region I	1,611	1,614	(3)	(0.2)
Region II	1,251	1,281	(30)	(2.3)
Region III	3,136	3,104	32	1.0
Region IV-A	3,734	3,690	44	1.2
Region IV-B	953	912	41	4.5
Region V	1,908	1,946	(38)	(2.0)
Region VI	2,746	2,755	(9)	(0.3)
Region VII	2,273	2,234	39	1.7
Region VIII	1,623	1,585	38	2.4
Region IX	1,194	1,178	16	1.4
Region X	1,760	1,687	73	4.3
Region XI	1,578	1,575	3	0.2
Region XII	1,395	1,376	19	1.4
Region XIII (Caraga)	902	900	2	0.2
ARMM	914	929	(15)	(1.6)

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 3.0 - SUMMARY STATISTICS ON UNEMPLOYMENT
PHILIPPINES: JANUARY (2004-2005)
(in thousands except percent)

INDICATOR	Total Unemployed Persons		Percent Share (%)		Unemployment Rate (%)	
	2005	2004	2005	2004	2005	2004
Sex	4,030	3,900	100.0	100.0	11.3	11.0
Men	2,495	2,381	61.9	61.1	11.2	10.9
Women	1,535	1,520	38.1	39.0	11.4	11.2
Age Group	4,030	3,900	100.0	100.0	11.3	11.0
15-24 years old	1,778	1,789	44.1	45.9	22.2	22.1
25-54 years old	1,880	1,751	46.7	44.9	8.2	7.7
55 years old and over	372	360	9.2	9.2	8.0	7.8
Highest Grade Completed	4,030	3,900	100.0	100.0	NA	NA
No grade completed	99	97	2.5	2.5	NA	NA
Elementary	855	850	21.2	21.8	NA	NA
Undergraduate	424	402	10.5	10.3	NA	NA
Graduate	430	448	10.7	11.5	NA	NA
High school	1,731	1,675	43.0	42.9	NA	NA
Undergraduate	554	600	13.7	15.4	NA	NA
Graduate	1,177	1,075	29.2	27.6	NA	NA
College	1,346	1,279	33.4	32.8	NA	NA
Undergraduate	676	663	16.8	17.0	NA	NA
Graduate	668	616	16.6	15.8	NA	NA
Region	4,030	3,900	100.0	100.0	11.3	11.0
NCR	855	844	21.2	21.6	17.4	16.8
CAR	61	46	1.5	1.2	9.3	7.0
Region I	251	217	6.2	5.6	13.5	11.9
Region II	92	79	2.3	2.0	6.9	5.8
Region III	445	448	11.0	11.5	12.4	12.6
Region IV-A	604	587	15.0	15.1	13.9	13.7
Region IV-B	88	91	2.2	2.3	8.5	9.1
Region V	186	186	4.6	4.8	8.9	8.7
Region VI	271	233	6.7	6.0	9.0	7.8
Region VII	318	316	7.9	8.1	12.3	12.4
Region VIII	164	131	4.1	3.4	9.2	7.6
Region IX	73	97	1.8	2.5	5.8	7.6
Region X	141	135	3.5	3.5	7.4	7.4
Region XI	148	189	3.7	4.8	8.6	10.7
Region XII	159	143	3.9	3.7	10.2	9.4
Region XIII (Caraga)	102	99	2.5	2.5	10.2	9.9
ARMM	71	59	1.8	1.5	7.2	6.0

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.

NA - Data not available.

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

**Table 4.0 - EMPLOYED PERSONS BY CLASS OF WORKER AND MAJOR INDUSTRY GROUP,
PHILIPPINES: JANUARY (2004-2005)**
(In thousands)

MAJOR INDUSTRY GROUP	Total			Wage and Salary			Own-Account			Unpaid Family Worker		
	2005	2004	Year-on-Year Change	2005	2004	Year-on-Year Change	2005	2004	Year-on-Year Change	2005	2004	Year-on-Year Change
PHILIPPINES	31,634	31,547	87	16,114	16,700	(586)	11,822	11,723	99	3,698	3,124	574
Agriculture	11,359	11,174	185	2,687	3,004	(317)	5,955	5,867	88	2,718	2,304	414
Agriculture, Hunting and Forestry	9,949	9,775	174	2,353	2,654	(301)	5,079	4,986	93	2,516	2,136	380
Fishing	1,410	1,399	11	334	350	(16)	875	881	(6)	201	168	33
Industry	4,977	5,050	(73)	4,004	4,057	(53)	802	854	(52)	171	138	33
Mining and Quarrying	129	123	6	75	70	5	44	46	(2)	10	7	3
Manufacturing	2,995	3,104	(109)	2,207	2,309	(102)	630	668	(38)	157	126	31
Electricity, Gas and Water	128	110	18	126	107	19	1	2	(1)	-	*	*
Construction	1,725	1,713	12	1,595	1,571	24	127	138	(11)	3	5	(2)
Services	15,298	15,322	(24)	9,424	9,638	(214)	5,065	5,003	62	810	682	128
Wholesale and Retail Trade	5,910	5,823	87	1,839	1,859	(20)	3,381	3,404	(23)	690	559	131
Hotels and Restaurants	836	830	6	594	570	24	161	179	(18)	81	81	-
Transport, Storage and Communications	2,526	2,436	90	1,443	1,468	(25)	1,058	947	111	25	21	4
Financial Intermediation	304	327	(23)	288	313	(25)	15	13	2	2	1	1
Real Estate, Renting and Business Activities	711	697	14	591	572	19	115	119	(4)	6	6	-
Public Administration and Defense, Compulsory Social Security	1,436	1,478	(42)	1,435	1,475	(40)	1	4	(3)	-	-	-
Education	959	937	22	950	928	22	9	9	0	-	1	(1)
Health and Social Work	382	365	17	331	320	11	51	45	6	1	*	1
Other Community, Social and Personal Service Activities	763	879	(116)	494	597	(103)	266	270	(4)	4	12	(8)
Private Households with Employed Persons	1,469	1,548	(79)	1,460	1,534	(74)	8	13	(5)	1	1	-
Extra-Territorial Organizations and Bodies	0	2	(2)	0	2	(2)	-	-	-	-	-	-

* - Value is less than 500.

Source: National Statistics Office, Labor Force Survey.

**Table 5.0 - NUMBER OF UNDEREMPLOYED PERSONS, PHILIPPINES:
JANUARY (2004-2005)**
(In thousand except percent)

INDICATOR	2005		2004	
	Number	Percent	Number	Percent
Total Underemployed Persons	5,098	16.1	5,522	17.5
Working:				
Less than 40 hours	3,286	10.4	3,282	10.4
40 hours and more	1,811	5.7	2,240	7.1

Source: National Statistics Office, Labor Force Survey.

**Table 6.0 - SUMMARY STATISTICS ON PHILIPPINE LABOR FORCE
SURVEY BASED ON ILO CONCEPTS: JANUARY (2004-2005)**
(In thousand except percent)

INDICATOR	2005	2004	Year-on-Year Change
Population 15 Years Old and over	53,975	52,675	1,300
Labor Force	34,110	33,747	363
Employed	31,634	31,547	87
- Underemployed	5,098	5,522	(424)
Unemployed	2,476	2,200	276
Labor Force Participation Rate (%)	63.2	64.1	(0.9)
Unemployment Rate (%)	7.3	6.5	0.8
Underemployment Rate (%)	16.1	17.5	(1.4)

Source: National Statistics Office, Labor Force Survey.