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HIGHLIGHTS OF THE APRIL 2005 LABOR FORCE SURVEY



Overview

Employment in April 2005 recorded a 2.2 percent growth rate following a recovery last year. The rise in employment was felt strongest in the services sector (4.6%) with industry sector posting a modest improvement (2.1%). These gains negated the employment decline in agriculture, fishery and forestry sector (-1.1%) which was hit by the drought linked to the El Nino phenomenon. Full-time employment rose significantly but this was accompanied by a rise in underemployment. The increase in full-time employment occurred mainly among self-employed most of them engaged in trade and agricultural activities.

Unemployment rate was placed at 8.3 percent while the labor force participation rate (LFPR) was pegged at 64.8 percent. These figures were based on the new official unemployment definition which was adopted starting this April in compliance with NSCB Resolution No. 15 dated October 20, 2004.

Employment

Total employed persons in April increased to 32.217 million from 31.533 million a year ago. This translates to employment generation of 684,000 which is lower compared to the 1.115 million employment generated in 2004. The year 2004 coincided with the national election when economic activity, particularly wage and salary employment, perked up.

- The services sector accounted for the bulk of the increase in employment at 699,000. This was attributed largely to the employment gains in wholesale and retail trade (+424,000) and real estate, renting and business activities (+107,000).

KEY EMPLOYMENT INDICATORS
PHILIPPINES: April 2004-2005
(in thousands except rates)

Indicator	April 2005	April 2004	Year-On-Year Change
Household Population 15 Years Old and Over	54,194	52,970	+1,224
Labor Force	35,126	*	*
Employed Persons	32,217	31,533	+684
- Visibly underemployed	4,366	3,602	+764
Unemployed Persons	2,909	*	*
LFPR (%)	64.8	*	XXXXX
Employment Growth Rate (%)	2.2	3.7	XXXXX
Unemployment Rate (%)	8.3	*	XXXXX
Visible Underemployment Rate (%)	13.6	11.4	XXXXX

* Not comparable due to the adoption of new official unemployment definition (NSCB Resolution No. 15, Series of 2004).

Source: National Statistics Office, Labor Force Survey.

Notable gains were also recorded in hotels and restaurants (+86,000), education (+76,000) and private households with employed persons (+68,000). Decline in employment were recorded in public administration and defense, compulsory social security (-126,000) and other community, social and personal services (-25,000).

- The industry sector grew by 106,000 mainly on the strength of the rise in manufacturing employment (+138,000). This more than offset the combined losses in construction (-11,000), electricity, gas and water (-18,000) and mining and quarrying (-3,000).
- Employment in agriculture, fishery and forestry sector fell slightly by 121,000 due to the effect of the El Nino phenomenon. This pulled down to 34.1 percent the sector's share to total employment from 35.2 percent a year ago.
- By class of worker, employment creation was concentrated mainly among own-account workers (self-employed and employers), which grew by more than half a million (+597,000). On the other hand, wage and salary employment also increased by 365,000 while the number of unpaid family workers was down by 278,000. In April 2004, wage and salary employment rose by 1.434 million due largely to the rise in election-related activities.
- Persons in full-time employment (worked 40 hours or more) grew by a robust 15.6 percent from 17.4 million to 20.0 million over the period. The growth was most pronounced in agriculture, fishery and forestry sector (+680,000),

wholesale and retail trade (+526,000), manufacturing (+445,000), education (+288,000) and construction (+226,000).

In contrast, persons in part-time employment (worked less than 40 hours) declined by 1.525 million mainly in agriculture, fishery and forestry (-671,000), manufacturing (-251,000), construction (-192,000) and public administration and defense, compulsory social security (-138,000).

- Employment grew in all but four (4) regions. The highest was recorded in Region IV-B (5.9%), Region VII (4.9%), Region VIII (4.9%), Region III (4.5%) and Caraga (4.5%). Declines were recorded in CAR (1.3%), Region II (4.9%), Region X (2.3%) and Region XI (0.4%).

Visible Underemployment

The weakness in employment was reflected by the rise in the incidence of underemployment. In particular, the number of visibly underemployed persons increased by 764,000 to reach 4.366 million. This figure made up for 13.6 percent of total employed (visible underemployment rate) upped from 11.4 percent a year ago.

- Two sectors accounted for the biggest increase in the number of visibly underemployed persons, namely: agriculture, fishery and forestry (+258,000) and wholesale and retail trade (+224,000). By class of worker, the biggest increase occurred among own-account workers (+568,000).

UNEMPLOYMENT AND LABOR FORCE PARTICIPATION RATE

The number of persons that participated in the labor force in April 2005 was estimated at 35.126 million. This translates to labor force participation rate (LFPR) of 64.8 percent.

Of the total labor force, 2.909 million were considered as unemployed. These are persons who satisfied simultaneously the three criteria for measuring the unemployed, namely: without job or business, looking for work and available for work. This measurement is in compliance with the new official definition of unemployment as set forth in NSCB Resolution No. 15 Series of 2004 which took effect starting the April 2005 round of the Labor Force Survey. The new definition introduced the "availability for work" as the third criterion in defining the unemployed.

COMPARISON WITH THE OLD UNEMPLOYMENT SERIES

It should be noted in Table 1 that even under the old series, the number of unemployed persons declined from 5.002 million to 4.786 million over the period under review. This implies a decline in unemployment rate from 13.7 percent to 12.9 percent.

In the old definition, the unemployed were based only on two criteria: (1) without job/business and (2) looked for work including those not seeking work with valid reasons. With the adoption of the revised definition, about 1.877 million persons were no longer considered unemployed because they did not meet the three criteria in measuring the unemployed.

CHARACTERISTICS OF UNEMPLOYED PERSONS

About one-half (49.0%) of the unemployed were young workers in the age bracket 15 to 24 years old. Their unemployment rate was twice higher than the national figure. The men (61.6%) outnumbered women (38.4%) by ratio of three to two. The majority of the unemployed were high school graduates (29.4%) or college undergraduates (21.0%). College graduates also comprised a significant proportion at 18.5 percent.

Of the total unemployed person, 52.7 percent or 1.532 million were inactive unemployed, i.e., they did not look for work due to valid reasons. Discouraged workers (tired/believed no work available) accounted for the bulk (42.8%) of inactive unemployed followed by those awaiting results of previous job applications (22.8%), waiting for rehire/job recall (22.1%) and temporary illness/disability (11.9%).

Those who actively looked for work numbered 1.377 million. Approaching employers directly (34.8%) and approaching relatives or friends (34.8%) were the two most common methods of job search. Others opted to register in employment agency (20.7%) or placed or answered advertisements (8.4%). The length of job search was less than 4 weeks for the majority (58.8%) of the active unemployed although a sizeable proportion (27.8%) has spent 4 to 9 weeks looking for job.

Double digit-unemployment rate was recorded in NCR (14.4%), Region III (11.4%) and Region IV-A (11.1%). On the other hand, lowest rate was posted in three regions, namely, II (3.9%), VIII (3.7%) and ARMM (3.9%).

Table 1 - KEY LABOR FORCE INDICATORS USING OLD AND NEW CONCEPTS
PHILIPPINES: APRIL (2004-2005)
(In thousands except percent)

INDICATOR	New Definition ¹	Old Definition	
	April 2005	April 2005	April 2004
Population 15 Years Old and Over	54,194	54,194	54,194
Labor Force	35,126	37,003	36,535
Employed	32,217	32,217	32,217
Unemployed	2,909	4,786	5,002
Underemployed	8,422	8,422	5,839
- Visible underemployment	4,569	4,569	3,882
- Invisible underemployment	3,853	3,853	1,957
- With a job but not at work	202	202	280
Labor Force Participation Rate (%)	64.8	68.3	69.0
Unemployment Rate (%)	8.3	12.9	13.7
Underemployment Rate (%)	26.1	26.1	18.5
Visible Underemployment Rate (%)	13.6	13.6	11.4

Note: Estimates for April 2005 are preliminary and subject to change.

1 Based on NSCB Resolution No. 15 Series of 2004.

Source: National Statistics Office, April 2005 Labor Force Survey.

Table 2 - SUMMARY STATISTICS ON LABOR FORCE
PHILIPPINES: April 2005
(in thousands except rate)

INDICATOR	Labor Force ¹	Labor Force Participation Rate (%) ¹
Total	35,126	64.8
Sex		
Men	21,491	79.5
Women	13,635	50.2
Age Group		
15-24 years old	8,005	49.1
25-54 years old	22,705	76.4
55 years old and over	4,413	53.9
Not Reported	2	28.6
Region		
NCR	4,752	62.1
CAR	660	65.3
Region I	1,792	60.1
Region II	1,356	67.2
Region III	3,555	62.4
Region IV-A	4,203	63.3
Region IV-B	1,066	71.1
Region V	2,143	68.8
Region VI	2,913	65.1
Region VII	2,509	63.6
Region VIII	1,776	70.6
Region IX	1,264	63.7
Region X	1,822	72.5
Region XI	1,751	66.8
Region XII	1,554	66.8
ARMM	970	58.0
Caraga	1,039	68.4

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.

¹ Based on the new official unemployment definition (NSCB Resolution No. 15 Series of 2004).

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

Table 3 - SUMMARY STATISTICS ON EMPLOYMENT
PHILIPPINES: April (2004-2005)
(in thousands except rates)

INDICATOR	2005 ^p	2004	Increment	Year-on-Year Growth Rate (%)
EMPLOYED PERSONS	32,217	31,533	684	2.2
SECTOR				
Agriculture, Fishery and Forestry	10,992	11,113	(121)	(1.1)
Industry	5,236	5,130	106	2.1
Mining and Quarrying	135	138	(3)	(2.2)
Manufacturing	3,201	3,063	138	4.5
Electricity, Gas and Water	119	137	(18)	(13.1)
Construction	1,781	1,792	(11)	(0.6)
Services	15,989	15,290	699	4.6
Wholesale and Retail Trade	6,398	5,974	424	7.1
Hotels and Restaurants	877	791	86	10.9
Transport, Storage & Communication	2,387	2,359	28	1.2
Financial Intermediation	364	339	25	7.4
Real Estate, Renting & Business Activities	776	669	107	16.0
Public Administration & Defense, Compulsory Social Security	1,497	1,623	(126)	(7.8)
Education	958	882	76	8.6
Health and Social Work	377	341	36	10.6
Other Community, Social & Personal Services	843	868	(25)	(2.9)
Private Households with Employed Persons	1,511	1,443	68	4.7
Extra-Territorial Organizations	0	1	0	0.0
CLASS OF WORKER				
Wage and Salary Workers	16,293	15,928	365	2.3
Own-Account Workers	12,300	11,703	597	5.1
Unpaid Family Workers	3,623	3,901	(278)	(7.1)
HOURS OF WORK				
Less than 40 Hours (Part-Time Employment)	11,526	13,051	(1,525)	(11.7)
40 Hours and Over (Full-Time Employment)	20,075	17,359	2,716	15.6
Did Not Work	616	1,121	(505)	(45.0)
REGION				
NCR	4,069	4,055	14	0.3
CAR	625	633	(8)	(1.3)
Region I	1,620	1,588	32	2.0
Region II	1,303	1,370	(67)	(4.9)
Region III	3,151	3,014	137	4.5
Region IV-A	3,736	3,588	148	4.1
Region IV-B	1,004	948	56	5.9
Region V	2,049	1,963	86	4.4
Region VI	2,749	2,689	60	2.2
Region VII	2,300	2,192	108	4.9
Region VIII	1,710	1,630	80	4.9
Region IX	1,199	1,198	1	0.1
Region X	1,709	1,749	(40)	(2.3)
Region XI	1,624	1,630	(6)	(0.4)
Region XII	1,460	1,441	19	1.3
ARMM	933	910	23	2.5
Caraga	975	933	42	4.5

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.

p Preliminary.

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

**Table 4 - SUMMARY STATISTICS ON UNEMPLOYMENT
PHILIPPINES: APRIL 2005**

(in thousands except percent)

INDICATOR	Total Unemployed Persons ^p	Percent Share (%)	Unemployment Rate (%)
TOTAL	2,909	100.0	8.3
Sex			
Men	1,792	61.6	8.3
Women	1,117	38.4	8.2
Age Group			
15-24 years old	1,424	49.0	17.8
25-54 years old	1,367	47.0	6.0
55 years old and over	117	4.0	2.7
Highest Grade Completed			
No grade completed	27	0.9	NA
Elementary	461	15.8	NA
Undergraduate	202	6.9	NA
Graduate	258	8.9	NA
High School	1,273	43.8	NA
Undergraduate	418	14.4	NA
Graduate	855	29.4	NA
College	1,148	39.5	NA
Undergraduate	610	21.0	NA
Graduate	538	18.5	NA
Region			
NCR	684	23.5	14.4
CAR	35	1.2	5.3
Region I	172	5.9	9.6
Region II	53	1.8	3.9
Region III	404	13.9	11.4
Region IV-A	467	16.1	11.1
Region IV-B	61	2.1	5.8
Region V	93	3.2	4.4
Region VI	164	5.6	5.6
Region VII	209	7.2	8.3
Region VIII	66	2.3	3.7
Region IX	65	2.2	5.1
Region X	113	3.9	6.2
Region XI	127	4.4	7.2
Region XII	95	3.3	6.1
ARMM	37	1.3	3.9
Caraga	64	2.2	6.2

Notes: 1. Based on the new official unemployment definition (NSCB Resolution No. 15 Series of 2004).

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

^p Preliminary.

NA - Not Available.

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

Table 4.a - SUMMARY STATISTICS ON UNEMPLOYMENT
PHILIPPINES: APRIL 2005
(in thousands except percent)

INDICATOR	Total Unemployed Persons ^p	Percent Share (%)
TOTAL	2,909	100.0
Looked for Work	1,377	47.3
Did Not Look for Work for Valid Reasons	1,532	52.7
Tired/Believe no work available	656	22.6
Awaiting results of previous job application	349	12.0
Temporary illness/disability	183	6.3
Bad weather	5	0.2
Waiting for rehire/job recall	339	11.7
Number of Weeks Looking for Work	1,377	100.0
Less than 4 weeks	809	58.8
4 to 9 weeks	383	27.8
10-19 weeks	110	8.0
30 weeks and over	34	2.5
	41	3.0
Job Search Methods	1,377	100.0
Registered in Employment Agency	285	20.7
- Private	205	14.9
- Public	80	5.8
Approached Employers Directly	479	34.8
Approached Friends/Relatives	479	34.8
Answered Job Advertisements	116	8.4
Others	19	1.4

Note: Based on the new official unemployment definition (NSCB Resolution No. 15 Series of 2004).

p Preliminary.

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

Table 5 - SUMMARY STATISTICS ON VISIBLE UNDEREMPLOYMENT
PHILIPPINES: APRIL (2004-2005)
(in thousands except percent)

INDICATOR	2005	2004	Increment
VISIBLY UNDEREMPLOYED PERSONS	4,366	3,602	764
Visible Underemployment Rate (%)	13.6	11.4	-
Sector			
Agriculture, Fishery and Forestry	2,290	2,032	258
Industry	551	499	52
Mining and Quarrying	23	16	7
Manufacturing	307	262	45
Electricity, Gas and Water	4	3	1
Construction	217	217	0
Services	1,525	1,071	454
Wholesale and Retail Trade	630	406	224
Hotels and Restaurants	70	46	24
Transport, Storage & Communication	254	179	75
Financial Intermediation	12	8	4
Real Estate, Renting & Business Activities	46	29	17
Public Administration & Defense, Compulsory Social Security	113	108	5
Education	29	28	1
Health and Social Work	22	20	2
Other Community, Social & Personal Services	201	146	55
Private Households with Employed Persons	149	100	49
Extra-Territorial Organizations	0	0	0
Class of Worker			
Wage and Salary Worker	1,651	1,491	160
Own-account Worker	2,111	1,543	568
Unpaid Family Worker	605	568	37

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.

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