

THE 2007 EMPLOYMENT SITUATION

(THE YEAR IN REVIEW)



Overview

Employment in 2007 managed to post a respectable growth despite the prolonged dry spell that dampened agricultural employment, the series of increase in the world price for oil products and the continuing depreciation of dollar vis-à-vis the Philippine peso. Employment growth in 2007 was placed at 2.8% or a net addition of about a million (924,000) new employed persons in the labor force. The service sector which grew by 4.4% continued to account for the bulk of employment generated during the year, industry employment managed to post a modest recovery (2.5%) while growth in the combined agriculture, fishery and forestry was marginal (0.9%). The quality of employment likewise improved as reflected by the decline in the rate of underemployment from 22.6% to 20.1%. This coincided with the rise in wage and salary employment (5.0%) and the increase in full-time employment (4.7%). Unemployment rate fell to 7.3% from 8.0% a year ago – due in part to the decline in labor force participation rate (LFPR) from 64.2% to 64.0%.

Starting 2007, the population projections based on the 2000 Census of Population was adopted to generate the labor force statistics. The 2006 data were revised using the 2000 population for comparability.

Unless indicated, the employment figures cited in this report represent the average of the four (4) rounds of the Labor Force Survey (LFS) conducted by the National Statistics Office (NSO) in the months of January, April, July and October.

Employment

Employment in 2007 grew at a robust pace during the first half of the year (i.e., 4.7% in January and 3.1% in April) driven by the strong growth in the domestic economy. The pace of growth, however, decelerated during the second half of the year (i.e., 1.2% in July and 2.4% in October) due in large part to the slump in employment in agriculture, fishery and forestry sector.

Overall, the full-year average employment growth in 2007 was placed at 2.8%, as the level of employment increased from 32.636 million to 33.560 million. This figure translates to a net addition of 924,000 new employed persons in the labor force.

**Table 1 - TOTAL EMPLOYED PERSONS
PHILIPPINES: 2006-2007**
(in thousands except rates)

YEAR/ SURVEY ROUND	Total Employed Persons	Increment	Growth Rate (%)
2007 (Ave.)^p	33,560	924	2.8
January	33,545	1,514	4.7
April	33,704	1,005	3.1
July	33,318	392	1.2
October ^p	33,671	785	2.4
2006 (Ave.)	32,636	NA	NA
January	32,031	NA	NA
April	32,699	NA	NA
July	32,926	NA	NA
October	32,886	NA	NA

^p Preliminary.

NA Not available; cannot be computed due to the break in data series.

Source: National Statistics Office, Labor Force Survey.

- Employment gains were strongest in the services sector which expanded by 4.4% (+697,000). The top three gainers include wholesale and retail trade (+152,000), private households with employed persons (+129,000) and transport, storage and communications (+115,000).

It should be noted that the highest year-on-year growth, at 13.0%, was posted in real estate, renting and business activities mainly on the strength of the rapid expansion in real estate and business process outsourcing.

- Industry sector employment grew by 2.5% (+125,000) – a slight recovery from last year. Virtually, all of the growth originated in the construction sub-sector (+101,000). Manufacturing employment remained sluggish (0.2% or +7,000) with very little gains also noted in mining and quarrying (+10,000), and electricity, gas and water supply (+7,000).
- Growth this year was dragged down by the weak employment performance in the combined agriculture, fishery and forestry sector which grew by less than one percent (0.9% or +102,000). This was due to the prolonged dry spell that affected agricultural farms in most part of the Luzon area.
- By employment status, nearly all (90.6% or 837,000) of the growth in employment this year was accounted for by wage and salary workers which grew by 5.0%. Self-employed workers, employers and unpaid family workers posted one or less than one percent growth rates.

- Similarly, by number of hours worked, nearly all of the gains in employment this year were accounted for by full-time employment (4.7% or +940,000). (Table 4)

Underemployment

The incidence of underemployment fell below 20.0% twice in 2007, i.e., in April (18.9%) and October (18.1%). As a consequence, the full-year average underemployment rate dropped sharply to 20.1% from 22.6% recorded a year ago.

In absolute terms, the number of underemployed (employed persons who expressed the desire for additional hours of work or additional job) went down by 615,000 to 6.756 million.

About 59.3% (4.003 million) of the total underemployed persons were visibly underemployed (worked less than 40 hours a week). This corresponds to a visible underemployment rate of 11.9%, down by 1.5 percentage points from last year.

**Table 2 - TOTAL UNDEREMPLOYED AND VISIBLY UNDEREMPLOYED PERSONS
PHILIPPINES: 2006-2007**
(in thousands except rates)

YEAR/ SURVEY ROUND	Under- employed Person	Under- employ- ment Rate (%)	Visibly Under- employed Person	Visible Under- employ- ment Rate (%)
2007(Ave.)^p	6,756	20.1	4,003	11.9
January	7,214	21.5	4,320	12.9
April	6,378	18.9	4,389	13.0
July	7,327	22.0	3,733	11.2
October ^p	6,104	18.1	3,568	10.6
2006(Ave.)	7,371	22.6	4,359	13.4
January	6,774	21.1	4,102	12.8
April	8,309	25.4	4,839	14.8
July	7,718	23.4	4,371	13.3
October	6,681	20.3	4,123	12.5

^p Preliminary.

Source: National Statistics Office, Labor Force Survey.

Unemployment

The average data for the four (4) survey rounds of the 2007 Labor Force Survey revealed an unemployment rate of 7.3%, a decline from the 8.0% recorded in 2006. Correspondingly, estimated level of unemployment dropped by 175,000 to 2.654 million. (*Table 3*)

The decline in labor force participation rate (LFPR) - from 64.2% to 64.0% - to a large extent, has put a downward pressure on this year's unemployment rate.

- By survey round, the lowest unemployment figure at 6.3% was noted in October while the highest, at 7.8%, was posted twice during the year, i.e., in January and July.
- The unemployed workforce were dominated by young persons 15 to 24 years old which comprised half (50.3% or 1.336 million) of the total unemployed. Persons in the prime working age 25 to 54 years old ranked close second (45.7% or 1.214 million) while those aged 55 years old and over constituted a mere 3.9% (104,000). (*Table 6*)
- Nearly two in every three unemployed were men (1.676 million or 63.1%).
- The majority (46.0% or 1.221 million) were high school graduates or undergraduates. Equally large were college undergraduates and graduates (38.2% or 1.014 million). Only a small proportion were

elementary educated (15.1% or 401,000) or without formal school training (0.7% or 18,000).

Table 3 - TOTAL UNEMPLOYED PERSONS PHILIPPINES: 2006-2007 (in thousands except rates)		
SURVEY ROUND	Total Unemployed Persons	Unemployment Rate (%)
2007 (Ave.)^p	2,654	7.3
January	2,850	7.8
April	2,692	7.4
July	2,824	7.8
October ^p	2,248	6.3
2006 (Ave.)	2,829	8.0
January	2,837	8.1
April	2,935	8.2
July	2,918	8.1
October	2,625	7.4

^p Preliminary.

Source: National Statistics Office, Labor Force Survey.

FOR INQUIRIES:

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Table 4 - SUMMARY STATISTICS ON EMPLOYMENT BY MAJOR INDUSTRY GROUP
PHILIPPINES: 2006-2007 (Annual Average)
(in thousands except rates)

INDUSTRY	Total Employed Persons		Increment	Growth Rate (%)
	2007 ^p	2006		
EMPLOYED PERSONS	33,560	32,636	924	2.8
SECTOR				
Agriculture, Fishery and Forestry	11,784	11,682	102	0.9
Agriculture, Hunting and Forestry	10,341	10,254	87	0.8
Fishing	1,444	1,428	16	1.1
Industry	5,122	4,997	125	2.5
Mining and Quarrying	149	139	10	7.2
Manufacturing	3,060	3,053	7	0.2
Electricity, Gas and Water	135	128	7	5.5
Construction	1,778	1,677	101	6.0
Services	16,654	15,957	697	4.4
Wholesale and Retail Trade	6,354	6,202	152	2.5
Hotels and Restaurants	907	887	20	2.3
Transport, Storage & Communications	2,598	2,483	115	4.6
Financial Intermediation	359	344	15	4.4
Real Estate, Renting & Business Activities	885	783	102	13.0
Public Administration & Defense, Compulsory Social Security	1,551	1,485	66	4.4
Education	1,035	999	36	3.6
Health and Social Work	373	359	14	3.9
Other Community, Social & Personal Service Activities	849	801	48	6.0
Private Households with Employed Persons	1,741	1,612	129	8.0
Extra-Territorial Organizations	2	2	-	-
CLASS OF WORKER				
Wage and Salary Workers	17,510	16,673	837	5.0
Own-Account Workers	11,999	11,950	49	0.4
Self-employed	10,570	10,525	45	0.4
Employer	1,430	1,425	5	0.4
Unpaid Family Workers	4,052	4,012	40	1.0
HOURS OF WORK				
Less than 40 Hours (Part-Time Employment)	12,253	12,212	41	0.3
40 Hours and Over (Full-Time Employment)	20,845	19,905	940	4.7
Did Not Work	462	519	-57	-11.0

Note: 1) Starting 2007, the population projections based on the 2000 Census of Population was adopted to generate the labor force statistics. The 2006 data were revised using the 2000 population for comparability.

2) Details may not add to totals due to rounding of figures.

^p Preliminary.

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

**Table 5 - TOTAL EMPLOYED PERSONS BY REGION
PHILIPPINES: 2006-2007 (Annual Average)**
(in thousands except rates)

REGION	Total Employed Persons		Increment	Growth Rate (%)
	2007 ^p	2006		
PHILIPPINES	33,560	32,636	924	2.8
NCR	4,070	3,933	137	3.5
CAR	662	631	31	4.9
Region I	1,750	1,716	34	2.0
Region II	1,354	1,318	36	2.7
Region III	3,409	3,298	111	3.4
Region IV-A	4,154	4,031	123	3.1
Region IV-B	1,096	1,062	34	3.2
Region V	1,960	1,922	38	2.0
Region VI	2,780	2,730	50	1.8
Region VII	2,577	2,485	92	3.7
Region VIII	1,592	1,566	26	1.7
Region IX	1,269	1,227	42	3.4
Region X	1,731	1,709	22	1.3
Region XI	1,647	1,619	28	1.7
Region XII	1,498	1,442	56	3.9
Caraga	920	913	7	0.8
ARMM	1,092	1,035	57	5.4

Note: 1) Starting 2007, the population projections based on the 2000 Census of Population was adopted to generate the labor force statistics. The 2006 data were revised using the 2000 population for comparability.

2) Details may not add to totals due to rounding of figures.

^p Preliminary.

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

Table 6 - SUMMARY STATISTICS ON UNEMPLOYED PERSONS BY SEX, AGE, EDUCATION AND REGION, PHILIPPINES: 2006-2007 (Annual Average)
(in thousands except rates)

Indicator	Total Unemployed		Percent Share (%)	
	2007 ^p	2006	2007	2006
TOTAL	2,654	2,829	100.0	100.0
Sex				
Male	1,676	1,798	63.1	63.6
Female	978	1,031	36.9	36.4
Age Group				
15-24 years old	1,336	1,415	50.3	50.0
25-54 years old	1,214	1,314	45.7	46.4
55 years old and over	104	100	3.9	3.5
Not Reported	-	-	-	-
Highest Grade Completed				
No Grade Completed	18	19	0.7	0.7
Elementary	401	428	15.1	15.1
Undergraduate	184	187	6.9	6.6
Graduate	217	242	8.2	8.6
High School	1,221	1,293	46.0	45.7
Undergraduate	355	375	13.4	13.3
Graduate	867	918	32.7	32.4
College	1,014	1,089	38.2	38.5
Undergraduate	534	571	20.1	20.2
Graduate	480	518	18.1	18.3
Region				
NCR	566	662	21.3	23.4
CAR	29	35	1.1	1.2
Region I	161	163	6.1	5.8
Region II	43	44	1.6	1.6
Region III	379	389	14.3	13.8
Region IV-A	422	449	15.9	15.9
Region IV-B	46	54	1.7	1.9
Region V	109	115	4.1	4.1
Region VI	195	186	7.3	6.6
Region VII	180	201	6.8	7.1
Region VIII	81	79	3.1	2.8
Region IX	49	45	1.8	1.6
Region X	110	102	4.1	3.6
Region XI	105	124	4.0	4.4
Region XII	74	84	2.8	3.0
Caraga	64	53	2.4	1.9
ARMM	43	46	1.6	1.6

Note: 1) Starting 2007, the population projections based on the 2000 Census of Population was adopted to generate the labor force statistics. The 2006 data were revised using the 2000 population for comparability.

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^p Preliminary.

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