

Philippine Labor Force Survey July 2004 (Preliminary Results)

Reference Number:

2004-065

Release Date:

Wednesday, September 15, 2004

Summary:

Philippines	Philippine Concept		ILO Concept	
	July 2004	July 2003	July 2004	July 2003
Total population 15 years old and over (in '000)	53,363	51,990	53,363	51,990
Labor force (in '000) Participation rate (%)	35,830 67.1	34,850 67.0	34,193 64.1	33,038 63.5
Employment (in '000) Employment rate (%)	31,623 88.3	30,451 87.4	31,623 92.5	30,451 92.2
Unemployment (in '000) Unemployment rate (%)	4,207 11.7	4,399 12.6	2,570 7.5	2,587 7.8
Underemployment (in '000) Underemployment Rate (%)	5,570 17.6	6,314 20.7	5,570 17.6	6,314 20.7

Philippine Concept

- Labor force population in July 2004 increased by 2.8% to 35.8 million from 34.8 million reported in July 2003. Labor force participation rate (LFPR), likewise, increased by 0.1 percentage point, from 67.0 percent to 67.1 percent.
- The unemployment rate was estimated at 11.7 percent in July this year, lower by 0.9 percentage point over 12.6 percent in July last year.

- Around 46.6 percent of the total unemployed were 15–24 years old
- Employed persons in July 2004 increased by 3.8% to 31.6 million in July 2004 from 30.5 million a year ago. The national employment rate, likewise, increased by 0.9 percentage point, from 87.4 percent last year to 88.3 percent this year.
- Employed persons in the agricultural sector rose by 5.7 percent in July 2004, while those in the services sector, by 4.1%. The industry sector dropped by 0.7 percent.
- Underemployment rate decreased by 3.1 percentage points, from 20.7 percent in July last year to 17.6 percent in July this year.

ILO Concept

- The International Labor Organization (ILO) identifies the unemployed as those (1) without work, (2) currently available for work, and (3) seeking work. The Philippines adopts partly the ILO definition, that is, it does not include the second criterion and provides for relaxation of the third criterion on “seeking work”.
- Using the ILO concept, the labor force population in July 2004 was estimated at 34.2 million, 3.5 percent higher than the July 2003 estimate of 33 million. Likewise, the labor force participation rate increased to 64.1 percent in July 2004 from 63.5 percent a year earlier.
- In July 2004, the unemployed numbered 2.570 million, which was 0.66 percent lower than the July 2003 of 2.587 million. Unemployment rate decreased by 0.3 percentage point from 7.8 percent to 7.5 percent this year.
- Applying the ILO concept, the labor force population decreased to 34.2 million from 35.8 million without the availability criterion.
- Likewise, the labor force participation rate decreased by 3.0 percentage points, from 67.1 percent using the Philippine concept to 64.1 percent for the ILO concept.
- The ILO concept posted unemployed persons at 2.6 million in July 2004 as against 4.2 million when availability criterion was excluded.

HIGHLIGHTS

Of the population 15 years old and over, there were those who were in the labor force and those who were not...

- The total labor force population in July 2004 reached 35.8 million, higher by 2.8 percent from last year's level of 34.8 million.
- The labor force participation rate (LFPR) likewise increased to 67.1 percent, from 67.0 percent a year ago.
- The highest LFPR in July 2004 was recorded in Region X (Northern Mindanao) at 74.2 percent and lowest in ARMM (Autonomous Region in Muslim Mindanao) at 58.0 percent.

The unemployed persons in July 2004...

- The national unemployment rate was posted at 11.7 percent in July 2004. This was 0.9 percentage point lower than the estimate reported last year.
- Unemployment levels likewise decreased by 4.4 percent, from 4.4 million in July 2003 to 4.2 million in July this year.
- Of the 4.2 million unemployed persons, 61.6 percent were males while 38.4 percent were females.
- Across regions, the National Capital Region recorded the highest unemployment rate of 18.4 percent, higher by 0.4 percentage point than last year.
- Other regions which exhibited a double-digit unemployment rate aside from NCR were Region IV-A (CALABARZON) at 14.4 percent, Region III (Central Luzon) at 13.3 percent, Region VII (Central Visayas) at 12.8 percent, Region I (Ilocos) at 12.7 percent, Region XII (SOCCSKSARGEN) at 10.7 percent and Region XI (Davao) at 10.1 percent.
- About 46.6 percent were young unemployed, that is, those belonging to the ages of 15 to 24 years old. About 24.8 percent were 25 to 34 years old. The rest of the unemployed (28.6%) were 35 years old and older.

Unemployed Persons by Highest Grade Completed...

- A greater proportion of the 4.2 million unemployed persons have reached at least high school education (1.8 million or 42.6%). Some 869 thousand (20.7%) have reached only the elementary level.
- About 752 thousand (17.9%) unemployed persons have actually completed college education.

Among the unemployed, there were those who actually looked for work in July 2004...

- Of the 4.2 million unemployed persons in July 2004, about 1.3 million unemployed persons looked for work at anytime during the past week of the survey period.
- Among the 1.3 million unemployed persons who looked for work, a number of them approached relatives or friends (33.0%) or approached employers directly (39.9%). About 19.5 percent sought the assistance of employment agencies while 6.9 percent placed or answered advertisements.

...and there were those who did not look for work because of certain reasons...

- Of the 4.2 million unemployed persons in July 2004, about 2.9 million unemployed persons (68.3 %) did not look for work during the past week of the survey period in July 2004. Also considered unemployed were those persons who had no job or business during the reference period and did not look for work because of their belief that no work is available, because of temporary illness or disability, because of bad weather, because of a pending job application or job interview or waiting for rehire/job recall.
- Among the unemployed persons who did not look for work, 983 thousand or 34.2 percent did not do so because of the belief that no work is available. Around 638 thousand (22.2 %) had temporary illness or disability and 431 thousand (15.0 %) were waiting for the results of previous job applications.

The employed persons in July 2004...

- There was an increment of 1.2 million employed persons in July 2004 or by 3.8 percent, from 30.5 million in July last year.
- The employment rate, likewise, rose by 0.9 percentage point, from 87.4 percent in July 2003 to 88.3 percent in July 2004.
- Of the employed persons, about 19.6 million (61.8 %) were males and 12.1 million (38.2 %) were females.

Of the employed persons, there were those either working in agriculture, industry or services...

- Employment in agriculture sector increased by 613 thousand (5.7 %) and its share to total employment also increased by 0.6 percentage point.
- On the other hand, employment in the industry sector declined both in number and proportion to total employed persons. The number of employed persons in this sector decreased to 4.93 million in July 2004 from 4.97 million a year earlier. Its share to total employed persons decreased by 0.7 percentage point, from 16.3 percent to 15.6 percent.

- The number of employed persons in the services sector increased by 598 thousand or by 4.1 percent, registering at 15.2 million compared to 14.6 million recorded in July last year. Their share to total employed, likewise, increased to 48.2 percent from 48.1 percent.

The employed by occupation...

- Occupation-wise, the laborers and unskilled workers registered the largest increase in employment level at 1.2 million. Their share to total employed increased by 2.9 percentage points, from 29.0 percent in July 2003 to 31.9 percent in July 2004. Officials of government and special interest organizations, corporate executives, managers, managing proprietors and supervisors recorded the next largest increase of 504 thousand, from 1.3 million to 1.4 million.

Of the employed persons, there were those who were paid wages and salaries, worked on their account, or worked for the family...

- The number of wage and salary workers rose by 3.0 percent to 16.7 million in July 2004 from 16.2 million in July 2003.
- Own-account workers added 370 thousand to the total employed. The number of unpaid family workers also increased by 312 thousand, from 3.2 million to 3.5 million.

The employed by number of hours worked...

- Full-time workers or those who worked for 40 hours or more increased to 20.1 million in July 2004, from 19.9 million in July 2003. However, its share to total employment decreased by 1.6 percentage points, from 65.2 percent to 63.6 percent.
- Those who worked for less than 40 hours increased in number but decreased in proportion to total employment. The number rose to 11.1 million in July 2004 from 10.2 million last year. Its share, however, decreased by 1.5 percentage points, from 33.5 percent to 35.0 percent.

Of the employed, there were those who desired more hours of work -- the underemployed...

- The number of underemployed persons or those who desired additional hours of work decreased by 744 thousand, from 6.3 million in July 2003 to 5.6 million in July 2004. The corresponding underemployment rate dropped to 17.6 percent this year from 20.7 percent last year.
- About 3.2 million underemployed persons actually worked for less than 40 hours during the past week of the survey period in July 2004.

About 2.0 million underemployed persons looked for additional hours of work...

- There were about 2.0 million underemployed persons or 6.3 percent of the total employed persons, who looked for work during the past week of the survey period in July 2004.

The Labor Force and the Unemployed Using ILO Concept:

- Using the ILO Concept, the number of unemployed persons in July 2004 was estimated at 2.6 million. The corresponding unemployment rate was registered at 7.5 percent.
- Regionwise, Region II (Cagayan Valley) posted the lowest unemployment rate in July 2004 at 3.6 percent. Region IV-B (MIMAROPA) recorded the second lowest unemployment rate at 3.9 percent.
- The National Capital Region registered the highest unemployment rate in July 2004 at 12.2 percent, while Region III (Central Luzon) posted the next highest unemployment rate at 9.7 percent.
- The national labor force in July 2004 was estimated at 34.2 million resulting to a participation rate of 64.1 percent.
- Region X (Northern Mindanao) recorded the highest LFPR in July 2004 at 72.5 percent. This was 8.4 percentage points higher than the national LFPR. The lowest LFPR was posted in the Autonomous Region in Muslim Mindanao at 57.0 percent.

(Sgd.)**CARMELITA N. ERICTA**
Administrator

Technical Notes

- Starting with the July 2003 round of the Labor Force Survey, the generation of the labor force and employment statistics adopted the 2003 Master Sample Design.
- Using this new master sample design, the number of samples increased from 41,000 to around 51,000 sample households.
- The province of Basilan is grouped under Autonomous Region in Muslim Mindanao while Isabela City (Basilan) is now grouped under Region IX, in accordance with Executive Order No.36.

- The 1992 four-digit code for Philippine Standard Occupational Classification (PSOC) and 1994 Philippine Standard Industry Classification (PSIC) were used in classifying the occupation and industry.
 - ILO concept of unemployment (see next page).
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Technical Notes

(International Labor Organization Concept)

The Philippine LFS considers a person unemployed if he has no job/business during the reference week and is actively looking for work. Also considered as unemployed are persons without a job or business who are reported not looking for work because of the belief that no work was available, or because of temporary illness/disability, bad weather, pending job application or waiting for job interview.

The International Labor Organization (ILO) concept of unemployment, on the other hand, states that a person is unemployed if he has no job or business during the reference week and is reported available and actively looking for work. Persons who do not have a job/business and are available for work but did not look for work because of the belief that no work is available, for reasons such as temporary illness/disability, bad weather, awaiting results of job application and waiting for rehire/job recall are also considered unemployed.

With regard to persons not in the labor force, both concepts considered those who are not employed nor unemployed during the reference week. The ILO similarly includes persons not in the labor force as defined under the Philippine concept plus those who are reported not available for work. Thus, persons not in the labor force include those who are not available for work and those who are available for work but are not looking for work because of reasons such as schooling, housekeeping, retirement or old age, or other reasons such as disability or infirmity.

The adoption of ILO concept results to lower labor force participation rates and unemployment rate. Conceptually, more persons are classified as not in the labor force.

Statistical tables for 1988 using the ILO concept on unemployment were previously published in ISH Bulletin (Series no. 60, 1991). After then, the succeeding series of ISH Bulletin included only statistical tables for the current concept of unemployment which considered the criterion on looking for work, and excluded the availability criterion. Starting with the October 1999 series of ISH Bulletin, a comparative table for the Philippine concept and the ILO concept on unemployment is included.

