

Philippine Labor Force Survey October 2004 (Preliminary Results)

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2004-087

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Philippines	Philippine Concept		ILO Concept	
	October 2004	October 2003	October 2004	October 2003
Total population 15 years old and over (in '000)	53,562	52,305	53,562	52,305
Labor force (in '000) Participation rate (%)	35,619 66.5	35,120 67.1	34,176 63.8	33,736 64.5
Employment (in '000) Employment rate (%)	31,733 89.1	31,553 89.8	31,733 92.9	31,553 93.5
Unemployment (in '000) Unemployment rate (%)	3,886 10.9	3,567 10.2	2,443 7.1	2,183 6.5
Underemployment (in '000) Underemployment Rate (%)	5,357 16.9	4,989 15.8	5,357 16.9	4,989 15.8

Philippine Concept

- Labor force population in October 2004 increased by 1.4 percent to 35.6 million from 35.1 million reported in October 2003. However, the labor force participation rate (LFPR), decreased by 0.6 percentage point, from 67.1 percent to 66.5 percent.

- The unemployment rate was estimated at 10.9 percent in October this year, higher by 0.7 percentage point over 10.2 percent in October last year.
 - Around 44.8 percent of the total unemployed were 15–24 years old.
- Employed persons in October this year increased by 0.6 percent to 31.7 million in October this year from 31.6 million a year ago. But the national employment rate decreased by 0.7 percentage point, from 89.8 percent last year to 89.1 percent this year.
- Employed persons in the services sector increased by 1.5 percent while those in the agricultural sector, by 0.2 percent. The industry sector declined by 1.3 percent in October 2004.
- Underemployment rate was recorded at 16.9 percent in October this year, increasing by 1.1 percentage points over the recorded estimate of 15.8 percent in October last 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 October 2004 was estimated at 34.2 million, 1.3 percent higher than the October 2003 estimate of 33.7 million. However, the labor force participation rate decreased to 63.8 percent in October 2004 from 64.5 percent a year earlier.
- In October 2004, the unemployed numbered 2.4 million, which was 11.9 percent higher than the October 2003 estimate of 2.2 million. Unemployment rate increased by 0.6 percentage point from 6.5 percent to 7.1 percent this year.
- Applying the ILO concept, the labor force population decreased to 34.2 million, from 35.6 million without the availability criterion.
- Likewise, the labor force participation rate decreased by 2.7 percentage points, from 66.5 percent using the Philippine concept to 63.8 percent for the ILO concept.
- The ILO concept posted unemployed persons at 2.4 million in October 2004 as against 3.9 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 number of persons in the labor force, or those who are either employed or unemployed reached 35.6 million in October 2004, higher by 1.4 percent, from 35.1 million in October 2003.
- The labor force participation rate (LFPR) decreased to 66.5 percent, from 67.1 percent in October 2003.
- The highest LFPR was recorded in Northern Mindanao at 73.0 percent and lowest in Autonomous Region in Muslim Mindanao at 56.5 percent.

The unemployed persons in October 2004...

- The number of unemployed persons in October 2004 was recorded at 3.9 million. This was 8.9 percent higher than last year's level of 3.6 million.
- The corresponding unemployment rate was registered at 10.9 percent in October 2004 or 0.7 percentage point higher than the recorded estimate of 10.2 percent last year.
- Of the 3.9 million unemployed persons, 59.5 percent were males while 40.5 percent were females.
- About 44.8 percent were young unemployed, that is, those belonging to the ages of 15 to 24 years old. There were 25.4 percent who were 25 to 34 years old. The rest of the unemployed (29.8%) were 35 years and older.
- Across regions, the National Capital Region recorded the highest unemployment rate of 18.4 percent.
- Other regions which exhibited a double – digit unemployment rate aside from NCR were Region IV-A (CALABARZON) at 13.3 percent, Region III (Central Luzon) at 12.5 percent, Region VII (Central Visayas) at 11.9 percent and Region I (Ilocos) at 10.6 percent.

Unemployed Persons by Highest Grade Completed...

- A greater proportion of the 3.9 million unemployed persons have reached at least high school education (1.7 million or 42.9%). Another 798 thousand (20.5%) have reached only the elementary level.
- About 671 thousand (17.3%) unemployed persons have actually completed college education.

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

- Of the 3.9 million unemployed persons in October 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 employers directly (40.3%) or approached relatives or friends (29.6%). About 20.3 percent sought the assistance of employment agencies while 8.7 percent placed or answered advertisements.

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

- Of the 3.9 million unemployed persons in October 2004, about 2.6 million unemployed persons (66.8%) did not look for work during the past week of the survey period in October 2004. 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 were also considered unemployed.
- Among the unemployed persons who did not look for work, 909 thousand or 35.0 percent did not do so because of the belief that no work is available. Around 575 thousand (22.1%) had temporary illness or disability and 421 thousand (16.2%) were waiting for results of previous job applications.

The employed persons in October 2004...

- The employed persons in October 2004 numbered to 31.7 million or an increase of 0.6 percent
- The employment rate, however, decreased by 0.7 percentage point, from 89.8 percent in October 2003 to 89.1 percent in October 2004.
- Of the employed persons, about 19.8 million (62.5%) were males and 11.9 million (37.5%) were females.

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

- The proportion of employed persons in the agriculture sector to the total employed was estimated at 37.1 percent in October 2004. Those engaged in agriculture, hunting and forestry was estimated at 32.8 percent while those in the fishery sector at 4.3 percent.

- The number of employed persons in the services sector increased by 216 thousand or by 1.5 percent. Their share of 47.5 percent in October 2004, increased by 0.4 percentage point from 47.1 percent in October 2003.
- 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 4.88 million in October 2004 from 4.95 million a year earlier. Their share to total employed persons decreased to 15.4 percent, from 15.7 percent.

The employed by occupation...

- Occupation-wise, plants and machine operators and assemblers recorded the largest increase in employment level at 123 thousand. Their share to total employed increased by 0.4 percentage point, from 7.5 percent in October 2003 to 7.9 percent in October 2004. Laborers and unskilled workers recorded the next largest increase of 117 thousand.

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

- A little more than half of the employed were wage and salary workers while more than one-third were own-account workers. The number of wage and salary workers increased by 2.1 percent to 16.4 million in October 2004 from 16.1 million in October 2003.
- The number of own-account workers decreased to 11.6 million or 1.3 percent, from 11.8 million of the same period last year.
- Unpaid family workers, likewise, slightly decreased in October this year to 3.686 million or 0.1 percent, from 3.690 million in October last year.

The employed by number of hours worked...

- Full-time workers or those who worked for 40 hours or more decreased to 19.9 million in October 2004, from 20.1 million in October 2003. Their share to total employed slightly decreased by 0.8 percentage point, from 63.7 percent in October 2003 to 62.9 percent in October 2004.
- Those who worked for less than 40 hours increased both in number and proportion to total employed persons. The number rose to 11.2 million in October 2004 from 11.1 million in October 2003. Their share increased by 0.2 percentage point, from 35.1 percent to 35.3 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 increased by 368 thousand, from 5.0 million in October 2003 to 5.4 million in October 2004. The corresponding underemployment rate increased to 16.9 percent this year from 15.8 percent last year.
- About 3.4 million underemployed persons actually worked for less than 40 hours during the past week of the survey period in October 2004.

About 1.8 million underemployed persons looked for additional hours of work...

- There were about 1.8 million underemployed persons or 5.7 percent of the total employed persons, looked for work during the past week of the survey period in October 2004.
- More male underemployed workers or 4.4 percent of the total employed persons looked for additional work than the females (1.3%).

Unemployed Persons Using ILO Concept...

- Using the ILO Concept, the number of unemployed persons in October 2004 was estimated at 2.4 million. The corresponding unemployment rate was recorded at 7.1 percent.
- Regionwise, Region II (Cagayan Valley) posted the lowest unemployment rate in October 2004 at 2.7 percent. Region IX (Zamboanga Peninsula) recorded the second lowest unemployment rate at 3.3 percent.
- The National Capital Region registered the highest unemployment rate in October 2004 at 12.2 percent, while Region III (Central Luzon) posted the next highest unemployment rate at 9.4 percent.
- The national labor force participation rate in October 2004 was posted at 63.8 percent.
- Region X (Northern Mindanao) recorded the highest LFPR in October 2004 at 71.6 percent. This was 7.8 percentage points higher than the national LFPR. The lowest LFPR was posted in the Autonomous Region in Muslim Mindanao at 54.7 percent.

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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).

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.