

# Philippine Labor Force Survey October 2005 (Preliminary Results)

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Starting April 2005, the new unemployment definition was adopted per NSCB Resolution No. 15 dated October 20, 2004. As indicated in the said resolution, the unemployed include all persons who are 15 years old and over as of their last birthday and are reported as (1) without work; AND (2) currently available for work; AND (3) seeking work OR not seeking work due to valid reasons.

## Summary:

Philippines	October 2005
Total 15 years old and over (in '000)	54,797
Labor Force (in 000) Labor Force Participation Rate (%)	35,496 64.8
Employment (in '000) Employment Rate (%)	32,876 92.6
Unemployment (in 000) Unemployment Rate (%)	2,620 7.4
Underemployment (in 000) Underemployment Rate (%)	6,970 21.2

*Note: Estimates are preliminary results and subject to change.*

- The number of persons who joined the labor force in October 2005 was recorded at 35.5 million. This translates to a labor force participation rate (LFPR) of 64.8 percent.
- The employment situation in the Philippines continues to improve as the latest result of the October 2005 LFS round recorded an increase of 3.6 percent in the number of employed. There were 32.9 million reported employed this period compared to 31.7 million a year ago.
- The national employment rate was placed at 92.6 percent.
  - The services sector recorded the highest increase in employment at 739 thousand. Employment also grew in agriculture sector as the level increased by 3.3 percent. On the other hand, employment in the industry sector registered the lowest growth at six (6) thousand.
- Total unemployed persons numbered 2.6 million in October 2005, which translates to an unemployment rate of 7.4 percent.

- Among the total unemployed persons, around 48.8 percent of them were 15-24 years old.
- The incidence of underemployment went up to 21.2 percent from 16.9 percent a year ago.

## **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 who joined the labor force was estimated at 35.5 million in October 2005. This translates to a labor force participation rate (LFPR) of 64.8 percent.
- Region X (Northern Mindanao) reported the highest LFPR at 72.5 percent and lowest in Autonomous Region in Muslim Mindanao at 55.5 percent.

**The employed persons in October 2005 . . .**

- The employment level continued to increase as the number grew by 3.6 percent or 1.1 million over the recorded level of 31.7 million in October last year.
- Among regions, Region II (Cagayan Valley) posted the highest employment rate at 97.4 percent. This was followed by Region IX (Zamboanga Peninsula), posting 96.8 percent.
- The lowest employment rate was recorded in NCR (National Capital Region) at 86.3 percent. Region IV-A (CALABARZON) registered the second lowest employment rate at 89.7 percent.

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

- Employment grew in all sectors this October with the services sector recording the highest increase in employment at 739 thousand. Within this sector, wholesale and retail contributed the bulk of increase at 426 thousand followed by private households with employed persons (93 thousand), hotels and restaurants (72 thousand) and public administration and defense, compulsory social security (44 thousand). The only sector that registered a negative growth rate was other community, social and personal service activities at 28 thousand.
- Employment in the agriculture sector also posted a positive growth of 3.3 percent or 390 thousand. On the other hand, employment in the industry sector posted the lowest increase at six (6) thousand with only the manufacturing and mining and quarrying sub-sectors posting an increase of 26 thousand and 20 thousand, respectively. Employment in construction and electricity, gas and water sub-sectors declined at 27 thousand and 13 thousand, respectively.

**Higher employment level among laborers and unskilled workers...**

- The laborers and unskilled workers still dominated the employed population in October 2005 with a share of 32.3 percent to the total employed. It registered a 0.4 percentage point increase

from 31.9 percent in October 2004. The said occupation group had the largest increase in employment level at 484 thousand from last year's results.

- This was followed by a 217 thousand increase among officials of the government and special interest organizations, corporate executive, managers, managing proprietors and supervisors.

#### **Wage and salary workers comprised half of the employed**

- Wage and salary workers comprised half of the employed population (50.3%) and the rest were either own account workers (37.3%) or unpaid family workers (12.7%). The unpaid family workers recorded the highest growth at 12.9 percent, from 3.7 million in October 2004 to 4.2 million a year after. Likewise, the number of own account workers and wage and salary workers experienced growth at 4.4 percent and 0.9 percent, respectively.
- Workers in the services sector had the largest contribution to the increase in the number of own-account workers. From 4.9 million last year, it increased to 5.2 million this year (6.7%).
- Most of the increase in the number of unpaid family workers came from the 305 thousand increment in the number of workers in the agriculture sector.

#### **The employed by number of hours worked....**

- Persons in full-time employment or those who worked for 40 hours or more increased to 20.6 million in October 2005 from 19.9 million in October 2004. This translates to a 3.3 percent increase in the number of full-time workers. The proportion of full-time workers to the total number of employed persons in October 2005 (62.7%) slightly decreased by 0.1 percentage point from last year (62.8%).
- The number of persons who worked for less than 40 hours grew by 5.5 percent, from 11.2 million last year to 11.8 million. Its share to the total employed (36%) recorded a 0.7 percentage point decline from last year's 35.3 percent.

#### **Of the employed, there were those who desire more hours of work for the underemployed**

- The number of underemployed persons or those who desired additional hours of work was estimated at 7.0 million in October 2005 as compared to 5.4 million a year ago. Thus, the rate of underemployment was recorded at 21.2 percent, up by 4.3 percentage points from 16.9 percent in October 2004.
- Of the total underemployed persons, about 2.7 million were full time workers in October 2005 while 4.1 million were part time workers.
- Half of those who were unemployed (49.9 %) were 15 to 24 years old. Those who were 25 to 34 years old comprised 28.6 percent. The rest of the unemployed (21.5%) were 35 years and older.

- Among the 7.0 million underemployed, the largest proportion was in the agriculture sector with 47.7 percent, followed by those in the services sector with 37.4 percent. Majority of the underemployed agricultural workers were part time workers (71.1%).

#### **The unemployed persons in October 2005....**

- The number of unemployed persons in October 2005 was recorded at 2.6 million. This corresponds to an unemployment rate of 7.4 percent.
- Of the 2.6 million unemployed persons, 61.6 percent were males while 38.4 percent were females.
- Persons aged 15 to 24 years old comprised 48.8 percent of the total unemployed while 29.2 percent of the unemployed were 25 to 34 years old. The rest of the unemployed (22.0%) were 35 years and older.
- Across regions, the National Capital Region recorded the highest and a two-digit unemployment rate of 13.7 percent. Region IV-A (CALABARZON) registered also a two-digit unemployment rate of 10.3 percent. On the other hand, Region II (Cagayan Valley) posted the lowest unemployment rate of 2.6 percent.

#### **Almost half of the unemployed persons looked for work for less than four weeks....**

- The number of unemployed persons who looked for work for less than four (4) weeks was estimated at 576 thousand or 44.8 percent.
- Likewise, those looking for work for four (4) to nine (9) weeks registered at 455 thousand or 35.5 percent and only 3.3 percent had been doing so for more than 30 weeks.

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

- Of the 2.6 million unemployed persons in October 2005, about 1.3 million (51.0%) did not look for work during the week preceding the survey period in October 2005.
- Of the 1.3 million unemployed persons who did not look for work, around 496 thousand or 37.1 percent did not look for work because of their belief that no work is available or they were already tired of looking for work. Almost one-fourth (24.3%) of the unemployed did not look for work because they were waiting for the results of previous job applications, 346 thousand (25.9%) were waiting to be rehired and 149 thousand (11.2 %) had a temporary illness or disability.

#### **Those not in the Labor Force in October 2005 . . .**

- Persons who were not in the labor force, like housewives, students, disabled and retired persons were estimated at 19.3 million or 35.2 percent of the total population 15 years old and over in October 2005.
- Of the total persons who were not in the labor force, females (71.4%) outnumbered males (28.6%).
- By age group, persons 15 to 24 years old and 25 to 34 years old comprised the largest proportion, 44.8 percent and 17.3 percent, respectively.

#### **Comparison with the old unemployment series**

- If the old definition of unemployment is used, (that is considering only two criteria: (1) without work and (2) looking for work including those not seeking work with valid reasons), the unemployment rate for October 2005 would register at 10.3 percent, a decrease of 0.6 percentage point from last year's 10.9 percent. The unemployment level would be 3.8 million in October 2005 compared to 3.9 million in October 2004, also using the old definition.

**(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.
- Starting April 2005, the new unemployment definition was adopted per NSCB Resolution no. 15 dated October 20, 2004. As indicated in the said resolution, the unemployed include all persons who are 15 years old and over as of their last birthday and are reported as: (1) without work and currently available for work and seeking work; OR (2) without work and currently available for work but not seeking work for the following reasons:

1.) Tired/believed no work available

- 2.) Awaiting results of previous job application
- 3.) Temporary illness/disability
- 4.) Bad Weather
- 5.) Waiting for rehire/job recall

Source:     Income and Employment Statistics Division  
  
              Household Statistics Department  
  
              National Statistics Office  
  
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