

# Philippine Labor Force Survey October 2002

Reference Number:

2002-201

Release Date:

Monday, December 16, 2002

## SUMMARY:

- Labor force population in October 2002 was 1.0% higher than the estimate of 33.4 million a year ago. Labor force participation rate declined by 1.3 percentage points, from 67.5% in October 2001 to 66.2% in October this year.
- Employed persons was estimated at 30.3 million in October 2002, up by 0.6% over the same period last year. The employment rate, however, slightly dropped by 0.4 percentage point, from 90.2% last year to 89.8% this year.
  - Employment in agriculture increased only by 0.5% to 11.313 million in October 2002 from 11.253 million a year ago but its proportion to total employed remained at 37.4%.
  - In industry, employment declined by 16 thousand or by 0.3%. Likewise, its share to total employed decreased by 0.2 percentage point.
  - Employment in services increased by 120 thousand or by 0.8%. Its share to total employed increased by 0.2 percentage point, from 47.0% in October last year to 47.2% this year.
- Unemployment rate increased to 10.2% in October this year from 9.8% in October last year.
- Underemployment rate decreased by 1.3 percentage points, from 16.6% in October last year to 15.3% this year.

## HIGHLIGHTS

Of the 50.8 million persons 15 years old and over, there were those who were in the labor force and those who were not....

- Around 33.7 million persons were in the labor force population in October 2002, increasing the number by 1.0 percent from its level of 33.4 million a year ago.
- The labor force participation rate, however, decreased by 1.3 percentage points, from 67.5 percent in October last year to 66.2 percent in October this year.

- Persons not in the labor force, like housewives, students, disabled and retired persons increased by 1.1 million or 6.8 percent, from 16.1 million a year ago to 17.2 million this year.

**Of the 33.7 million persons in the labor force, there were those who were employed and those who were not...**

- The number of employed persons in October 2002 slightly increased by 0.6 percent to 30.3 million in October this year from 30.1 million of the same period last year.
- Despite of the increase of 167 thousand in employment, the employment rate dropped by 0.4 percentage point, from 90.2 percent in October 2001 to 89.8 percent in October 2002.

**Of the 30.3 million persons employed, there were those either working in agriculture, industry or services...**

- The services sector contributed much to the increase in employment. The number of employed persons in this sector increased by 120 thousand or by 0.8 percent, registering at 14.3 million in October this year as compared to 14.2 million in October last year. Its share to total employed also increased by 0.2 percentage point, from 47.0 percent to 47.2 percent.
- Employment in the agricultural sector also increased its level by 60 thousand or by 0.5 percent, from 11.253 million a year ago to 11.313 million this year. Its share to total employed persons remained constant at 37.4 percent.
- The industry sector suffered a decline in employment during the reference period. The number of employed persons in this sector decreased by 16 thousand (0.3%). Its share to total employed persons decreased by 0.2 percentage point, from 15.6 percent to 15.4 percent.

**The employed in services**

- Employment in the services sector was recorded at 14.3 million in October 2002, posting an increase of 0.8 percent from last year's level of 14.2 million.
- The wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods sub-sector posted the highest increase in employment by 95 thousand or by 1.7 percent. This increase was contributed largely by own-account workers at 140 thousand. However, the number of wage and salary workers and unpaid family workers under this sub-sector declined by 21 thousand and 24 thousand, respectively.
- Public administration and defense and compulsory social security posted the second highest increase in employment with 75 thousand or 5.4 percent. Most of them were wage and salary workers.

- The other groups that registered increases were real estate, renting and business activities (26 thousand), hotels and restaurants (12 thousand), health and social work (8 thousand), financial intermediation (5 thousand), extra-territorial organization and bodies (2 thousand), and transport, storage and communication (1 thousand).
- On the other hand, the groups that recorded decreases in employment levels were private households with employed persons (45 thousand), other community, social and personal service activities (43 thousand) and education (16 thousand).

#### **The employed in agriculture...**

- Employment in agriculture sector increased by 60 thousand (0.5%) but its share to total employment remained at 37.4 percent.
- Own-account workers contributed largely to the increase in the number of employed persons in the agriculture sector with 178 thousand while wage and salary workers and unpaid family workers decreased in number by 97 thousand and 21 thousand, respectively.

#### **The employed in industry**

- Employment in the industry sector declined both in number and proportion to total employed persons. The number of employed persons in this sector decreased by 0.3 percent to 4.666 million in October 2002 from 4.682 million a year earlier. Its share to total employed persons also decreased by 0.2 percentage point, from 15.6 percent to 15.4 percent.
- Employment in construction and electricity, gas and water increased by 15 thousand and 8 thousand, respectively while in manufacturing and mining and quarrying, employment decreased by 37 thousand and 2 thousand, respectively.

#### **The employed by occupation**

- Occupation-wise, officials of government and special interest organizations, corporate executives, managers, managing proprietors and supervisors registered the largest increase in employment level at 283 thousand. Its share to total employed also increased by 0.8 percentage point, from 10.3 percent in October 2001 to 11.1 percent in October this year. Laborers and unskilled workers recorded the next largest increase of 212 thousand, from 9.0 million to 9.2 million. Technicians and associate professionals ranked third with 47 thousand increase while the professionals registered only a slight increase of one (1) thousand.
- The occupational groups that experienced a decline in employment were service workers and shop and market sales workers (98 thousand), plant and machine operators and assemblers (96 thousand), trades and related workers (85 thousand), farmers, forestry workers and fishermen (62 thousand), clerks (20 thousand) and special occupations (15 thousand).

**Of the 30.3 million employed, there were those who were paid wages and salaries, worked on their account, or worked for the family...**

- The 167 thousand increments in the October 2002 employment can be attributed to the increase among own-account workers, which include self-employed workers and employers. The number of own-account workers rose to 11.6 million in October this year from 11.3 million of the same period last year. Most of these own-account workers were employed in the services sector particularly in the wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods sub-sector.
- Wage and salary and unpaid family workers decreased both in number and proportion to total employment. Wage and salary workers decreased by 131 thousand (0.9%) with the agricultural sector contributing much to the decrease at 97 thousand. The proportion of wage and salary workers to total employment also decreased by 0.7 percentage point.
- The number of unpaid family workers also decreased by 93 thousand (2.3%). Likewise, its share to total employed decreased by 0.4 percentage point, from 13.6 percent to 13.2 percent.

**The employed by region...**

- Nine out of sixteen administrative regions exhibited employment growth with Western Visayas posting the highest increment of 120 thousand. Northern Mindanao and Zamboanga Peninsula registered second and third with an increase of 54 thousand and 52 thousand, respectively. Central Luzon registered the least increase in employment at six thousand.
- Most of the regions showed decreases in employment rates with Caraga and Cordillera Administrative Region leading among the regions. Both posted a decrease of 1.5 percentage points.
- Only six regions showed minimal increases in employment rate. Northern Mindanao recorded the highest increase in employment rate, from 92.1 percent to 93.5 percent. The other regions with increased employment rates were Western Visayas (91.0% to 92.0%), Zamboanga Peninsula (93.0% to 93.8%), Eastern Visayas (92.0% to 92.6%), Cagayan Valley (95.2% to 95.6%) and Autonomous Region in Muslim Mindanao (95.4% to 95.6%).

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

- Full-time workers or those who worked for 40 hours or more increased to 18.6 million in October 2002, from 18.3 million in October last year. Its share to total employment also increased by 0.9 percentage point, from 60.7 percent to 61.6 percent.

- Those who worked for less than 40 hours decreased in number and proportion to total employment. The number declined to 11.2 million in October 2002 from 11.3 million last year. The proportion also decreased by 0.7 percentage point, from 37.7 percent to 37.0 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 372 thousand, from 5.0 million in October 2001 to 4.6 million in October this year. The corresponding underemployment rate dropped to 15.3 percent this year from 16.6 percent last year.
- More underemployed persons were found in the rural areas than in the urban. Around 3.0 million (64.2% of the total) were registered in rural areas while 1.7 million (35.8%) were recorded in urban areas.
- All sectors exhibited decreases in underemployment with the services sector posting the highest decrease at 186 thousand (10.7%), while the agriculture sector reduced its underemployment by 102 thousand (4.3%). The industry sector decreased by 84 thousand (9.8%).

**And there were those who looked for work and did not find any, the unemployed...**

- The unemployment rate in October 2002 was estimated at 10.2 percent. This was 0.4 percentage point higher than the estimate recorded last year.
- Unemployment levels increased by 4.7 percent, from 3.3 million in October 2001 to 3.4 million in October this year.
- Five regions posted a double-digit unemployment rate with National Capital Region posting the highest rate at 16.7 percent. This was followed by Southern Tagalog (11.7%), Central Visayas (11.2%), Central Luzon (10.8%) and Ilocos (10.3%).

**Technical Notes**

- Starting with the April 2002 round of the Labor Force Survey, the generation of the labor force and employment statistics adopted the regional grouping under Executive Order (EO) No. 36 which was signed last September 19, 2001. This EO provided for the reorganization of the Administrative Regions in Mindanao.
- Basilan, which is now under ARMM by EO 36, shall remain as part of Region IX, until Isabela City is formed as separate domain in the upcoming revision of the master sample.

- The province of Lanao del Norte and Iligan City, which were formerly under Region XII, are now under Region X.
- The province of South Cotabato and the new province of Sarangani, General Santos City and Koronadal City, which were formerly under Region XI, are now under Region XII.
- Marawi City, which was formerly under Region XII, is now under the administrative supervision of Autonomous Region in Muslim Mindanao (ARMM).