

Unemployment Rate Estimated at 7.3 Percent in October 2006 Results from the October 2006 Labor Force Survey (LFS)

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Philippines	October 2006	October 2005
Total 15 years old and over (in '000)	55,989	54,799
Labor Force (in 000) Labor Force Participation Rate (%)	35,806 64.0	35,494 64.8
Employment (in '000) Employment Rate (%)	33,185 92.7	32,875 92.6
Unemployment (in 000) Unemployment Rate (%)	2,621 7.3	2,619 7.4
Underemployment (in 000) Underemployment Rate (%)	6,761 20.4	6,962 21.2

Summary:

Note: Estimates for October 2006 are preliminary and subject to change.

- The number of employed persons in October 2006 was estimated at 33.2 million. This is 310 thousand higher than the reported figure of 32.9 million in October 2005. The estimated employment rate in October 2006 was 92.7 percent.
- Across regions, Zamboanga Peninsula and Cagayan Valley posted the highest employment rate at 97.2 percent and 97.1 percent, respectively. The National Capital Region recorded the lowest at 85.3 percent.
- The increase in employment was contributed mainly by the services sector as the number of employed persons in this sector increased by 305 thousand or 1.9 percent, from 15.8 million in October 2005 to 16.1 million in October 2006. The

employed persons in the services sector comprised around half (48.6%) of the total employed persons. Employment in all services sub-sectors increased except in the sub-sector for other community, social and personal service activities which declined by eight thousand.

- By comparison, the employed persons in the agricultural sector comprised 36.7 percent. However, employment in the agriculture sector decreased by seven thousand, from 12.171 million in October 2005 to 12.164 million in October 2006 due to the decline by 10 thousand in the number of persons employed in the agriculture, hunting and forestry sub-sector. Employment in the industry sector increased by 12 thousand or 0.2 percent, from 4.883 million in October 2005 to 4.895 million in October 2006.
- Among the various occupation groups, service workers and shop and market sales workers posted the highest increase at 135 thousand. Laborers and unskilled workers making up the largest proportion (31.9%) of the total employed population posted a decline in number, from 10.612 million in October 2005 to 10.591 million in October 2006.
- One in two employed persons in October 2006 as well as in October 2005 was a wage or salary worker. The number of wage and salary workers in October 2006 was 16.8 million compared to 16.6 million last year, registering an increase of some 200 thousand or 1.2 percent. The increase came mostly from the services sector. Wage and salary workers in the agriculture sector declined by 47 thousand or 1.6 percent. Unpaid family workers increased by 167 thousand or 4.0 percent, while own-account workers decreased by 64 thousand or 0.5 percent. The decline in own-account workers came mostly from the agriculture sector at 70 thousand.
- Employed persons are classified as either full-time workers or part-time workers. The full time workers, or those who work for 40 hours or more, was 20.5 million in October 2006 compared to 20.6 million in October 2005, posting a decline of 100 thousand or 0.5 percent. On the other hand, the part-time workers, or those who work for less than 40 hours, increased by 3.2 percent, from 11.8 million in October 2005 to 12.2 million in October this year.
- Employed persons who wanted additional hours of work, or those who were underemployed, were estimated at 6.8 million in October 2006. This is 201 thousand less than the 7.0 million estimated a year ago. As a result, the underemployment rate declined to 20.4 percent in October 2006 from 21.2 percent in October 2005. The largest decrease was in the services sector with a decline of 135 thousand underemployed, from 2.6 million in October 2005 to 2.5 million in

October 2006. About 62.0 percent of the underemployed were reported as visibly underemployed or worked for less than 40 hours a week.

- The unemployed persons in October 2006 numbered 2.6 million translating to an unemployment rate of 7.3 percent compared to last year's figure of 7.4 percent. Males had a higher unemployment rate at 7.6 percent compared to females at 6.8 percent. Around fifty percent (49.5%) of the unemployed belonged to age group 15-24 years. One in every three unemployed persons (33.4%) was at most a high school graduate while 19.0 percent were college graduates,
- The total labor force in October 2006 was estimated at 35.8 million. This translates to a labor force participation rate of 64.0 percent. Meanwhile, about 20.2 million persons 15 years old and over were considered not in the labor force. Majority of those who were not in the labor force belonged to the younger age groups, that is, 44.5 percent were 15 to 24 years old and 17.0 percent were 25 to 34 years old.
- If the old definition of unemployment were 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 2006 would have been 9.9 percent and that for October 2005, 10.3 percent, a decrease of 0.4 percentage point. The unemployment level would be 3.7 million in October 2006 compared to 3.8 million in October 2005, also using the old definition.

Technical Notes

- Starting with the July 2003 round, the quarterly Labor Force Survey uses 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 now under Autonomous Region in Muslim Mindanao while Isabela City (Basilan) is 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 Number 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