



## THE 2014 EMPLOYMENT SITUATION (THE YEAR IN REVIEW)

### Overview

The 2014 average annual employment data showed mixed results for the country's labor market. On the positive note, employment level grew by 2.8% compared a year ago - a net gain or employment generation that exceeded one million. Employment was boosted by robust growth in industry (4.1%) coupled by the sustained growth in services (3.1%) and modest recovery in agriculture (1.7%). Furthermore, both the rates of unemployment and underemployment eased slightly from last year.

Amid the expansion, the quality of employment remained a key challenge. Employment growth this year was largely driven by the rise in part-time employment (9.1%) alongside the increase in the number of self-employed persons and unpaid family workers. As a result, the mean hours of work was down (-2.4%) from last year which parallels the slowdown in the country's gross domestic product (GDP) in 2014.

Figures cited in this report are preliminary and unless indicated represent the average of the four (4) rounds of the Labor Force Survey (LFS) conducted by the Philippine Statistics Authority (PSA) in the months of January, April, July and October. The use of average for estimating annual data from the LFS is based on NSCB Resolution No. 9 s. 2009 dated July 6, 2009 (Approving and Adopting the Official Methodology for Generating Annual Labor and Employment Estimates).

Note also that the estimates for both periods under review **exclude** Region VIII or Eastern Visayas for comparability. The January 2014 excluded estimates for Region VIII because the LFS was not conducted in this region as a consequence of typhoon Yolanda. For the subsequent rounds, the LFS was not conducted for Leyte province.

### About a million additional persons joined the labor market in 2014

The country's labor force grew by an average of 2.5% or an addition of 962,000 persons in 2014. This placed the total working population in the active workforce at 40.1 million. The figure corresponds to a higher labor force participation rate (LFPR) of 64.4% than last year's 63.9%. (Table 4)

The increase in LFPR was higher among women (+0.6 percentage point) than men (+0.4 percentage point). By age cohort, the increase in rates was observed to be at the same pace (0.5 percentage point) for the three broad age

**TABLE 1 – Key Employment Indicators, Philippines: 2013-2014**  
(In Thousands Except Rates)

INDICATOR	2014 <sup>p</sup>	2013	Year-on-Year Change
Household population 15 years old and over	62,189	61,176	1,013
Labor force	40,050	39,088	962
- Employed persons	37,310	36,286	1,024
- Unemployed persons	2,740	2,801	(61)
Underemployed persons	6,870	6,912	(42)
- Visibly Underemployed	4,056	3,914	142
Not in the Labor Force	22,139	22,088	51
Labor force participation rate (%)	64.4	63.9	
Unemployment rate (%)	6.8	7.2	
Underemployment rate (%)	18.4	19.0	
- Visible Underemployment rate (%)	10.9	10.8	
Mean hours of work	40.9	41.9	

Note: The annual estimates for 2013 and 2014 exclude Region VIII or Eastern Visayas.

<sup>p</sup> Preliminary.

Source of basic data: Philippine Statistics Authority, Labor Force Survey.

brackets 15-24 years old, 24-54 years old and 55 years old and over.

### **New employment generation exceeded one million**

The full-year employment growth rate across the four (4) survey rounds stood at 2.8% as total employed persons rose from 36.3 million to 37.3 million. This translates to 1.0 million new employment generation in 2014. (Table 3)

- Employment grew the fastest in the industry sector at 4.1% (+237,000) on the back of the strong growth in construction (+184,000) alongside the modest growth in manufacturing (+78,000). Meanwhile, small losses occurred in mining and quarrying (-12,000); electricity, gas, steam and air conditioning supply (-6,000); and water supply; sewerage, waste management and remediation activities (-7,000).
- The services sector expanded by 3.1% (+603,000) with the biggest contribution coming from wholesale and retail trade (+228,000). Smaller gains were also noted in accommodation and food service activities (+79,000); administrative and support service activities (+68,000); financial and insurance activities (+51,000); and education (+49,000). Together, these sub-sectors accounted for more than two-thirds (78.8%) of total employment generated in this sector.
- With less destructive typhoons this year, employment in agriculture managed to post modest recovery from previous year's slump: 1.7% (+168,000) in agriculture, forestry and

hunting and 1.3% (+16,000) in fishing.

### **Vulnerable employment rose**

- Much of the gains in employment this year occurred among self-employed persons (4.1% or +407,000) and unpaid family workers (8.0% or +292,000). Together, they contributed more than two-thirds (68.3%) to overall growth in employment this year. Their proportion to total employment (a *millennium development goal* indicator) was up to 38.6% from 37.8% in 2013. (Table 3a)

The growth in wage and salary employment slowed down considerably this year at just 1.5% (+329,000). The bulk of the increase occurred in private establishments (82.7% or +272,000).

### **Employment growth largely driven by part-time work**

- Another weak spot is the surge in part-time employment which rose sharply by 9.1% or more than a million (1.1 million) while persons in full-time employment fell slightly from last year (-227,000). (Table 3a)

As a consequence, the mean hours of work in a week fell by a full 1.0 hour to 40.9 – this compares with the slowdown in the economy this year.

- By occupation, the top three gainers were farmers, forestry workers and fishermen (+339,000); service workers and shop and market sales workers (+185,000); and clerks (+165,000).

- Employment gain was broad base occurring in all regions except Region IX which posted a decline (-10,000). The biggest gainers were Region IV-A (+231,000), Region VI (+147,000) and Region VII (+114,000). (Table 6)

### **Underemployment of little change from last year**

Underemployment rate stood at 18.4% - down marginally by 0.6 percentage point from last year's 19.0%. The decline was accompanied by reduction in the total number of underemployed persons by 42,000 to 6.9 million.

ITEM	All Sectors	Sector		
		Agri-culture	Industry	Services
<b>2014<sup>p</sup></b>				
No. ('000)	<b>6,870</b>	<b>2,837</b>	<b>1,195</b>	<b>2,837</b>
% Share	100.0	41.3	17.4	41.3
Rate (%)	18.4	25.3	20.0	14.1
<b>2013</b>				
No. ('000)	<b>6,912</b>	<b>2,896</b>	<b>1,127</b>	<b>2,889</b>
% Share	100.0	41.9	16.3	41.8
Rate (%)	19.0	26.3	19.6	14.5
<b>Change ('000)</b>	(42)	(59)	68	(52)

Notes: 1. The annual estimates for 2013 and 2014 exclude Region VIII or Eastern Visayas.

2. Details may not add up to totals due to rounding.

p Preliminary.

Source of basic data: Philippine Statistics Authority, Labor Force Survey.

- The incidence of underemployment was highest in the agriculture sector in terms of rate (25.3%). The rates in industry (20.0%) and services (14.1%) were relatively lower. Between 2013 and 2014, underemployment increased only in the industry sector (+68,000).
- Nine regions registered underemployment rate above the national average with the highest in Region V (34.9%), Region X (25.7%) and Caraga (25.2%). The lowest underemployment rate was recorded in NCR

(11.1%), Region II (11.2%) and ARMM (11.7%). (Table 6)

- Between 2013 and 2014, underemployment rate improved in twelve regions most notably in Region I (-4.0 percentage points or ppt) and Region IV-B (-3.0 ppt).

Underemployment rate worsened in Region VII (+3.3 ppt) and Region XI (+2.0 ppt). Little changes were observed in the rest of the regions.

### **Unemployment rate fell below 7.0%**

The unemployment rate in 2014 dipped by 0.4 percentage point to 6.8%, the lowest point recorded since 2006. This translates to 2.7 million unemployed persons representing a decrease of 61,000 persons from a year ago. (Table 1)

- Unemployment is primarily a problem of the youth. Largely inexperienced, they comprised nearly one-half (49.1%) of total unemployed. This figure was 0.6 percentage point higher than last year. (Table 5)
- Men continued to dominate the unemployed as they comprised about two-thirds (63.6% or 1.7 million) of the total unemployed workforce, i.e., two in every three unemployed were men.
- More than one-third (35.3% or 967,000) were college educated, of which 21.6% or 593,000 were graduates. A higher proportion of the unemployed were high school graduates or undergraduates (44.0% or 1.2 million) while those who completed post secondary education accounted for just 8.3% (226,000).

- Only the National Capital Region posted a double-digit unemployment rate (10.4%) – the highest across regions. Three other regions have unemployment rates higher than the national average rate: Region I (8.4%), Region III (8.3%) and Region IV-A (8.2%). Regions with low unemployment rates were ARMM (3.5%), Region II (3.7%) and Region IX (3.7%). (Table 6)
- Compared with last year, unemployment rate eased in nine regions notably in Region XI (1.1 ppt) and ARMM (1.1 ppt). Other regions registered small increases in unemployment except CAR which posted a 0.9 ppt increase.

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**FOR INQUIRIES**

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**TABLE 3 - Employed Persons by Major Industry Group, Philippines: 2013 and 2014**  
(In Thousands Except Percent)

INDICATOR	2014 <sup>P</sup>	2013	Increment	Percent Change (%)
<b>EMPLOYED PERSONS</b>	<b>37,310</b>	<b>36,286</b>	<b>1,024</b>	<b>2.8</b>
<b>MAJOR INDUSTRY GROUP</b>				
<b>Agriculture</b>	<b>11,212</b>	<b>11,028</b>	<b>184</b>	<b>1.7</b>
Agriculture, forestry and hunting	9,942	9,775	168	1.7
Fishing	1,269	1,253	16	1.3
<b>Industry</b>	<b>5,987</b>	<b>5,750</b>	<b>237</b>	<b>4.1</b>
Mining and quarrying	229	241	(12)	(5.0)
Manufacturing	3,147	3,069	78	2.5
Electricity, gas, steam and airconditioning supply	84	89	(6)	(6.2)
Water supply; sewerage, waste management and remediation activities	51	58	(7)	(12.8)
Construction	2,477	2,292	184	8.0
<b>Services</b>	<b>20,112</b>	<b>19,508</b>	<b>603</b>	<b>3.1</b>
Wholesale and retail trade; repair of motor vehicles and motorcycles	7,010	6,783	228	3.4
Transportation and storage	2,625	2,627	(2)	(0.1)
Accommodation and food service activities	1,637	1,558	79	5.1
Information and communication	352	333	19	5.6
Financial and insurance activities	487	435	51	11.8
Real estate activities	169	171	(1)	(0.8)
Professional, scientific and technical activities	209	191	18	9.5
Administrative and support service activities	1,070	1,001	68	6.8
Public administration and defense; compulsory social security	1,876	1,843	33	1.8
Education	1,218	1,169	49	4.2
Human health and social work activities	475	453	22	4.8
Arts, entertainment and recreation	348	338	10	2.9
Other service activities	2,114	2,096	18	0.8
Activities of households as employers; undifferentiated goods-and-services-producing activities of households for own use	520	505	15	3.0
Activities of extraterritorial organizations and bodies	1	4	(2)	(62.8)

Notes: 1. The annual estimates for 2013 and 2014 exclude Region VIII or Eastern Visayas.

2. Details may not add up to totals due to rounding.

p Preliminary.

Source of basic data: Philippine Statistics Authority, Labor Force Survey.

**TABLE 3a - Employed Persons by Major Occupation Group,  
Class of Worker and Hours Worked, Philippines: 2013 and 2014**

(in Thousands Except Percent)

INDICATOR	2014 <sup>p</sup>	2013	Increment	Percent Change (%)
<b>EMPLOYED PERSONS</b>	<b>37,310</b>	<b>36,286</b>	<b>1,024</b>	<b>2.8</b>
<b>MAJOR OCCUPATION GROUP</b>				
Officials of government and special-interest organizations, corporate executives, managers, managing proprietors, and supervisors	6,019	5,888	131	2.2
Professionals	1,876	1,805	71	4.0
Technicians and associate professionals	966	963	3	0.3
Clerks	2,349	2,184	165	7.5
Service workers and shop and market sales workers	4,673	4,488	185	4.1
Farmers, forestry workers and fishermen	4,977	4,638	339	7.3
Trades and related workers	2,558	2,528	30	1.2
Plant and machine operators and assemblers	1,967	1,983	(15)	(0.8)
Laborers and unskilled workers	11,806	11,706	100	0.9
Special occupations	118	103	14	13.8
			0	
<b>CLASS OF WORKER</b>				
Wage and salary workers	21,701	21,372	329	1.5
Worked for private household	1,881	1,883	(2)	(0.1)
Worked for private establishment	16,780	16,508	272	1.6
Worked for government and government-controlled corporation	2,922	2,857	65	2.3
Worked with pay in own family-operated farm or business	118	124	(6)	(5.0)
Self-employed without any paid employee	10,448	10,041	407	4.1
Employer in own family-operated farm or business	1,209	1,213	(4)	(0.3)
Worked without pay in own family-operated farm or business	3,952	3,660	292	8.0
<i>Proportion of self-employed and unpaid family workers in total employment</i>	38.6	37.8		
<b>HOURS WORKED IN A WEEK</b>				
At work	36,802	35,898	904	2.5
Worked less than 40 hours (Part-time employment)	13,573	12,442	1,131	9.1
Worked 40 hours or longer (Full-time employment)	23,230	23,457	(227)	(1.0)
With job, not at work	508	388	120	30.8
Mean number of hours worked in a week	40.9	41.9	(1.0)	(2.4)

Notes: 1. The annual estimates for 2013 and 2014 exclude Region VIII or Eastern Visayas.

2. Details may not add up to totals due to rounding.

<sup>p</sup> Preliminary.

Source of basic data: Philippine Statistics Authority, Labor Force Survey.

**TABLE 4 - Summary Statistics on Household Population 15 years Old and Over  
and Labor Force, Philippines: 2013 and 2014**

(In Thousands Except Rates)

INDICATOR	Total Population 15 Years Old and Over			Labor Force			Labor Force Participation Rate (%)		
	2014 <sup>P</sup>	2013	Increment	2014 <sup>P</sup>	2013	Increment	2014 <sup>P</sup>	2013	Increment
<b>TOTAL</b>	<b>62,189</b>	<b>61,176</b>	<b>1,013</b>	<b>40,050</b>	<b>39,088</b>	<b>962</b>	<b>64.4</b>	<b>63.9</b>	<b>0.5</b>
<b>SEX</b>									
Male	30,969	30,455	514	24,286	23,750	536	78.4	78.0	0.4
Female	31,220	30,721	499	15,765	15,338	427	50.5	49.9	0.6
<b>AGE GROUP</b>									
15-24 years old	18,604	18,283	321	8,513	8,274	239	45.8	45.3	0.5
25-54 years old	34,073	33,551	522	26,414	25,826	588	77.5	77.0	0.5
55 years old and over	9,509	9,339	170	5,123	4,988	135	53.9	53.4	0.5
Not reported	3	3	-	-	-	-	-	-	-

Notes: 1. The annual estimates for 2013 and 2014 exclude Region VIII or Eastern Visayas.

2. Details may not add up to totals due to rounding.

<sup>p</sup> Preliminary.

Source of basic data: Philippine Statistics Authority, Labor Force Survey.

**TABLE 5 - Summary Statistics on Unemployment, Philippines: 2013 and 2014**  
(In Thousands Except Rates/Percent)

INDICATOR	Unemployed Persons		Percent Share (%)		Labor Force		Unemployment Rate (%)	
	2014 <sup>p</sup>	2013	2014 <sup>p</sup>	2013	2014 <sup>p</sup>	2013	2014 <sup>p</sup>	2013
<b>TOTAL</b>	<b>2,740</b>	<b>2,801</b>	<b>100.0</b>	<b>100.0</b>	<b>40,050</b>	<b>39,088</b>	<b>6.8</b>	<b>7.2</b>
<b>SEX</b>								
Male	1,743	1,754	63.6	62.6	24,286	23,750	7.2	7.4
Female	997	1,048	36.4	37.4	15,765	15,338	6.3	6.8
<b>AGE GROUP</b>								
15 - 24 years old	1,347	1,359	49.1	48.5	8,513	8,274	15.8	16.4
25-54 years old	1,287	1,329	46.9	47.4	26,414	25,826	4.9	5.1
55 years old and over	107	114	3.9	4.1	5,123	4,988	2.1	2.3
<b>HIGHEST GRADE COMPLETED</b>								
No Grade Completed	10	13	0.3	0.5				
Elementary	331	358	12.1	12.8				
Undergraduate	145	161	5.3	5.8				
Graduate	186	196	6.8	7.0				
High School	1,206	1,249	44.0	44.6				
Undergraduate	297	319	10.9	11.4				
Graduate	909	929	33.2	33.2				
Post Secondary	226	226	8.3	8.1				
Undergraduate	33	50	1.2	1.8				
Graduate	194	176	7.1	6.3				
College	967	956	35.3	34.1				
Undergraduate	374	388	13.7	13.8				
Graduate	593	568	21.6	20.3				

Notes: 1. The annual estimates for 2013 and 2014 exclude Region VIII or Eastern Visayas.

2. Details may not add up to totals due to rounding.

<sup>p</sup> Preliminary.

Source of basic data: Philippine Statistics Authority, Labor Force Survey.



**TABLE 6 - Labor Force, Employment, Unemployment and Underemployment by Region  
Philippines: 2013 and 2014**  
(In Thousands Except Rates)

REGION	Labor Force				Employment				Unemployment				Underemployment			
	2014 <sup>p</sup>		2013		2014 <sup>p</sup>		2013		2014 <sup>p</sup>		2013		2014 <sup>p</sup>		2013	
	No.	LFPR (%)	No.	LFPR (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)
<b>PHILIPPINES</b>	<b>40,050</b>	<b>64.4</b>	<b>39,088</b>	<b>63.9</b>	<b>37,310</b>	<b>93.2</b>	<b>36,286</b>	<b>92.8</b>	<b>2,740</b>	<b>6.8</b>	<b>2,801</b>	<b>7.2</b>	<b>6,870</b>	<b>18.4</b>	<b>6,912</b>	<b>19.0</b>
NCR	5,249	64.2	5,129	63.5	4,702	89.6	4,603	89.7	547	10.4	527	10.3	523	11.1	556	12.1
CAR	784	67.1	770	67.1	741	94.5	735	95.4	43	5.5	35	4.6	99	13.3	104	14.1
I - Ilocos Region	2,187	61.7	2,130	61.3	2,003	91.6	1,954	91.7	184	8.4	176	8.3	320	16.0	391	20.0
II - Cagayan Valley	1,539	66.9	1,523	67.0	1,482	96.3	1,475	96.8	57	3.7	48	3.2	166	11.2	190	12.9
III - Central Luzon	4,450	62.3	4,370	62.0	4,080	91.7	3,990	91.3	369	8.3	379	8.7	552	13.5	579	14.5
IVA - CALABARZON	5,528	65.5	5,331	64.5	5,073	91.8	4,842	90.8	455	8.2	489	9.2	951	18.7	867	17.9
IVB - MIMAROPA	1,341	67.2	1,293	66.3	1,280	95.4	1,241	95.9	62	4.6	53	4.1	261	20.4	290	23.4
V - Bicol Region	2,447	62.8	2,452	63.9	2,295	93.8	2,292	93.5	152	6.2	160	6.5	801	34.9	855	37.3
VI - Western Visayas	3,359	63.9	3,235	62.7	3,158	94.0	3,011	93.1	201	6.0	224	6.9	688	21.8	682	22.7
VII - Central Visayas	3,270	65.8	3,160	64.7	3,075	94.0	2,961	93.7	195	6.0	199	6.3	567	18.4	448	15.1
VIII- Eastern Visayas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX - Zamboanga Peninsula	1,438	63.8	1,445	65.1	1,385	96.3	1,395	96.6	53	3.7	50	3.4	274	19.8	304	21.8
X - Northern Mindanao	2,114	69.4	2,050	68.3	1,991	94.2	1,934	94.3	123	5.8	117	5.7	512	25.7	497	25.7
XI - Davao Region	2,051	65.4	1,989	64.2	1,932	94.2	1,851	93.1	119	5.8	138	6.9	372	19.3	319	17.3
XII - SOCCSKSARGEN	1,795	65.4	1,769	65.5	1,730	96.4	1,691	95.6	65	3.6	78	4.4	355	20.5	384	22.7
Caraga	1,158	65.9	1,152	66.5	1,091	94.2	1,083	94.0	67	5.8	69	6.0	275	25.2	293	27.1
ARMM	1,340	56.9	1,289	56.0	1,293	96.5	1,229	95.4	47	3.5	59	4.6	152	11.7	152	12.4

Notes: 1. The annual estimates for 2013 and 2014 exclude Region VIII or Eastern Visayas.

2. Details may not add up to totals due to rounding.

<sup>p</sup> Preliminary.

Source of basic data: Philippine Statistics Authority, Labor Force Survey.