



HIGHLIGHTS OF THE JULY 1997 EMPLOYMENT SITUATION

The country's employment growth showed signs of weakness in July 1997 as employment level registered a near zero growth rate, data from the National Statistics Office indicate. The slump was caused by employment decline in agriculture and manufacturing sectors, though this was partly offset by the modest growth registered in the services sector. Due to the failure of the economy to create enough work opportunities, the incidence of unemployment and underemployment both increased during the period.

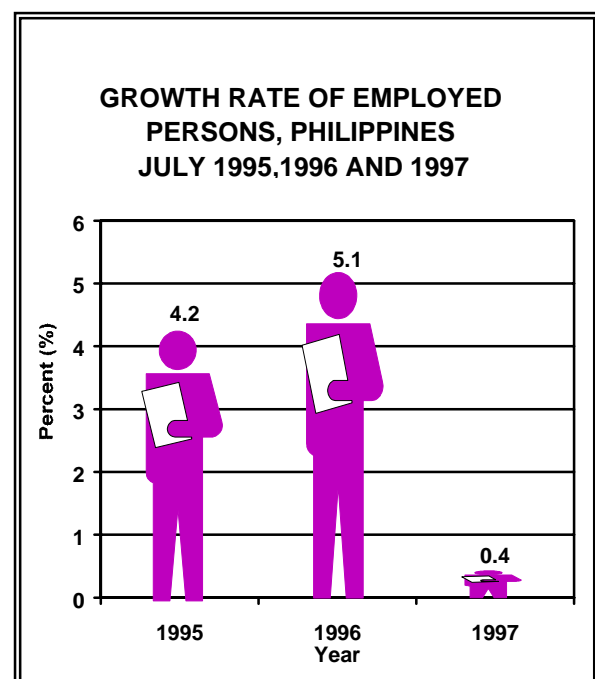
EMPLOYMENT SLOW DOWN IN JULY 1997

Based on the July 1997 round of the Labor Force Survey, total employed persons remained at about the same level from the similar month last year increasing marginally by 112,000 to reach 27.531 million. This represented a less than one percent (0.4%) growth rate over the year ago level.

The slump in employment can be attributed mainly to the decline in **agricultural sector employment** which contracted by 5.8 percent. This is the third consecutive survey round that agricultural employment has fallen this year, i.e. -0.5 percent in January and -3.1 percent in April.

Contributing to the slump was the sharp fall in the growth of **industry sector** employment which was down to 1.3 percent from 11.3 percent posted a year ago. Specifically, employment losses were recorded in the **manufacturing sector**

(-2.1 %) and **electricity, gas and water** (-6.7%). Similarly, employment growth rates while remaining positive tapered off in the **construction sector** (20.8% to 7.4%) and **mining and quarrying sector** (12.3% to 4.7%).



Only the **services sector** continued its strong performance with growth increasing from 5.4 percent last year to 6.6 percent. Large employment increases were recorded in **community, social and personal services** (7.9%) and **wholesale and retail trade** (4.8%).

Decline in employment levels were noted in eight (8) regions: **Region V** (61,000), **NCR** (59,000), **Region X** (39,000), **CARAGA** (35,000), **ARMM** (20,000), **CAR** (13,000), **Region II** (10,000) and **Region XII** (6,000).

Other indicators of labor market performance were less encouraging as indicated by the following statistics:

- **Underemployment rate** went up to 23.1 percent from 21.5 percent in 1996 with the number of underemployed persons (employed persons wanting additional hours of work) increasing from 5.9 million to 6.3 million.
- Growth in **full-time employment** (employed persons who worked 40 hours or more a week) was down to 4.8 percent from 7.3 percent last year with **part-time employment** posting a negative growth rate (-8.4%).
- **Wage and salary employment** grew at a slower pace (7.6 %) than last year (9.2%). **Own-account**

employment declined by 3.6 percent and employment of unpaid family worker by 12.0 percent.

UNEMPLOYMENT RATE ROSE TO 8.7 PERCENT

The national unemployment rate edged up to 8.7 percent against 7.5 percent in July 1996. In absolute number, total jobless persons rose by 385,000 increasing from 2.238 million to 2.623 million over the period.

The figure would still have been higher if the number of people looking for work had not shrunk. Data showed that labor force this period dropped to 1.7 percent from 3.7 percent a year ago.

Jobless rates were upped in all regions, except for CAR, Region V and Region VII. The National Capital Region recorded marked increase in unemployment rate, from 11.5 percent to 14.1 percent. This was followed by CARAGA (6.8 % to 8.9 %), Region IX (5.2% to 7.1%), Region VI (6.8% to 8.5%) and Region VIII (6.6% to 8.3%).

For selected groups of workers, jobless rates went up among the youth 15 to 24 years old (15.1% to 18.3%), female workers (8.6% to 9.7%) and rural workers (5.9% to 6.2%).

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TABLE 1 – SELECTED LABOR FORCE STATISTICS, PHILIPPINES: JULY 1996-1997
(In thousands except rates)

Indicator	1995	1996	1997
Labor Force	28,602	29,657	30,154
Growth Rate (%)	4.4	3.7	1.7
Employed Persons	26,090	27,419	27,531
Growth Rate (%)	4.2	5.1	0.4
Underemployed Persons	5,554	5,904	6,348
Visible Underemployed	2,791	2,919	2,866
Invisible Underemployed	2,762	2,985	3,482
Unemployed Persons	2,612	2,238	2,623
Labor Force Participation Rate (%)	65.6	68.3	65.7
Employment Rate (%)	91.2	92.5	91.3
Unemployment Rate (%)	8.8	7.5	8.7
Underemployment Rate (%)	21.3	21.5	23.1
Visible Underemployment (%)	10.7	10.6	10.4

Source: July 1997 Labor Force Survey, National Statistics Office.

TABLE 2 – TOTAL EMPLOYED PERSONS, PHILIPPINES: JULY 1995, 1996 AND 1997
(In thousands except rates)

Indicators	Employed Persons			Growth Rate (%)		Increment	
	1995	1996	1997	1996	1997	1995-1996	1996-1997
Total Employed Persons	26,090	27,419	27,531	5.1	0.4	1,329	112
Hours Worked							
Less than 40 hours	9,033	9,146	8,377	1.2	-8.4	113	-769
40 hours and over	16,810	18,042	18,899	7.3	4.8	1,232	857
Did not work	247	231	255	-6.5	10.4	-16	24
Class of Worker							
Wage and salary	11,839	12,934	13,917	9.2	7.6	1,095	983
Own-account	10,308	10,395	10,016	0.8	-3.6	87	-379
Unpaid Family Worker	3,943	4,090	3,598	3.7	-12.0	147	-492
Sector							
Agriculture, Fishery & Forestry	11,367	11,668	10,987	2.6	-5.8	301	-681
Industry	4,130	4,598	4,656	11.3	1.3	468	58
Mining and Quarrying	113	127	133	12.3	4.7	14	6
Manufacturing	2,589	2,754	2,697	6.4	-2.1	165	-57
Electricity, Gas & Water	118	134	125	13.6	-6.7	16	-9
Construction	1,310	1,583	1,701	20.8	7.4	273	118
Services	10,580	11,151	11,889	5.4	6.6	571	738
Wholesale & Retail Trade	3,867	3,938	4,129	1.8	4.8	71	191
Transportation, Storage & Communication	1,539	1,637	1,750	6.4	6.9	98	113
Financing, Insurance, Real Estate & Bus. Svcs.	538	637	676	18.4	6.1	99	39
Community, Social & Personal Services	4,636	4,939	5,328	6.5	7.9	303	389
NEC	13	4	6			-9	2
Urban	12,379	12,478	12,523	0.8	0.4	99	45
Rural	13,710	14,941	15,008	9.0	0.4	1,231	67

Source: July 1997 Labor Force Survey, National Statistics Office

TABLE 3 – DISTRIBUTION OF UNEMPLOYED PERSON AND UNEMPLOYMENT RATES BY SEX, AGE AND AREA, PHILIPPINES: JULY 1995, 1996 AND 1997

Indicators	1996		1997		Unemployment Rate	
	Unemployed (000)	Percent Share (%)	Unemployed (000)	Percent Share (%)	1996	1997
Sex	2,238	100.0	2,623	100.0	7.5	8.7
Male	1,306	58.4	1,528	58.2	7.0	8.1
Female	932	41.6	1,095	41.7	8.6	9.7
Age	2,238	100.0	2,623	100.0	7.5	8.7
15-24	1,080	48.3	1,306	49.8	15.1	18.3
25 and over	1,158	51.7	1,317	50.2	5.1	5.7
Area	2,238	100.0	2,623	100.0	7.5	8.7
Urban	1,363	60.9	1,622	61.8	9.8	11.5
Rural	875	39.0	1,001	38.2	5.5	6.2

Note: Details may not add up to totals due to rounding of figures.

Source: July 1997 Labor Force Survey, National Statistics Office.