



HIGHLIGHTS OF THE APRIL 1997 LABOR FORCE SURVEY¹

The 1997 April round of the Labor Force Survey (LFS) exhibited almost similar trends and patterns with that of the January 1997 survey results. For the second time this year, employment in the agricultural sector suffered a slump (-3.1%) bringing down the April 1997 employment growth rate to 2.7 percent which is way below the 6.4 percent growth recorded during the same month last year.

Notwithstanding the downtrend in agricultural employment, the overall employment situation improved considerably compared to the similar period last year as the bulk of additional employment generated during the period occurred in the more productive sectors of the economy. Specifically, industry employment recovered strongly from the year ago slump posting a 10.3 percent growth rate while the service sector employment grew at the same pace last year at 6.1 percent. Moreover, the 10.4 percent April 1997 unemployment rate was slightly lower than the 10.9 percent recorded in the previous year while visible underemployment rate declined from 13.1 percent in 1996 to 11.8 percent.

LABOR FORCE

The month of April is usually associated with the expansion in the size of the country's labor force due to the seasonal influx of young workers in the labor market during school vacation.

For April 1997, the labor force population increased by 2.1 percent to reach 31.4 million. This occurred despite the slight decline in the labor force participation rate (LFPR), from 69.1 percent in 1996 to 68.8 percent.

EMPLOYMENT

The total number of employed persons in April 1997 was placed at 28.1 million. This translates to employment growth rate of 2.7 percent or an increment of 747,000 additional employed persons. The figure fell short of the previous year performance both in terms of growth rate (6.3%) and level of increment (1.633 million).

The employment slowdown can be attributed to the observed fluctuation in employment of **unpaid family workers (UFW)** the majority of them non-wage agricultural laborers. In April 1996, the number of

¹ This report presents the highlights of the April 1997 Labor Force Survey (LFS) based on the press release published by the National Statistics Office (NSO) dated June 20, 1997. The LFS is conducted by the NSO every month of January, April, July and October.

UFW rose by a 16.7 percent, increasing from 3.937 million to 4.595 million. This growth represents an increment of 658,000 additional employed persons which was responsible for the high 6.3 percent employment growth posted that year. This occurred because the 658,000 increment in UFW employment contributed nearly one-half (40.3%) to total 1.633 million new

employment or employment increment during the period.

For this year, however, a reversal of trend in UFW employment was noted as their number suffered a big drop (-6.4 %) declining by 293,000, from 4.595 million to 4.302 million. This decline slowed down the April 1997 employment growth rate to 2.7 percent and pared down employment increment to 747,000.

Indicator/Year	Class of Worker			
	Total	Wage & Salary	Own-Account	Unpaid-family workers
Total Employment (000)				
1995 April	25.724	11.867	9.920	3.937
1996 April	27.358	12.395	10,367	4.595
1997 April	28.105	13.386	10,416	4.302
Employment Increment (000)				
1995- 1996 April	1,633	528	447	658
1996-1997 April	747	991	49	-293
Employment Growth (%)				
1995-1996 April	6.3	4.4	4.5	16.7
1996-1997 April	2.7	8.0	0.4	-6.4

Source: National Statistics Office

Though the absolute growth in employment in April 1997 look less good than at first sight, it represents a far better performance than last year. Survey results indicate that employment gains this year was dominated by the strong growth in **wage and salary employment** which is a better indicator of market performance than non-wage employment that accounted for last year's growth. Specifically, **wage and salary employment** grew by 8.0 percent from only 4.4 percent a year ago. On the other hand, growth in non-wage employment suffered a slump: **Own-account employment** went down from 4.5 percent to 0.5 percent and **unpaid-family workers** from 16.7 percent to -6.4 percent.

Moreover, the employment reported this year was more productive in nature as confirmed by the following data:

- **Full-time employment** (employed persons who worked 40 hours or more a week) rose by 19.0 percent (15.0 million to 18.0 million) while part-time employment was down by 18.9 percent (11.7 million to 9.5 million). On the average, about two out of three employed persons found full-time employment during the period.
- Robust employment growth was registered in the **industry sector** (10.3%) and **service sector** (6.1%) offsetting the fall in

agricultural employment (-3.1). As a result of this, the relative share of agricultural employment has gone down to 41.3 percent while the share of service sector employment went up to 41.9 percent. This is the second time that the share of service sector employment has exceeded agricultural sector as this pattern of growth was first observed in the January 1996 LFS round. Whether this development signals a temporary or permanent shift in the country's employment structure will be determined by the results of the succeeding rounds of the LFS.

Double-digit growth rates were recorded in the **construction** (15.8%) and **financing sector** (15.7%) while **manufacturing** employment recovered from the previous year slump of -2.1% to post a 6.2 percent growth this year. All other industries achieved modest to high growth rates.

- The number of **visibly underemployed persons** (employed persons who worked

less than 40 hours a week and wanting additional hours of work) declined both in terms of level (3.6 million to 3.3 million) and rate (13.1 percent to 11.8 percent).

UNEMPLOYMENT

Unemployment during the summer month of April normally rises as new graduates and vacationing students enter the labor market in search of summer jobs or permanent employment.

For 1997, the April **unemployment rate** edged down marginally to 10.4 percent from 10.9 percent recorded in the same month in 1996. In absolute terms, the number of **unemployed persons** decreased from 3.355 million in 1996 to 3.263 million.

Youth unemployment (15 to 24 years old) which usually accounts for more than half of the unemployed persons, also declined from 2.062 million to 1.939 million.

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

Indicator	1995	1996	1997
Labor Force	29,259	30,713	31,368
Growth Rate (%)	1.8	5.0	2.1
Employed Persons	25,724	27,358	28,105
Growth Rate (%)	0.6	6.3	2.7
Underemployed Persons	5,225	6,086	6,577
Visible Underemployed	2,964	3,596	3,321
Invisible Underemployed	2,261	2,490	3,256
Unemployed Persons	3,535	3,355	3,263
Young Workers (15-24 years old)	2,144	2,062	1,939
Labor Force Participation Rate (%)	67.6	69.1	68.8
Employment Rate (%)	87.9	89.1	89.6
Unemployment Rate (%)	12.1	10.9	10.4
Underemployment Rate (%)	20.3	22.2	23.4
Visible Underemployment	11.5	13.1	11.8

Source: National Statistics Office

TABLE 2 - TOTAL EMPLOYED PERSONS, PHILIPPINES: APRIL 1995, 1996 AND 1997
(In Thousands)

Indicators	Employed Persons			Growth Rate (%)		Increment	
	1995	1996	1997	1996	1997	1995-1996	1996-1997
Total Employed Persons	25,724	27,358	28,105	6.4	2.7	1,634	747
Hours Worked							
Less than 40 hours	9,374	11,713	9,497	25.0	-18.9	2,339	-2,216
40 hours and over	15,809	15,100	17,975	-4.5	19.0	-709	2,875
Did not Work	540	542	632	0.4	16.6	2	90
Class of Worker							
Wage and salary	11,867	12,395	13,386	4.4	8.0	528	991
Own-account	9,920	10,367	10,416	4.5	0.5	447	49
Unpaid Family Worker	3,937	4,595	4,302	16.7	-6.4	658	-293
Sector							
Agri., Fishery & Forestry	11,043	11,975	11,601	8.4	-3.1	932	-374
Industry	4,302	4,299	4,741	-0.1	10.3	-3	442
Mining and Quarrying	109	122	134	11.9	9.8	13	12
Manufacturing	2,684	2,627	2,791	-2.1	6.2	-57	164
Electricity, Gas & Water	122	102	139	-16.4	13.3	-20	37
Construction	1,387	1,448	1,677	4.4	15.8	61	229
Services	10,371	11,080	11,756	6.8	6.1	709	676
Wholesale & Retail Trade	3,815	4,098	4,154	7.4	1.4	283	56
Transportation, Storage & Comm.	1,457	1,622	1,768	11.3	9.0	165	146
Financing, Insurance, Real Estate and Bus. Svcs.	514	605	700	17.7	15.7	91	95
Community, Social & Personal Services	4,585	4,755	5,134	3.7	8.0	170	379
NEC	8	3	7			-5	4

Source: National Statistics Office