

### DEPARTMENT OF LABOR AND EMPLOYMENT Manila, Philippines



Vol. 2 No. 2 January 1998



### INTRODUCTION

The use of non-regular employment by firms or establishments has grown steadily in recent years. This practice is part of the strategies adopted by the establishments in their efforts to cope with the increasing competitions and uncertainties in the market for their products.

Non-regular employment refers broadly to the use of specific forms of employment arrangements that provide no security of tenure for workers and exclude them from receiving non-wage benefits. Because of these unfavorable terms, the Philippine Labor Code provides specific laws that govern the terms and conditions for the hiring of non-regular workers.

This report presents statistics on the extent of non-regular employment in the Philippines and their trends and patterns over the last five years (1992-1996) with specific reference to the employment of the following: contractual, casual, part-time, commission-paid and task or "pakyao" workers.

Data presented in this report were generated from the Survey of Specific Groups of Workers (SSGW) conducted annually by the *Bureau of Labor and Employment Statistics*. The SSGW is a sample survey covering establishments with at least 10 workers in both the agricultural and non-agricultural sectors.

### **SURVEY RESULTS**

### Current Employment Trends

During the 1992-1996 period, the trend in employment of non-regular workers was observed to vary directly with the fluctuations in total establishment employment both in terms of size and proportion.

Survey results indicated that between 1992 and 1993, non-regular employment rose from 514,000 to 547,000 along with the increase in total establishment employment. This fell to 505,000 in 1994, following the decline in establishment employment that year. Their number increased again to 672,000 in 1995 as establishment employment recovered from its previous year's slump. This went down anew to 630,000 in 1996 when establishment employment suffered a slight decline.

# TOTAL EMPLOYMENT AND NON-REGULAR WORKERS IN ESTABLISHMENTS EMPLOYING 10 or MORE WORKERS BY YEAR PHILIPPINES: 1992-1996

(In thousands)

Year	Total	Non-regular		
	Employment	Employment		
1992	2,504	514		
1993	2,561	547		
1994	2,493	505		
1995	2,692	672		
1996	2,606	630		

### Patterns of Employment

The importance of non-regular workers can be seen in terms of their relative contributions to total employment. For the period under review, their proportional share to total establishment employment ranged from 20.5 percent and 25.0 percent.

The presence of non-regular workers differed considerably across industry groups. Their employment was strongly felt in the construction industry and to some extent in financing, community services, sales and utility industries and least in the mining and quarrying sector.

Results of the 1996 survey revealed that the construction sector had the highest proportion of non-regular workers in their workforce (67.9%). The financing sector (28.2%) ranked a far second followed closely by community, social and personal services (26.9%), wholesale and retail trade (22.9%), and electricity, gas and water (21.5%). Mining and quarrying sector (14.8%) posted the lowest at 14.8 percent.

## Categories of Non-Regular Workers

#### Contractual Workers

Among the five categories of non-regular workers, contractual workers contributed the largest share to total establishment employment. From 10.0 percent in 1992, their proportion expanded to 12.3 percent in 1996.

Likewise, contractual workers comprised the single largest group of non-regular workers hired by the establishments annually. In 1992, they accounted for nearly one half (48.6%) of the total non-regular workers employed during the period. By 1996, this ratio has gone up to 50.8 percent.

In 1996, contractual workers were largely employed in construction (104,000), financing (67,000), manufacturing (61,000) and community, social and personal services (49,000) sectors.

### Commission-Paid Workers

This category of worker constituted 4.6 percent of total establishment employment in 1996. This proportion was lower compared to the figures recorded in the previous three years when commission-paid workers averaged 5.2 percent of total establishment employment.

The presence of commission-paid workers was predominant wholesale and retail trade and community, social and personal services. Both sectors accounted for 56.3 percent of the reported 119,000 total workers paid on commission basis in 1996.

### Casual Workers



Over the five-year period, the proportion of casual workers to total establishment employment remained stable at

around 4.0 percent, except in 1993 when it dropped slightly to 3.4 percent.

In 1996, an estimated 108,000 casual workers were employed in the establishments covered by the survey. They were widely distributed across industry groups. Their biggest employers were establishments engaged in manufacturing (40,000), community, social and personal services (20,000), wholesale and retail trade (15,000) and transportation, storage and communication (10,000).

### • Part-time workers

Part-time workers were found significant only in community, social and personal services sector. In 1996, the bulk (84.3% or 43,000) of their employment was reported in this sector. A few number were reported in agriculture, fishery and forestry sector (3,000), manufacturing (2,000) and wholesale and

From 37,000 in 1992, part-time workers increased to 51,000 in 1996. Correspondingly, their share to total employment rose only by 0.5 percentage point from 1.5 percent to 2.0 percent.

### • Task or "Pakyao" Workers

Task or "Pakyao" workers comprised the smallest group of non-regular workers hired by establishments. Their contribution to total establishment workforce was negligible, at a little over one percent during the period.

In 1996, their number was estimated at 32,000, majority of them employed in establishments related to agriculture, fishery and forestry (50.0%) and manufacturing (28.1%).

retail trade (2,000).

TABLE 1.
NON-REGULAR WORKERS IN ESTABLISHMENTS EMPLOYING 10 OR MORE
WORKERS, PHILIPPINES: 1992 - 1996

(In thousands)

Type of Worker	1992	1993	1994	1995	1996
TOTAL EMPLOYMENT	2,504	2,561	2,493	2,692	2,606
Non-Regular Workers	514	547	505	672	630
Contractual Workers Commission-Paid Workers	250 90	250 129	197 135	319 143	320 119
Casual Workers Part-time Workers Task or "Pakyao" Workers	102 37 35	87 46 35	108 37 28	119 48 43	108 51 32

TABLE 2.
NON-REGULAR WORKERS IN ESTABLISHMENTS EMPLOYING 10 OR MORE WORKERS
BY MAJOR INDUSTRY GROUP, PHILIPPINES: 1996

(In thousands)

		Non-Regular Workers					
Major Industry Group	Total Employ- ment	Total	Contractual Workers	Casual Workers	Com- mission- Paid Workers	Part- Time Workers	Task Workers
ALL INDUSTRIES	2,606	630	320	108	119	51	32
Agriculture, Fishery							
& Forestry	143	36	8	7	2	3	16
Mining & Quarrying	27	4	2	1	*	*	1
Manufacturing	881	132	61	40	20	2	9
Electricity, Gas &							
Water	65	14	6	7	1	*	*
Construction	159	108	104	3	*	*	1
Wholesale & Retail						_	
Trade	314	72	18	15	36	2	1
Trans., Storage &	470	00	_	4.0	4-	*	
Communication	173	33	5	10	15	^	3
Financing, Insurance,							
Real Estate & Business Services	308	87	67	5	14	1	*
Community, Social &	306	07	67	5	14	'	
Personal Services	536	144	49	20	31	43	1

<sup>\*</sup> Less than 1,000.