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EXTENT OF EMPLOYMENT OF NON-REGULAR WORKERS IN ESTABLISHMENTS IN THE PHILIPPINES: 1997



INTRODUCTION

Flexible employment is a labor market phenomenon that has grown steadily in recent years in many countries. This is in response to increasing competitions in the market for goods and services brought about by the rapid globalization of the world economy. Two reasons are often cited for the emergence of flexible employment, namely: 1) to reduce the cost of employing labor and 2) to cope with fluctuations in the volume of additional demand for products. A common manifestation of this phenomenon is the hiring of non-regular workers by employers.

While this hiring practice promotes employment, labor groups claimed that this has adverse effects on labor standards and may restrict

workers' freedom to organize and to bargain collectively. 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 establishments employing 10 or more workers covering the period 1997. Non-regular employment is defined as employment arrangements that provide no security of tenure for workers and excludes them from receiving non-wage benefits. This normally takes the form of hiring temporary workers as substitutes for regular workers, such as contractual workers, casuals, commission-paid workers, part-timers and task or "pakyao" workers.

Data presented in this report were sourced from the Survey of Specific Groups of Workers (SS6W) conducted annually by the Bureau of Labor and Employment Statistics. The SS6W is a sample survey covering establishments with at least 10 workers in both agricultural and non-agricultural sectors.

A similar article was published early this year highlighting the trends and patterns of non-regular employment in the Philippines from 1992 to 1996 (LABSTAT Updates Vol. 2 No. 2).

HIGHLIGHTS OF SURVEY RESULTS

Extent of Employment

The importance of non-regular workers to establishment workforce can be seen in terms of their relative share to total employment. In 1992, this share was computed at 20.5 percent. Since then, the figure has steadily inched up to reach 28.2 percent in 1997.

In absolute terms, the estimated number of non-regular workers in establishments employing at least 10 workers grew from 514,000 to 808,000 between the period 1992 to 1997. This represents an average annual growth rate of 11.4

Table 1
NON-REGULAR EMPLOYMENT IN ESTABLISHMENTS
EMPLOYING 10 OR MORE WORKERS
PHILIPPINES: 1992 – 1997
(In thousands except percent)

Year	Total Employment	Non-Regular Employment	Percent Share
1992	2,504	514	20.5
1993	2,564	547	21.3
1994	2,493	505	20.3
1995	2,692	672	25.0
1996	2,606	630	24.2
1997	2,865	808	28.2

percent, which is well above the growth in total establishments' employment at 2.9 percent.

Industry

The extent of utilization of non-regular workers by establishments differs largely across industry groups. In general, their presence were strongly felt in industries where the activities are largely seasonal, of short duration or involving marketing of products. This observation was evident in four industries which recorded the highest share of non-regular workers to total workforce: construction (66.0%), financing, insurance, real estate and business services (40.0%), agriculture, fishery and forestry (36.1%) and wholesale and retail trade (31.0%). For the rest of the industries, the figures were less than 30.0 percent

Table 2
NON-REGULAR EMPLOYMENT IN
ESTABLISHMENTS EMPLOYING 10 OR MORE
WORKERS BY INDUSTRY PHILIPPINES: 1997
(In thousands except percent)

Note: Details may not add up to totals due to

Industry	Total Employment	Non-Regular Employment	
		Number	% Share
All Industries	2,865	808	28.2
Agri., Fishery & Forestry	130	47	36.1
Mining & Quarrying	25	2	8.3
Manufacturing	961	189	19.7
Electricity, Gas & Water	59	2	20.3
Construction	141	96	66.0
Wholesale & Retail Trade	360	12	31.0
Transportation, Storage & Comm.	203	40	19.7
Financing, Insurance, R. Estate & Bus. Services	357	143	40.0
Community, Social & P. Services	631	172	27.2

rounding of figures.

Size of Employment

The employment of non-regular workers is a practice common not only among large establishments but also in small establishments. Table 3 showed that the proportions of non-regular workers to total employment were fairly the same regardless of employment size.

However, variations can be observed on the type of workers hired. generally, large-sized establishments preferred to employ contractual workers to other forms of non-regular employment. In 1997, contractual workers comprised the largest proportion of non-regular employment in establishments with 100 or more workers (56.27%). In contrast, small-sized establishments or those employing less than 50 workers tended to hire a combination of the five categories of non-regular workers.

Categories of Non-Regular Workers

Among the five (5) categories of non-regular workers considered in this survey, contractual workers comprised the largest share. In 1997, they accounted for nearly half (49.6% or 401,000) of total non-regular workers reported. Furthermore, their employment was observed widely distributed across economic sectors, notably in manufacturing (93,000), financing, insurance, real estate and business services (92,000), construction (82,000), community, social and personal services (64,000), wholesale and retail trade (44,000) and agriculture, fishery and forestry (12,000). Commission-paid workers ranked second in terms of employment of non-regular workers. Their number was placed at 170,000 in 1997 or 21.0 percent of total non-regular employment. The biggest

employer of commission-paid workers were establishments engaged in financing, insurance, real estate and business services (43,000), wholesale and retail trade (37,000) and manufacturing (31,000).

Ranking third is the hiring of casual workers. For the period under review, employment of casual workers stood at 135,000 or 16.7 percent of non-regular employment. They were found most common in manufacturing (51,000), community, social and personal services (27,000) and wholesale and retail trade (24,000).

Other forms of non-regular employment were part-time workers and task or "pakyao" workers. Their numbers stood at 63,000 and 40,000, respectively and together they comprised 12.7 percent of total non-regular employment reported in 1997. Part-time employment was reported peculiar only in the community, social and personal services sector (53,000). On the other hand, task workers were particularly common in agriculture, fishery and forestry (20,000) and manufacturing (11,000). (Table 4)

Table 3
NON-REGULAR EMPLOYMENT IN ESTABLISHMENTS EMPLOYING 10 OR MORE WORKERS BY
TYPE OF WORKER AND EMPLOYMENT SIZE, PHILIPPINES: 1997
(In thousands except percent)

Indicator	All Sizes*	Employment Size			
		10-19	20-49	50-99	100 & Over
1. Total Employment	2,865	401	403	359	1,702
2. Non-Regular Employment					
- Number	809	109	116	104	480
- % to Total Employment	28.3	27.1	28.7	29.0	28.2
- Type of Worker					
- Contractual Workers	401	38	43	50	270
- Casual Workers	135	18	16	16	85
- Commission-Paid Workers	170	34	28	22	86
- Part-Time Workers	63	11	19	10	23
- Task Workers	40	8	9	6	16

* Details may not add to total due to rounding of figures.

FOR INQUIRIES:

Regarding this report contact **Employment and Manpower Statistics Division** at 527-3419

Regarding other statistics and technical services contact **BLES Databank** at 527-3577

Or write to BLES c/o **Databank, 3/F DOLE Bldg., Gen. Luna St., Intramuros, Manila 1002**

FAX 527-3579 E-mail: emsd@manila-online.net Website: <http://www.manila-online.net/bles>

Table 4
Non-Regular Employment in Establishments
Employing 10 or More Workers by Major Industry Group and Type of Worker
(In thousands except percent)

Major Industry Group	Total Employment	Type of Worker										
		Total	Contractual Workers		Casual Workers		Commission-Paid Workers		Part-Time Workers		Task Workers	
			No.	% Share	No.	% Share	No.	% Share	No.	% Share	No.	% Share
ALL INDUSTRIES	2,865	810	401	49.5	135	16.7	170	21.0	63	7.8	40	4.9
Agriculture, Fishery & Forestry	130	47	12	25.5	7	14.9	7	14.9	1	2.1	20	42.6
Mining & Quarrying	24	2	1	50.0	1	50.0	*	a	*	a	*	a
Manufacturing	961	189	93	49.2	51	27.0	31	16.4	3	1.6	11	5.8
Electricity, Gas & Water	59	12	8	66.7	3	25.0	1	8.3	*	a	*	a
Construction	141	93	82	88.2	8	8.6	1	1.1	*	a	2	2.2
Wholesale & Retail Trade	360	112	44	39.3	24	21.4	37	33.0	4	3.6	3	2.7
Trans., Storage & Communication	203	40	5	12.5	8	20.0	23	57.5	1	2.5	3	7.5
Financing, Insurance												
Real Estate & Business Services	357	143	92	64.3	6	4.2	43	30.1	2	1.4	*	a
Community, Social & Personal Services	631	172	64	37.2	27	15.7	26	15.1	53	30.8	2	1.2

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

* Less than 500.

* Less than 0.05 percent.