



Labor Force Struggles with Prevailing Economic Crises

The country's labor force is taking the brunt of the continuing global and local economic crises as the employment rate decreased to 92.0 percent in April 2008 from 92.6 percent for the same month last year.

The April 2008 round of the Labor Force Survey (LFS) of the National Statistics Office (NSO) also showed that: (a) underemployment rate increased to 19.8 percent from 18.9 percent last year; (b) there is a moderate increase of 0.1 percent or 53,000 entrants to the country's labor force; and (c) the labor force participation rate decreased to 63.2 percent from 64.5 percent in the same period last year.

While the labor force increased only slightly and fewer people were looking for work, unemployment still grew to 8.0 percent in April 2008 from 7.4 percent from the same month last year as the crises not only hindered generation of jobs but even forced some employers to layoff workers.

Total employment dropped by 168,000 – a stark contrast to the 1,005,000 employment generated in April 2007.

According to NSO Administrator Carmelita N. Ericta, “the total employed population in April 2008 was registered at 33.5 million. Almost half (49.6%) of the employed were in the services sector, 35.5 percent in the agriculture sector and 14.9 percent in the industry sector.”

NEDA Deputy Director-General Margarita R. Songco said that rising inflation and global economic slowdown has reduced employment in the industry sector which posted a 4.6 percent drop in employment. Manufacturing, which employs the most number of persons in the industry sector, recorded a decrease in employment of about 183,000 workers or a contraction of 6.0 percent. Similarly, employment rates in mining and quarrying, utilities, and construction decreased by 15.8 percent, 8.2 percent and 1.2 percent, respectively.

Employment in the agriculture sector expanded slightly by 0.4 percent – but this is substantially lower than the 5.1 percent growth in the same period last year. Likewise, the employment in the services sector exhibited a minimal positive growth of 0.2 percent despite decreases in employment in wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods.

Notable was the strong employment in hotels and restaurants, which expanded by 6.44 percent and in real estate, renting and business activities which increased by 5.1 percent.

According to category, remunerative and stable work improved as the number of wage and salary workers increased to 17.7 million from 17.2 million in April the previous year while own-account workers and unpaid family workers decreased by 3.5 percent and 4.8 percent, respectively.

Employment by Sector: April 2008	Share in total Employment (%)	Employment Generated ('000)	Percent Change (April 07-April 08)
Total	100.0	(168)	(0.5)
Agriculture	35.5	46	0.4
Agriculture, hunting and forestry	31.2	164	1.6
Fishing	4.3	(119)	(7.6)
Industry	14.9	(244)	(4.7)
Minig and quarrying	0.4	(28)	(15.8)
Manufacturing	8.6	(183)	(6.0)
Utilities	0.4	(11)	(8.2)
Construction	5.5	(22)	(1.2)
Services	49.6	30	0.2
Wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods	18.9	(119)	(1.8)
Hotels and restaurants	2.8	56	6.4
Transport, storage and communication	7.7	19	0.7
Financial intermediation	1.1	20	5.8
Real estate, renting and business activities**	2.8	46	5.1
Public administration and defense, compulsory social security	5.0	112	7.2
Education	3.1	26	2.6
Health and social work	1.1	26	7.3
Other community, social and personal service activities	2.5	(87)	(9.3)
Private households with employed persons	4.7	(70)	(4.3)
Extra-territorial organizations and bodies	0.0	1	50

*Total employment = 33,536,000 **Includes Business Process Outsourcing

Note: Estimates for April 2008 are preliminary and may change; Figures were estimated using the 2000 Census based Population Projections.

Two regions registered high employment rates – the Autonomous Region in Muslim Mindanao (ARMM) (97.0%) and Zamboanga Peninsula (96.6%) while the National Capital Region (NCR) had the lowest rate at 86.2 percent.

In fact, considering the 149,000 jobs created in January this year, employment generated in January and April 2008 averaged a negative 10,000. This places a tremendous challenge to the employment initiative of generating at least one million jobs a year.

Citing the National Income Accounts, DDG Songco notes that most of the sectors with employment losses were also the ones which experienced a slowdown in production output in the first quarter of 2008. She says that further employment losses in these sectors should be averted in addition to concerted and aggressive efforts to generate employment.

Moreover, DDG Songco suggests that there must be: (a) policy and program support to mining and quarrying, construction, business process outsourcing, real estate and tourism as these are expected to lead the country's economic growth in 2008; (b) timely implementation of programmed

infrastructure projects for 2008; and (c) protection for those who are employed.

The NEDA official also said that the Department of Agriculture's FIELDS (Fertilizer, Irrigation, Education and training of farmers and fisherfolks, Loans, Dryers and postharvest facilities, and Seeds of the high-yielding, hybrid varieties) initiative is expected to revitalize production and employment in the agriculture sector.

Government's focus on FIELDS would not only lead to jobs but also ensure rice sufficiency.

