



# **SPECIAL RELEASE**

## **EMPLOYMENT SITUATION IN NATIONAL CAPITAL REGION**

October 2012 Final Results

The Labor Force Survey (LFS) is a nationwide survey conducted quarterly by the National Statistics Office (NSO). For this particular release, the data being presented are based on the final results of the October 2012 LFS round in the National Capital Region (NCR).

### **Labor Force Participation Rate (LFPR) in NCR increases in October 2012**

For the entire country, the LFPR decreased to 63.9 percent in October 2012 from 66.3 percent during the same period of the previous year. Similarly, the LFPR in NCR increased to 63.8 percent in October 2012 from 63.7 percent during the same period in 2011.

Comparative labor force counts and LFPR for the Philippines and NCR in October 2012 and 2011 LFS rounds are shown below.

<b>Labor Force Survey Round</b>	<b>Total Population 15 years and over (in million)</b>		<b>Persons in the Labor Force (in million)</b>		<b>Labor Force Participation Rate (in percent)</b>	
	<b>Philippines</b>	<b>NCR</b>	<b>Philippines</b>	<b>NCR</b>	<b>Philippines</b>	<b>NCR</b>
October 2012	63.30	8.00	40.43	5.10	63.9	63.8
October 2011	62.16	8.01	41.19	5.10	66.3	63.7

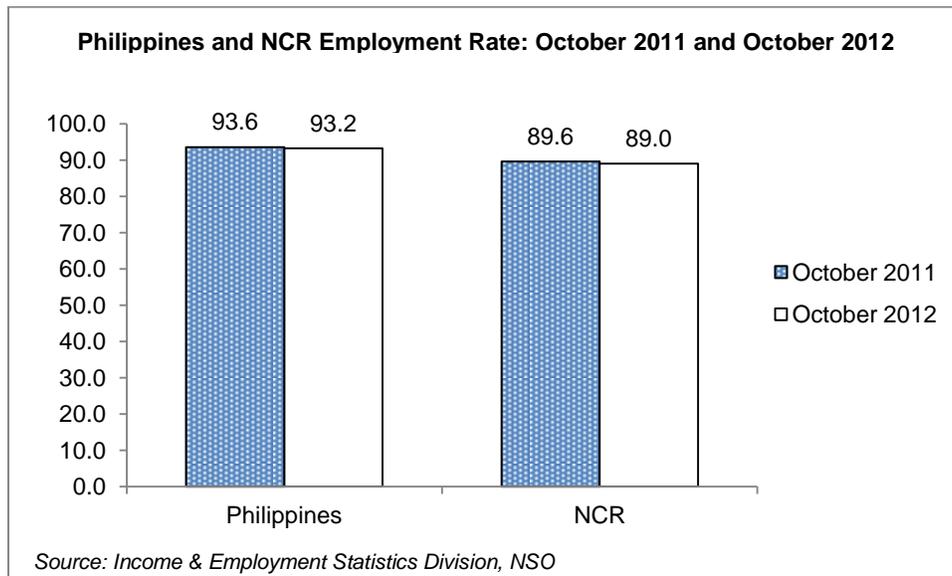
### **Employment Rate in NCR registers at 89.0 percent**

The employment rate of the country in October 2012 reached 93.2 percent, lower by 0.4 percentage point from the same period of the previous year. In NCR, the employment rate posted 89.0 percent in October 2012, or a 0.6 percentage points decrease from October 2011.

Comparative employment figures and employment rates for the October 2011 and 2012 LFS results are shown below.

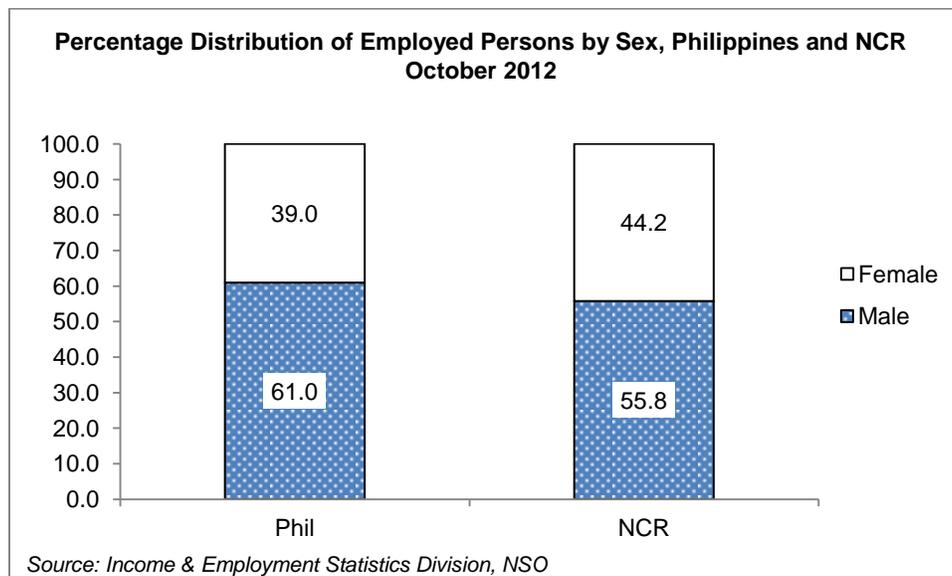
<b>Labor Force Survey Round</b>	<b>Employed Persons (in millions)</b>		<b>Employment Rate (in percent)</b>	
	<b>Philippines</b>	<b>NCR</b>	<b>Philippines</b>	<b>NCR</b>
October 2012	37.67	4.54	93.2	89.0
October 2011	38.55	4.57	93.6	89.6

The trend of employment rate in the country and NCR for October 2011 and 2012 LFS rounds are shown in the figure below.



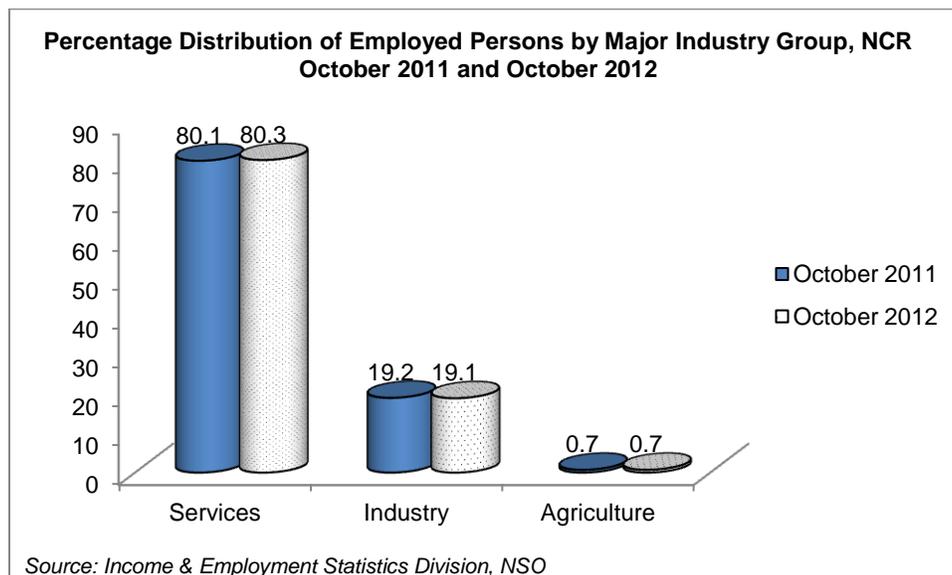
**More than half of the employed persons in NCR are males**

In October 2012 LFS round, the country's male population dominated the employed workforce. Of the 37.7 million employed persons, there were 61.0 percent employed males compared to 39.0 percent employed females. Of the 4.5 million employed persons in NCR, 55.8 were males. Refer to Table 1 for details of household population 15 years old and over by employment status and sex for the Philippines and NCR for the period October 2012.



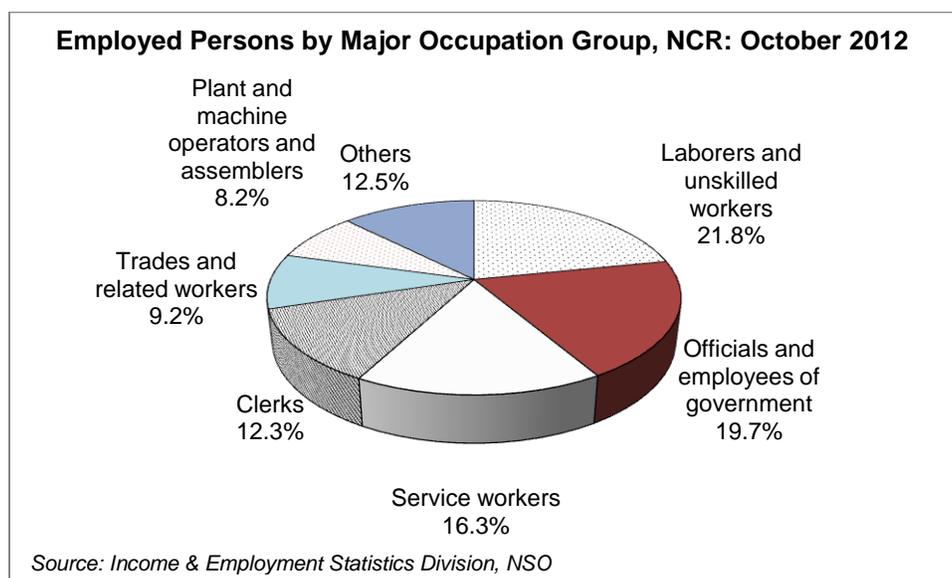
### Services Sector employs more than three quarters of the total workforce in NCR

More than three quarters (80.3%) of the 4.5 million employed persons in NCR in October 2012 were employed in the services sector while 19.1 were employed in the industry sector. The remaining proportion was employed in the agriculture sector. Similar trends were observed in the October 2011 LFS round. Refer Table 2a and 2b for details of the employed persons and major industry group in NCR for the period October 2011 and 2012.



### Laborers and unskilled workers comprise the largest group of employment in NCR

In October 2012 LFS round, laborers and unskilled workers comprised the largest group of employment in NCR at 21.8 percent. Officials and employees of government formed the second largest group at 19.7 percent, while service workers made up the third largest group at 16.3 percent. Refer to Table 3 for details of employed persons by sex and by major occupation group in NCR for October 2012.



## NCR Unemployment Rate records to 11.0 percent in October 2012

The unemployment rate in the country increased to 6.8 percent in the October 2012 LFS round from the 6.4 percent of the same period of the previous year.

In contrast, NCR's unemployment rate slightly increased to 11.0 percent from 10.4 percent for the same period. Unemployment figures of the Philippines and NCR, which were based from the final estimates of the October 2011 and 2012 LFS rounds, are shown below.

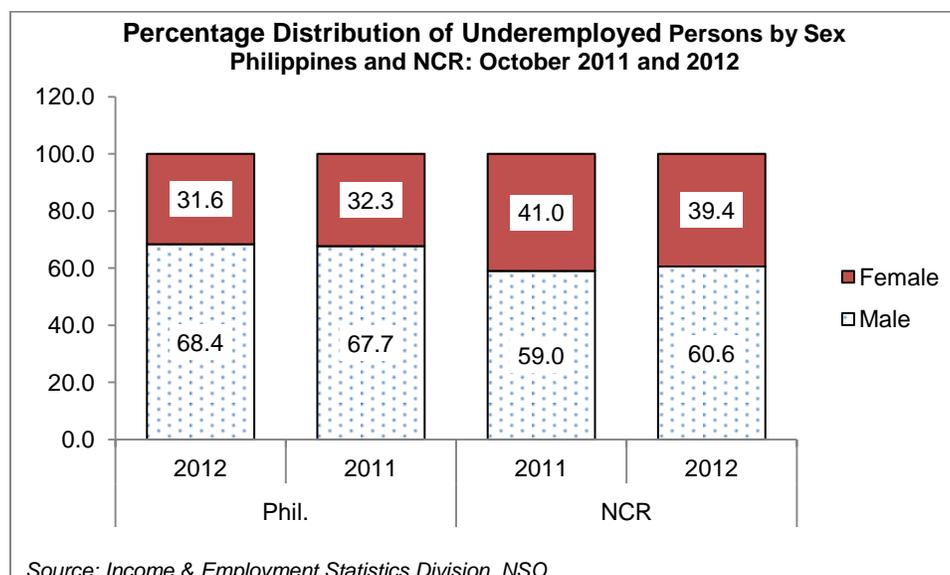
Labor Force Survey Round	Unemployed Persons (in millions)		Unemployment Rate (in percent)	
	Philippines	NCR	Philippines	NCR
October 2012	2.76	0.56	6.8	11.0
October 2011	2.64	0.53	6.4	10.4

## Underemployment rate in NCR decreases in October 2012

In October 2012 LFS round, underemployment rate in NCR decreased to 12.5 percent from 15.2 percent in October 2011. This represents a drop of 2.7 percentage point. Comparative underemployment figures and underemployment rates for October 2011 and October 2012 LFS results are shown below.

Labor Force Survey Round	Underemployed Persons (in millions)		Underemployment Rate (in percent)	
	Philippines	NCR	Philippines	NCR
October 2012	7.16	0.57	19.0	12.5
October 2011	7.38	0.70	19.1	15.2

In NCR, nearly two-thirds (60.6%) of the 0.6 million underemployed persons in October 2012 were males. Similar trend was noted in the sex distribution for underemployment both in the national level and in NCR for the October 2011 and 2012 LFS rounds. Refer to Table 4 for details of underemployed persons by sex in the Philippines and NCR for October 2011 and 2012.



## **TECHNICAL NOTES ON THE LABOR FORCE SURVEY (LFS)**

### **GENERAL BACKGROUND**

The stability and growth of a country's economy hinges on its ability to produce goods and services for both domestic and international use. Labor represents an important factor of production, hence, the improvement of the quality of the labor force and efforts to make it more productive and responsive to growth are necessary for the development of the economy. A clear knowledge and understanding of the size, composition and other characteristics of the segment of the population is a big step in this direction. A continuing supply of data on labor force is indispensable to national as well as regional planning.

### **OBJECTIVES OF THE SURVEY**

The Labor Force Survey (LFS) is a nationwide quarterly survey conducted by the National Statistics Office (NSO). For the release, the data being presented are based on the final results from October 2011 and October 2012 round of the LFS.

Specifically, the survey is designed to provide statistics on levels and trends of employment, unemployment and underemployment for the country, as a whole, and for each of the administrative regions, including provinces and key cities.

Starting with January 2007 LFS round, the population projections based on the 2000 Census of Population were adopted to generate the labor force statistics. This is in compliance with NSCB Resolution No.1 series of 2005 entitled "Adoption of the Methodology Used in Generating the 2000 Census of Population and Housing-Based National Population Projections".

### **SCOPE AND COVERAGE**

Starting with July 2003 round of the Labor Force Survey (LFS), the generation of the labor force and employment statistics adopted the 2003 Master Sample Design.

Using the master sample design, the number of samples increased from 41,000 for the January 1997 to April 2003 LFS rounds to around 51,000 sample households beginning the July 2003 and subsequent LFS rounds.

### **CONCEPTS, DEFINITIONS AND EXPLANATIONS**

This section presents the important concepts used in the LFS. Concepts and definitions mentioned in previous Integrated Survey of Households (ISH) series are in most cases the same as those in this survey round.

#### **2.1 Barangay**

A city municipality is composed of several barangays, the smallest political subdivision in the country. For purpose of enumeration in the LFS, a barangay is considered the basic geographic enumeration area.

#### **2.2 Urban – Rural Areas**

The following guidelines used in the 1980 Census of Population and Housing (CPH) are adopted in classifying urban areas.

- a. In their entirety, all cities and municipalities having a population density of at least 1,000 persons per square kilometer.

- b. Poblaciones or central districts of municipalities and cities which have a population density of at least 500 persons per square kilometer.
- c. Poblaciones or central districts not included in (a) and (b) regardless of the population size, which have the following:
  - i. Street pattern, i.e. network of streets in either parallel or right angle orientation;
  - ii. At least six establishments (commercial, manufacturing, recreational, and /or personal services at least once a month).
  - iii. At least three of the following:
    - 1) A town hall, church or chapel with religious services at least once a month.
    - 2) A public plaza or cemetery
    - 3) A public plaza or building where trading activities are carried on at least once a month.
    - 4) A public building like school, hospital, puericulture and health center or library.
- d. Barangays having at least 1,000 inhabitants meeting the conditions set forth in (c) above and where the occupation of the inhabitants is predominantly non-farming or non-fishing.

All areas not falling under any of the above classifications are considered rural.

### **2.3 Household**

A household is an aggregate of persons, generally but not necessarily bound by ties of kinship, who live together under the same roof and eat together or share in common the household food. Members comprise the head of the household, relatives living with him and other persons who share the community life for reasons of work or other consideration. A person who lives alone is considered a separate household.

### **2.4 Reference Period**

The reference period for the survey is the "past week" referring to the past seven (7) days preceding the date of visit of the enumerator or interviewer.

### **2.5 Employment Status Concepts**

**In the Labor Force or Economically Active Population.** This refers to population 15 years old and over who are either employed or unemployed in accordance with the definitions described below.

**Labor Force Participation Rate (LFPR).** This refers to the proportion of the household population aged 15 years old and over who are employed and unemployed, or proportion of the labor force to the working age population.

**Employed.** Employed persons include all those who, during the reference period are 15 years and over as of their last birthday and are reported either:

- a. **At work.** Those who do any work even for one hour during the reference period for pay or profit, or work without pay on the farm or business enterprise operated by a member of the same household related by blood, marriage or adoption; or

- b. **With a job but not at work.** Those who have a job or business but are not at work because of temporary illness/injury, vacation or other reasons. Likewise, persons who expect to report for work or to start operation of a farm or business enterprise within two weeks from the date of the enumerator's visit are considered employed.

**Employment Rate.** This refers to the proportion of employed persons to the total labor force.

**Underemployed.** Underemployed persons include all employed persons who express the desire to have additional hours of work in their present job or an additional job, or to have a new job with longer working hours. Visibly underemployed persons are those who work for less than 40 hours during the reference period and want additional hours of work.

**Underemployment Rate.** This refers to the proportion of underemployed persons to the total employed persons.

**Unemployed.** Unemployed persons include all those who, during the reference period 15 years old and over as of their last birthday who have no job or business and actively looking for work. Also considered as unemployed are persons without a job or business who are reported not looking for work because of their belief that no work was available or because of temporary illness/disability, bad weather, pending job application or waiting for job interview.

**Unemployment Rate.** This refers to the proportion of unemployed persons to the total labor force.

**Persons Not in the Labor Force.** Persons 15 years old and over who are neither employed nor unemployed according to the definitions mentioned. Those not in the labor force are those persons who are not looking for work because of reasons such as housekeeping, schooling, etc. Examples are housewives, students, disabled or retired persons.

Starting April 2005, the new unemployment definition was adopted per NSCB Resolution Number 15 dated October 20, 2004. As indicated in the said resolution, the unemployed include all persons who are 15 years and over as of their last birthday and are reported as (1) without work and currently available for work and seeking work; or (2) without work and currently available for work but not seeking work for the following reasons.

- 1.) Tired/believed no work available
- 2.) Awaiting results of previous job application
- 3.) Temporary illness/disability
- 4.) Bad weather
- 5.) Waiting for rehire/job recall

## 2.6 Work

Work means something a person does during the past week, for pay in cash or in kind, in any establishment, office, farm, private home or for profit or without pay on a family farm or enterprise. It also includes what a farm operator or member of the operator's family does on the farm operated by another household on exchange labor arrangement.

In addition to the above, any activity that a person does during the past week in relation to minor activities in home gardening, raising of crops, fruits, hogs, poultry etc., fishing for home consumption and manufacturing for own use are also considered work. However, there must be some harvest in the case of home gardening, raising of crops, fruits, and gathering of wild fruits and vegetables, animal disposed of (sold, consumed, bartender or given away ) or some catch in fishing in order that these activities will be considered work.

## 2.7 Occupation and Industry

The data on occupation and industry relates to the job held by employed persons during the past week. Occupation refers to the specific kind of work a person does while industry refers to the nature or character of the business or enterprise or the place wherein a person works. Persons employed at two or more jobs are reported in the job at which they worked the greatest number of hours during the past week.

The occupational and industrial categories used in the survey are the 1977 Philippine Standard Classification recommended by the Statistical Advisory Board in its Resolution No. 3 – 76. The 1977 Philippine Standard Occupation Classification and the Philippine Standard Industrial Classification are the results of the coordinative and cooperative efforts of the Statistical Programs and Standards Staff of the National Economic and Development Board (NEDA) Inter-Agency Committee on Philippine Standard Classification, NEDA.

## 2.8 Class of Worker

Employed Persons are classified according to the following categories, namely:

### **Wages and Salary Workers include the following:**

1. **Worked for private household.** These are employed persons working in a private household for pay, in cash or in kind. Examples are domestic helper, household cook, gardener, family driver.
2. **Worked for private establishment.** These are persons working in a private establishment for pay, in cash or in kind. This category includes not only persons working for a private industry but also those working for a religious group, missionary, unions, and non-profit organizations. Examples of persons working for private establishment are public transport drivers who do not own the vehicle but drive them on boundary basis, persons working in public works projects on private contractors, dock hands or stevedores, cargo handlers in railroad stations or piers, etc.
3. **Worked for government/government corporation.** These are persons working for the government or a government corporation or any of its instrumentalities. This category of worker includes the following workers, chaplains in the Armed Forces of the Philippines, Filipinos working embassies, legation, chancelleries or consulates of the foreign government in the Philippines and those working in international organizations of Sovereign States if Governments like the United Nations (UN). World Health Organization (WHO), etc.
4. **Worked with pay on own family-operated farm or business.** These are members of the family who receives cash or fixed share of the produce as payment for his services in a farm or business operated by another member living in the same household.

### **Own-Account Workers include the following:**

1. **Self-employed.** These are persons who operate their own businesses or trades and do not employ paid workers in the conduct of their economic activities. This category includes workers who worked purely on commission basis and who may not have regular working hours.
2. **Employers.** These are persons who employ one or more paid employees in the operation of their business or trades. Thus, domestic helpers, family drivers and other household helpers who assist in the family-operated business, regardless of time spent in this activity are not hired employees in the enterprise/business. A farm or business proprietor who is assisted purely by such domestic help is not also considered an employer.

**Unpaid Family Workers or Those Who Worked without pay on own family-operated farm or business.** These are members of the family who assist another member in the operation of the family farm or business enterprise and who do not receive any wage or salary for their work. The room and board and any cash allowance given as incentives are not counted as compensation for these family workers.

## **2.9 Number of Hours Worked**

Number of hours worked refers to the total number of hours a persons actually worked in all the job/business that he held. It includes the duration or the period the person was occupied in his work, including overtime, but excluding hours paid but not worked. The normal working hours per day is the usual or prescribed working hours of a person in his primary job/business which is considered a full day's work.

### **ITEMS/VARIABLES GATHERED**

#### **For All Persons**

- Relationship to the Household Head
- Age as of Last Birthday
- Marital Status
- Highest Grade Completed

#### **For Employed Persons**

- Main Activity/Usual Occupation During the Past Twelve Months
- Primary Occupation
- Kind of Industry/Business
- Class of Worker
- Nature of Employment
- Normal Working Hours Per Day During the Past Week
- Total Hours Worked During the Past Week
- Whether Wanting More Hours of Work

#### **For Persons Who Had No Job/Business**

- Job Search Method
- Number of Weeks Looking for Work