Regional Course on Statistics on Informality:
Informal economy, work, and employment

6-10 July 2015
Chiba, Japan

COUNTRY REPORT

I. Status of Labor Force Data and Statistics

The Philippine Statistics Authority (PSA), by virtue of Republic Act No. 10625, series of 2012, *An Act Reorganizing the Philippine Statistical System, Repealing for the Purpose Executive Order Number One Hundred Twenty-One, Entitled "Reorganizing and Strengthening the Philippine Statistical System and for Other Purposes"* otherwise known as the Philippine Statistical Act of 2013, was created to be the central statistical authority of the Philippine government on primary data collection and administer civil registration functions in the country as provided for in Act No. 3753, otherwise known as the Civil Registry Law.

The PSA was constituted from among the existing personnel of the major statistical agencies engaged in primary data collection and compilation of secondary data, i.e., the National Statistics Office (NSO); the Technical Staff of the National Statistical Coordination Board (NSCB); the Bureau of Agricultural Statistics (BAS) formerly under the Department of Agriculture; and the Bureau of Labor and Employment Statistics (BLES) previously under the Department of Labor and Employment.

A. Existing Data Collection Activities and Methodologies and Plans

Data Collection and Methodologies:

Labor Force Survey

To provide a quantitative framework for the preparation of plans and formulation of policies affecting the labor market and specifically 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, the PSA conducts Labor Force Survey (LFS) four times a year (in January, April, July, and October).

Scope and Coverage of LFS

Starting July 1987, the LFS uses a new questionnaire design and adopts modifications in the concepts and definitions for measuring labor force and employment characteristics. The design is based on a past week reference period and new concept of availability and looking for work is adopted.

Population Coverage

The LFS has as its target population, all households and members of households nationwide. A **household** is defined as 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. Household membership comprises the head of the household, relatives living with him such as his or her spouse, children, parent, brother or sister, son-in-law or daughter-in-law, grandson or granddaughter, and other relatives. Household membership likewise includes boarders, domestic helpers, and non-relatives. A person who lives alone is considered a separate household.

Excluded in the target population are households in the least accessible barangays (LABs). A barangay is classified as LAB if: (a) it requires more than eight hours walk from the last vehicle station and/or (b) the frequency of transportation is less than three times a week and the cost of a one-way trip is more than five hundred pesos. A total of 350 barangays were classified as LABs. This number accounts for only 0.83 percent of the total number of barangays in the country. The total number of households in these areas accounts for only 0.38 percent of the total number of households.

Sampling Design

The sampling design of the Labor Force Survey (LFS) uses the sampling design of the 2003 Master Sample (MS) for Household Surveys that started July 2003.

Sampling Frame

As in most household surveys, the 2003 MS used an area sample design. The Enumeration Area Reference File (EARF) of the 2000 Census of Population and Housing (CPH) was utilized as sampling frame. The EARF contains the number of households by enumeration area (EA) in each barangay. This frame was used to form the primary sampling units (PSUs). With consideration of the period for which the 2003 MS will be in use, the PSUs were formed/defined as a barangay or a combination of barangays with at least 500 households.

Stratification Scheme

Stratification involves the division of the entire population into non-overlapping subgroups called strata. Prior to sample selection, the PSUs in each domain were stratified as follows:

1) All large PSUs were treated as separate strata and were referred to as certainty selections (self-representing PSUs). A PSU was considered large if it has a large probability of selection.

2) All other PSUs were then stratified by province, highly urbanized city (HUC) and independent component city (ICC).

3) Within each province/HUC/ICC, the PSUs were further stratified or grouped with respect to some socio-economic variables that were related to poverty incidence. These variables were: (a) the proportion of strongly built houses (PSTRONG); (b) an indication of the proportion of

households engaged in agriculture (AGRI); and (c) the per-capita income (PERCAPITA).

Sample Selection

To have some control over the subsample size, the PSUs were selected with probability proportional to some estimated measure of size. The size measure refers to the total number of households from the 2000 CPH. Because of the wide variation in PSU sizes, PSUs with selection probabilities greater than 1 were identified and were included in the sample as certainty selections.

At the second stage, enumeration areas (EAs) were selected within sampled PSUs, and at the third stage, housing units were selected within sampled EAs. Generally, all households in sampled housing units were enumerated, except for few cases when the number of households in a housing unit exceeds three. In which case, a sample of three households in a sampled housing unit was selected at random with equal probability.

An EA is defined as an area with discernable boundaries within barangays, consisting of about 150 contiguous households. These EAs were identified during the 2000 CPH. A housing unit is a structurally separate and independent place of abode which, by the way it has been constructed, converted, or arranged, is intended for habitation by a household.

Sample Size

The 2003 Master Sample consist of a sample of 2,835 PSUs of which 330 were certainty PSUs and 2,505 were non certainty PSUs. The number of households for the 2000 CPH was used as measure of size. The entire MS was divided into four sub-samples or independent replicates, such as a quarter sample contains one fourth of the PSUs found in one replicate; a half-sample contains one-half of the PSUs in two replicates.

Strategy for non-response

Replacement of sample households within the sample housing units is allowed only if the listed sample households had moved out of the housing unit. Replacement should be the household currently residing in the sample housing unit previously occupied by the original sample.

Estimation Procedure:

Calculation of Basic Weights:

Following a standard approach, the weights to be used in analyzing surveys based on the 2003 MS are developed in three stages.

First, base weights are computed to compensate for the unequal selection probabilities in the sample design.

Second, the base weights are adjusted to compensate for unit non-response.

Third, the non-response adjusted weights are further adjusted to make some weighted sample distributions to conform to some known population totals.

Final Survey Weight

The final survey weight assigned to each responding unit is computed as the product of the base weight, the non-response adjustment, and the population weighting adjustment. The final weights should be used in all analyses to produce valid estimates of population parameters

Future Plans:

A 2013 Master Sample is being develop to cater the needs of a lower level of geographic disaggregation like province and highly urbanized cities.

To attach a module of labor-related indicators to be collected every round of LFS like variables to identify informal employment and informal sector operators and decent work variables that are not collected in the regular LFS.

Based on the results of the April 2015 LFS, about 64.8 million are 15 years old and over with a participation rate of 64.5 percent , employment rate of 93.6 percent, unemployment rate of about 6.4percent and underemployment of about 17.8 percent.

B. **Presentation of time series data on key labor force indicators**

Key Employment Indicators, Philippines: 2007-2014
(in thousands except rates)

Year	Household population 15 years old and over	Labor Force	Employed persons	Un employed persons	Under employed persons	Visibly Under employed	Not in the Labor Force	Labor force partici pation rate (%)	Un employ ment rate (%)	Under employ ment rate (%)	Visible Under employ ment rate (%)
2014	62,189	40,050	37,310	2,740	6,870	4,056	22,139	64.4	6.8	18.4	10.9
2013	61,176	39,086	36,286	2,801	6,912	3,914	22,088	63.9	7.2	19	10.8
2012	62,985	40,426	37,600	2,826	7,514	4,489	22,559	64.2	7.0	20	11.9
2011	61,882	40,006	37,192	2,814	7,163	4,340	21,876	64.6	7.0	19.3	11.7
2010	60,718	38,905	36,047	2,859	6,758	4,013	21,813	64.1	7.3	18.7	11.1
2009	59,237	37,892	35,061	2,831	6,692	4,135	21,345	64.0	7.5	19.1	11.8
2008	57,848	36,806	34,090	2,716	6,574	4,016	21,042	63.6	7.4	19.3	11.8
2007	56,565	36,213	33,560	2,654	6,756	4,003	20,352	64.0	7.3	20.1	11.9

Policies on the Informal Economy and status:

- Republic Act 10631 – Domestic Workers Act or Batas Kasambahay – An act instituting policies   for the protection and welfare of the domestic workers. The law was signed in 2013.

- Another law is being lobbied for possible enactment in the 16th Congress is the Magna Carta of Workers in the Informal Economy.

Status of statistics on informal employment, employment in the informal sector and contribution of the informal sector to the economy

- **Existing data collection and methodologies and plans**

The Philippines was selected as a pilot country in 2008 to test the modules to identify informal employment and informal sector operators. This was a rider to our regular Labor Force Survey (LFS). The results is available in NSO website at www.census.gov.ph.

In lieu of not collecting data on this, they are estimating the number of informal sector using the results of the LFS on the number of employed who are self-employed and unpaid family workers.

Before the merging of the 4 statistical agencies, there was a plan to discuss the definition of informal employment , however, the Interagency committee on Labor and Productivity was temporarily suspended and have just recently organized.

Issues:

The criteria used 1-2 Survey in identifying informal employment is very long.

Statistics on Informal Sector Operators:

Table 1. Number of Informal Sector Operator Based on the First Job and Region: April 2008 (Esitmates in thousands)

Region	Total	Male	Female
Philppines	10,516	6,931	3,585
National Capital Region	792	402	391
Cordillera Administrative Region	162	115	47
I - Ilocos Region	631	459	172
II - Cagayan Valley	440	340	100
III - Central Luzon	877	558	318
IVA - CALABARZON	1,167	703	463
IVB - MIMAROPA	419	275	144
V- Bicol	748	499	249
VI - Western Visayas	848	555	292
VII - Central Visayas	784	484	301
VIII - Eastern Visayas	581	377	204
IX - Zamboanga Peninsula	416	293	122
X - Northern Mindanao	568	360	208
XI - Davao	544	366	178
XII - SOCCSKSARGEN	588	407	181
XIII - Caraga	337	229	108
Autonomous Region in Muslim Mindanao	616	507	108

Source: NSO, 2008 Informal Sector Survey Phase 1

II. Annexes

a. Data Collection instruments (questionnaires; schedules)

   (Please attachment a and b)

b. List of publications and accessibility (e.g., website links) of survey results

   PSA-NSO (http://web0.psa.gov.ph/)
   PSA-NSO Data Archive (http://web0.psa.gov.ph/nsoda/index.php/home)
   > *Labor Force Survey*
   > *2008 Informal Sector Survey*
   > *(http://census.gov.ph/nsoda/index.php/catalog/58/questionnaires)*

   PSA-NSCB (http://www.nscb.gov.ph/)
   > *Statistical References (http://www.nscb.gov.ph/stattables/)*
   > *Interactive Statistical Databases (http://www.nscb.gov.ph/i-stats/dialog/passworde.asp?xu=&yp=&lang=)*

   PSA-BLES Website (http://www.bles.dole.gov.ph/ARCHIVES/YLS/2013%20YLS/YLS_Home.html)
   > *Yearbook of Labor Statistics*
   > *http://www.bles.dole.gov.ph/ARCHIVES/YLS/2013%20YLS/YLS_Home.html*
   > *Current Labor Statistics*
   > *http://www.bles.dole.gov.ph/PUBLICATIONS/Current%20Labor%20Statistics/index.html*
   > BLES Integrated Survey
   > http://www.bles.dole.gov.ph/SURVEY%20RESULTS/2012%20Survey%20Result/2011-2012%20BITS%20mainpage.html
   > BLES Occupational Wages Survey
   > http://www.bles.dole.gov.ph/SURVEY%20RESULTS/2012%20Survey%20Result/2012%20OWS%20mainpage.html
   > Decent Work Statistics
   > http://www.bles.dole.gov.ph/dews/
   > Labor Productivity Statistics
   > http://www.bles.dole.gov.ph/labor%20productivity%20statistics.html
   > Gender Statistics on Labor and Employment
   > http://www.bles.dole.gov.ph/PUBLICATIONS/Gender%20Statistics/Gender_Home.html
   > BLES Electronic Archived Microdata System
   > (http://labstat.psa.gov.ph/beams/index.php/about-beams)
   > Publications
   > http://www.bles.dole.gov.ph/products.asp#PUB
   > Surveys
   > http://www.bles.dole.gov.ph/products.asp#SURVEY

c. List of analytical reports on informal economy linkages to development issues and accessibility (e.g., website links)

   i. Employment and income generation in the informal economy
      Bureau of Workers with Special Concerns (http://bwsc.dole.gov.ph/)
      Measuring the Informal Sector in the Philippines and the Trends in Asia (http://www.nscb.gov.ph/ncs/10thncs/papers/invited%20papers/ips-22/ips22-03.pdf)
      Employment, Productivity and the Informal Sector in the Philippines, 1974-88: An Input-Output Analysis (http://www.waba.org.my/whatwedo/womenandwork/pdf/09.pdf)
      Measuring the Contrubution of the Informal Sector in the Philippines (http://mospi.nic.in/informal_paper_10.htm)

   ii. Women workers in the informal economy
      Bureau of Workers with Special Concerns (http://bwsc.dole.gov.ph/)
      Philippine Commission on Women (http://www.pcw.gov.ph/wpla/magna-carta-workers-informal-economy)
      Women in the Informal Sector in the Philippines: A Situationer (http://journals.upd.edu.ph/index.php/rws/article/viewFile/2934/2707)
      Informal Economy Budget Analysis in Philippines and Quezon City (http://www.inclusivecities.org/wp-content/uploads/2012/07/Casanova-Dorotan_WIEGO_WP12.pdf)
      How to Support Women in the Informal Economy to Combine Their Productive and Reproductive Roles (http://www.waba.org.my/whatwedo/womenandwork/pdf/09.pdf)
      Women and the Informal Economy (http://dfat.gov.au/aid/how-we-measure-performance/ode/Documents/women-informal-economy-lota-bertulfo.pdf)

   iii. Poverty and the informal economy
      Bureau of Workers with Special Concerns (http://bwsc.dole.gov.ph/)
      Philippine Commission on Women (http://www.pcw.gov.ph/wpla/magna-carta-workers-informal-economy)
      Providing Social Protection to the Informal Sector (http://www.pep-net.org/sites/pep-net.org/files/typo3doc/pdf/CBMS_country_proj_profiles/Philippines/Special_initiatives/PAGE/Research_Notes/SPIS_Review_of_Related_Literature.pdf)
      A Research of the Philippine Underground Economy (http://www.academia.edu/4456269/A_Research_on_the_Philippine_Underground_Economy)