

LABOR FORCE SURVEYS — A COMPONENT OF THE STATISTICAL PROGRAMS IN THE INDUSTRY*

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INTRODUCTION

One of the most important development indicators essential for the formulation and appraisal of the development programmes of the government, particularly on the employment aspects, are statistics on the characteristics of the economically active part of the population, broadly termed as the labor force. By definition, labor force includes all persons at work or holding a job or business and the unemployed who are seeking work.

Labor force data provides a crucial indicator of the changing economic and social conditions which are manifested in labor market activity. Data on the age and sex distribution as well as the educational attainment of the labor force provide a picture of the current supply of labor. Such data can also be used to estimate future supply of labor. A study of the trends in the distribution of the labor force by area, indicate whether changes have reflect the desired economic and social targets. Data on the supply of labor when matched with data on the demand for labor provides policy makers additional dimensions in analyzing programs such as on education, training, counselling and area development.

Labor force statistics is also being used by the business community. Employers use such data in determining the available supply of labor force and it's characteristics in particular areas where they consider establishing or expanding their business. Labor force data serves as bases in the formulations of their sales and marketing goals.

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To appreciate fully the use of labor force data currently available requires an understanding of the sources, concepts and measurement techniques used. While the population census is a primary and reliable source of benchmark data on labor force, it is not a satisfactory means of getting the statistics of economically active part of the population on a more regular basis. For data on labor during intercensal period, two sources are generally used — the household sample surveys and the establishment surveys. Each set of statistics produced from these series makes its own unique contribution to the labor market picture.

For today's dialogue, I am supposed to limit my discussion on the labor force statistics in the Industrial sector — manufacturing mining and quarrying; construction; electricity, gas and water, transport, storage and communication. However, I think I have to discuss this on the whole since labor force studies cover all sectors of the economy. This paper, therefore, attempts to present the concepts and measurement techniques used by the two series although emphasis is on the discussion of the household surveys.

Household Surveys

In the Philippines the only comprehensive source of labor force data are those resulting from sample surveys of households. Initiated in 1956 by the National Census and Statistics Office, then the Bureau of Census and Statistics, sample survey of households are designed to measure the magnitude and determine the structure of the nation's work force. Since its inception, a number of improvements and refinements have been made in the concept, measurement, collection and processing of data.

Initially the survey was known as the "Philippine Statistical Survey of Households". In 1965 the name was changed to "Bureau of the Census and Statistics Survey of Households (BCSSH)". In 1974 the survey became the National Sample Survey of Households and in November 1976, the National Census and Statistics Office and Bureau of Agricultural Economics embarked on the NCSO-BAECON Integrated Survey of Households. The integration of household surveys would afford exhaustive and in-depth studies on related data such as employment, production, income, etc., heretofore separately obtained.

Although this part of the paper will focus on the current Integrated Survey of Households, improvements or refinements

made on certain items of past surveys will be mentioned.

Objectives of the Integrated Survey of Households

The present survey is aimed at gathering data on:

1. Economic activities of persons 15 years old and over to measure the level of employment, under-employment and unemployment in the country;
2. Employment generation, production, and productivity of family operated enterprises, both agricultural and non-agricultural;
3. Rice and corn production, livestock and poultry, household stock of rice and corn; and
4. Income of individuals and of families from earnings and from other sources.

Concepts and Definitions

Labor force as currently defined includes all persons 15 years old and over who are either employed or unemployed in accordance with the following definitions:

Those considered *employed* are persons who worked on any day during the reference quarter. However, the employed will be further categorized into "Fully employed" and "Partially employed" depending on the number of days worked during the quarter.

The unemployed are those who were never employed during the reference quarter but (1) wanted to work most of the time or each week (full-time or part-time during the said quarter, or wanted to work (full-time or part-time) on a continuing basis starting anytime during the said quarter; and in addition (2) must have looked for work during the reference quarter or did not look for work for a valid reason like for example, the belief that there was no work available, temporary illness, etc.

All other persons 15 years old and over are classified as not in the labor force. They are further subclassified as housewives, students, persons too old and unable to work, and others.

Prior to 1977, the labor force covered persons 10 years old and over who were either employed or unemployed. However, the coverage was changed to persons 15 years old and over to conform with the provisions of the Labor Code on the minimum employable age and with ILO standards.

Although the lower age limit of the current labor force is 15 years, the questionnaire on economic activities covers persons 10 years old and over. This is to allow the determination of the number and contribution of the 10-14 years old in the production of goods and services.

Method and Collection

The personal interview method is used. Interviewers visit sample households and ask questions contained in the questionnaire. The head of the household, his wife or a very knowledgeable adult member of the household is interviewed.

Frequency of Inquiry and Reference Period

The survey from 1956 was on a semi-annual basis, generally on May and October. The first period of May represents the peak season of agricultural activity and the influx of students out of school into the labor market and the second represents the period of low agricultural activity and students are in school. Starting 1971, the survey was undertaken on a quarterly basis mostly during the months of February, May, August and November.

In 1976, only the August survey was conducted and this was the last survey with the use of the "past week" as the reference period.

The NCSO-BAECON Integrated Survey was planned to be a quarterly survey. The reference period is the "past quarter" which refers to any of the calendar quarters January-March, etc., whichever is applicable. Field operations is conducted in the month following the reference quarter. Parts of the questionnaire relating to agriculture, such as inventory of livestock, etc., however, have the calendar semester for a reference period, and hence the data called for will be gathered only in surveys conducted in January and July of each year.

It should be emphasized at this point that there were criticism from several quarters as to the suitability for developmental planning in a developing country like the Philippines, of sta-

tistics produced with the use of the week as the reference period. It was claimed that the concepts on employment have been conceived to picture the employment situation of industrialized countries where organized business dominate the production of goods and services and vast majority of the workforce are wage and salary workers.

As earlier mentioned, the Integrated Survey of Household use the quarter or 3 months as the reference period for the determination of the employment status of persons.

The shift from "past week" to the "past quarter" is based on the firm belief that one week is too short for observing the economic activities of persons. As in other developing countries, many activities are highly temporary, irregular or intermittent because of seasonal work activities and other factors. Many wage workers do not hold regular jobs. The data for the week may not reflect adequately the labor utilization situation. On the other hand, the "past quarter" as a reference period, would yield a more realistic picture, especially of under-employment on which the labor force survey is focused. The quarter produces a "moving picture" portraying reality, as against a "snapshot" (1 week reference period) which is deceptive in the case of developing countries.

Sampling Design

The survey of households underwent a change in sampling design.

In the original sampling design, (1956) sampling was on a regional level while the 1965 and 1971 sampling designs were on a provincial level.

For the 1956 sampling design, estimates for both urban and rural sector of each region were possible, although for a limited number of tabulations only. For the 1965 and 1971 sampling designs, although sampling was on a provincial level, the sample size (6,646 in 1965 and 11,642 in 1971) was a constraint in the presentation of data for the provinces.

The sampling design for the Integrated Survey of Households provided for a sample size of about 31,000 households. Such size of sample and other features of the design discussed below, were

meant to provide reliable statistics on the provincial level, especially with respect to the forecast of rice and corn production.

All the barangays in the country, were stratified into six (6) economic strata, namely: palay, corn, other agricultural crops, fishing, manufacturing and other activities. The barangays were classified according to which stratum the greatest proportion of the workforce is engaged in the 1975 Integrated Census of Population and its Economic Activities. However, barangays wherein at least 20% of the workforce were in manufacturing were automatically classified as manufacturing barangays for purposes of the stratification.

A total of 4,705 sample barangays were selected and 1,514 are urban and 3,191 are rural. Of the 4,705 sample barangays, 1,248 represented the Palay Stratum, 623 for Corn, 524 for Other Agricultural Products, 386 for Fishing, 731 for Manufacturing and 1,193 for Other Economic Activities. Sampling was on the provincial level and the total sample barangays for each economic stratum were distributed by province in proportion to the number of barangays of the province that belonged to the stratum.

Items of Inquiry

Part I (of three parts) of the questionnaire for the Integrated Survey is specifically for data on individuals, and gathers the following items:

A. Demographic characteristics

1. Name of household member
2. Relationship to household head
3. Sex
4. Age as of last birthday
5. Marital status
6. Highest grade completed
7. Usual occupation/status during the last 12 months

NOTE: Items 1 to 5 are asked for all persons while items 6 and 7 only for person 10 years old and over.

B. Economic characteristics

Persons 10 years old and over who have worked or had jobs or were in business during the reference quar-

ter, are asked additional information on:

1. Primary as well as other job or business during reference quarter
2. Kind of business or industry
3. Class of worker
4. Status in job/business
5. Number of days worked during the months within the reference quarter
6. Number of normal working hours per day
7. Salary/Wage during the past quarter, both in cash and in kind
8. Desire for additional hours/days of work

Persons who had no jobs or business during the reference quarter were asked:

1. Whether the person wanted work during reference quarter
 2. Nature of occupation sought for
 3. Whether the person tried to look for work. If not, reason why he didn't look for work
- C. Receipts from other sources (both in cash and in kind) during the reference quarter
1. Dividends, interests, royalties, and profits from sale of stocks and bonds
 2. Rentals, including landowners' share of agricultural products
 3. Pension, retirement benefits, support, gifts, winnings, proceeds from insurance, etc.
 4. Income from work of persons below 10 years old

Part II Data on Own Family Operated Activities

- A. Production, Distribution and Net Receipts from Family operated activities
1. Type of activity
 2. Production — quantity and value
 3. Distribution — whether consumed, sold, etc.
 4. Net receipts of operators
- B. Participation of family/non-family members

1. Number of family/non-family members including unpaid workers
2. Number of days worked
3. Average hours work per day given or of share of produce
4. Wages and salaries including value of food, etc.,

Part III Data on Crops, Livestock and Poultry

Limitations of data generated by household surveys

1. Timeliness

Due to some administrative/operational problems, target date for the release of data could not be attained.

2. Geographic Breakdowns

While it is observed that there are adequate data on some areas of employment, unemployment and underemployment at the national level, data on the regional as well as provincial levels are found to be inadequate.

3. Information Gaps

Despite the improvements made on the household sample surveys, it is felt that there are still some statistical requirements which have to be satisfied from the viewpoint of employment policy formulation and planning. More detailed data on the characteristics of the labor supply particularly the underemployed and the unemployed are deemed necessary to appreciate and understand the operations of the labor market. Data on the skills/training acquired by workers, type and place of employment preferred, should also be collected.

4. Recall of Facts

The survey of households on labor force is essentially a recall from memory of facts about the economic activities of the population. The reference quarter makes recall difficult for the respondent.

In addition, the respondent is usually a member of the household who is asked not only about himself but also about other members of the household. He is

asked about facts of which he has no accurate if not sufficient knowledge. Chances are, rough estimates are given as facts.

5. Non-comparability

Because of the change in concept and reference period of the labor force survey, data provided by the new series will no longer be comparable with the data provided by the old series. Projections of future trends and structure of labor force and its components would, at present, be difficult.

Improvements

One feature incorporated in the labor force questionnaire of the Integrated Surveys of Households which will afford a deeper insight on the employment of persons during the reference quarter, and at the same time ensure better collection of data, is the separate gathering of information on the primary jobs or businesses of persons from their secondary jobs or businesses, on the following:

1. Occupation or kind of work performed
2. Kind of business or industry in which employed
3. Class of worker/industrial status-whether the person
 - a) worked for a private employer/Government
 - b) worked for wage or salary in own-family enterprise
 - c) was employer in own business or farm
 - d) was self-employed in own business or farm (no regular paid employee or no hired help most of the weeks in operation during the quarter)
 - e) was unpaid family worker in family enterprise or farm
4. Status in job/business — the job/business is classified into
 - a) permanent, or had lasted or expected to last for at least one year
 - b) short-term, seasonal or casual, that is, the job or business had lasted or expected to last for less than one year (except those in c)

- c) work for pay on day to day or week to week basis, for different employers
5. Number of days worked during the quarter, full day and less than full day
6. Salary/wage or net receipt earned during the quarter

To determine the underemployed persons, the question "Did he want more hours of work per day or more days of work during the past quarter?" is asked.

It may be added that for all persons 10 years old and over, data on their educational attainment and usual occupation are collected in the survey. The first will enable us to assess somehow the quality of our labor force and to see if the jobs and earnings of individuals are commensurate to their education.

It would be worthwhile to mention that the concepts on employment unemployment as well as various criticisms on the reference period, items of inquiry, etc., are under continuous review by the Inter-Agency Committee on Labor, Employment and Income Statistics created by NEDA.

Establishment Reports

In addition to the sample surveys of households, labor data, particularly on employment, could also be obtained through the establishment reports.

At present, there are several agencies engaged in the collection of labor data using the establishment reports. The more consistent ones however, are the National Census and Statistics Office, the Central Bank, Department of Industry and the Wage Commission, Labor Statistics Service, and the Bureau of Employment Services of the Department of Labor.

Among the information gathered by these agencies are the following:

Nature of Information	Agency Collecting	Frequency/Source
1. Employment, Compensation, Production, and other labor characteristics	NCSO, WC, LSS, CB, DI	Integrated Quarterly Survey of Establishments

2. Job vacancies and Labor turnover	BES, DOL	Quarterly Employment Reports of Establishment
3. Employment, Costs, Receipts, etc.	NCSO	Annual Survey of Establishments and Census of Establishments (every 3 years)

Significantly, all information collected on a quarterly basis refer only to establishments employing at least 10 workers.

It should be noted however that employment measured through the household survey cannot and should not be expected to equal the magnitude of employment measured through an establishment of employment payroll reporting system. The former is a count of all persons at work or holding a job or business in a given period and includes self-employed persons, unpaid family workers and all wage and salary workers; the latter covers only the wage and salary workers other than domestic servants receiving pay in a given payroll period.

Aside from the differences in the concepts, scope, and coverage of the two series, there are differences in the sampling techniques and estimation methods which cannot be readily measured in terms of the impact on differences in the levels of the two series.

In spite of the above mentioned differences, however, these two series can be regarded as supplementary. Labor force data from household surveys are utilized when data on the work status of individuals and its characteristics such as age, sex, educational attainment, marital status are required. However, it is not useful when detailed information on the industrial distribution of the employed is needed. On the other hand, establishment reports generally provide no information on the characteristics of the workers but contain information that would permit accurate classification by industry.