

Labor Force Participation of Older Persons in the Philippines: Trends, Patterns and Correlates

Extended Abstract

Background and Objective

Based on the 2010 census the number of Filipinos aged 60 years and over has reached 6.2 million, comprising 6.7% of the total Filipino population. This number is expected to increase to 10 million by 2020. Given the projected increase in the number and proportion of older persons in the Philippines, recent research has focused on their health status and level of family support. Little attention, however, has been given to their labor force participation. This paper aims to address this research gap by examining the trends, patterns and correlates of labor force participation of older persons in the Philippines. Knowing the trends, patterns and correlates of their labor force participation will give us a better understanding of their labour market behaviour and eventually prepare for their labor market needs. Labor force participation at older age is also a good indicator of their ability or inability to meet their own economic needs.

Data

Data for this study comes from 2000 and 2010 Labor Force Survey (LFS), a quarterly survey conducted by the National Statistics Office (NSO), designed specifically to provide statistics on levels and trends of employment, unemployment and underemployment in the Philippines and its regions. Each survey rounds covers around 27,000 households and collects employment information for household population ages

15 years old and over. For this study only the elderly population, ages 60 years and over are selected.

Method of Analysis

Simple cross-tabulation is used to present trends and patterns of labor force participation of Filipino older persons. Multinomial logistic regression will be used to examine which demographic and socio-economic characteristics predict labor force outcome of the Filipino elderly. The dependent variable in the multivariate analysis has three categories: employed, unemployed and not in the labor force.

Preliminary results

Overall, the labor force participation rate (LFPR) of older men declined from 64% in 2000 to 58% in 2010, while that of the women slightly increased from 34% to 36% in the same period. As expected, the LFPR of older men and women in the Philippines declines with advancing age. For instance, the LFPR of older men in 2010 steadily declined from 73% at ages 60-64 to about 20% at ages 80 years and over.

Labor force participation of Filipino older persons also differs by marital status, with the currently married having higher LFPR than the never and formerly married. This pattern is the same for both sexes, except in 2000 where the never married older women have higher LFPR than the currently and formerly married.

There seems to be a negative relationship between LFPR and level of education, particularly among older men, i.e. as the level of education of older men increases, their LFPR monotonically decreases. This relationship, however, does not exist among older women.

Majority of older Filipino women work in agriculture sector, although the proportion working in this sector has declined from 68% in 2000 to 63% in 2010. Most Filipino older women find employment in the services sector, and the proportion has increased from 49% in 2000 to 55% in 2010.

Majority of older men and women in the Philippines are self-employed, although a sizable proportion also works in private establishments and family-operated business establishments. Less than 10% work in private households or in government offices and corporations.

Though Filipino older persons work around 6 to 7 hours per day a significant proportion of them still wanted to work more hours. For example, 17% of older men in 2000 reported that they wanted to work more hours; this proportion declined to 15% in 2010. The comparable proportions among older women are 14% and 11% for 2000 and 2010, respectively. About 16% of older men and 25% of older women worked more than the usual working hours in 2010 (more than 48 hours). Wanting to have more earnings was the primary reason for working overtime.

Summary and Implications

Filipino older persons remain active in the labor force, particularly the currently married and those with lower levels of education. Majority of older men work in agriculture, while most older women work in the services sector. Majority of Filipino older persons are self-employed. Old age and disability prevent Filipino older persons from seeking work. Though Filipino older persons work around 6 to 7 hours per day, a significant proportion of them still wanted to work for more hours. A significant proportion of them also worked more than the normal working hours, largely because of the desire to have more earnings.

The continuing participation of the Filipino at older ages presents some opportunities and challenges. For one, their active participation in the labor force means that they continue to be economically independent and, to some extent, are able to meet their basic needs. One potential challenge, however, is how to expand the labor market in order to accommodate the increasing number older and younger members of the labor force.

TABLE 1- Labor Force Participation Rates of Filipino Older Persons by Background Characteristics, 2000 and 2010

Background characteristics	2000			2010		
	Male	Female	Total	Male	Female	Total
Age						
60-64	79.2	46.8	62.0	73.4	49.6	61.0
65-69	69.8	38.8	53.2	62.4	40.6	51.0
70-74	56.2	29.8	41.9	49.9	30.3	39.2
75-79	41.4	19.5	29.0	40.7	23.1	30.6
80+	25.0	9.9	15.9	20.2	9.6	13.7
Marital Status						
Single	58.3	41.7	45.9	50.2	35.8	40.3
Married	67.4	35.9	54.3	62.1	41.2	53.6
Divorced/Separated/Widowed	46.2	32.1	35.2	41.9	30.8	33.4
Level of education						
Below Primary	67.7	34.4	48.6	63.4	36.4	48.4
Primary	67.3	35.4	49.5	63.1	37.1	48.4
Secondary	54.8	32.4	44.6	49.4	33.8	42.2
Tertiary	46.5	34.4	40.2	42.2	33.3	37.1
Total	63.8	34.4	47.8	58.1	35.9	46.0

TABLE 2- Percentage Distribution of Employed Filipino Older Persons by Different Employment Information, 2000 and 2010

	2000			2010		
	Male	Female	Both sexes	Male	Female	Both sexes
Type of Industry						
Agriculture, Fishery & Forestry	68.7	41.2	57.8	63.3	36.2	51.7
Industry	7.9	9.7	8.6	8.8	8.3	8.6
Services	23.5	49.1	33.6	27.9	55.5	39.7
Class of worker						
Worked for Private Household	1.7	5.3	3.1	0.8	5.8	2.9
Worked for Private Establishment	14.2	9.1	12.2	17.6	9.7	14.3
Worked for Government/Government Corporation	5.8	5.2	5.6	6.1	7.6	6.7
Self-Employed without any Employees	59.2	53.5	56.9	58.9	52.0	56.0
Employer in own family-operated farm or business	15.7	6.8	12.2	14.2	6.0	10.7
Worked with pay in own family-operated farm or business	0.4	0.4	0.4	0.0	0.1	0.0
Worked without pay in own family-operated farm or business	3.0	19.6	9.6	2.4	18.8	9.4
Reason for not looking for work						
Believe no work available	1.2	0.3	0.6	0.5	0.1	0.3
Awaiting results of previous job applications	0.2	0.2	0.2	0.1	0.0	0.1
Temporary illness/disability	6.5	1.8	3.4	4.7	1.3	2.5
Bad weather	0.1	0.0	0.1	0.2	0.0	0.1
Waiting for rehire/job recall	0.4	0.1	0.2	0.4	0.1	0.2
Too young/old/retired/permanent disability	86.8	45.9	59.3	88.4	65.1	73.5
Housekeeping	3.3	50.4	35.0	4.6	32.8	22.7
Others	1.6	1.2	1.3	1.1	0.6	0.8
Want more hours of work	17.2	14.0	15.9	15.5	11.4	13.7
Worked for more than 48 hours	N/A	N/A	N/A	15.7	24.9	19.6
Reason for working more than 48 hours						
Wanted More Earnings	N/A	N/A	N/A	72.3	77.4	75.0
Requirements of the Job	N/A	N/A	N/A	24.4	21.0	22.6
Exceptional week	N/A	N/A	N/A	1.3	0.4	0.8
Ambition, passion for job	N/A	N/A	N/A	1.8	0.9	1.3
Other reasons	N/A	N/A	N/A	0.2	0.3	0.2