

**DOES UNEMPLOYMENT BEGET UNEMPLOYMENT?  
A DURATION ANALYSIS OF UNEMPLOYMENT IN THE PHILIPPINES**

**Jeremy L. De Jesus**

**A special problem submitted in partial fulfillment of the  
requirements for the degree of**

**Master of Statistics**

**School of Statistics  
University of the Philippines  
Diliman, Quezon City**

**May 2015**

**DOES UNEMPLOYMENT BEGET UNEMPLOYMENT?  
A DURATION ANALYSIS OF UNEMPLOYMENT IN THE PHILIPPINES**

Jeremy L. De Jesus  
School of Statistics, University of the Philippines – Diliman  
Quezon City 1101 Philippines  
dejesusjel@bsp.gov.ph

First Draft: 26 November 2014  
Final Version: 24 May 2015

**ABSTRACT**

This paper investigates the dynamics of transition from unemployment to employment in the Philippine labor market. In particular, this paper examines the effects of individual characteristics, household composition, local labor market conditions, and income of Filipino job-seekers as well as the impact of the length of unemployment spell on their chances of exiting to employment. Results from the estimated single-risk discrete-time (grouped data) proportional hazards models of unemployment duration indicate that the youth, older than 35 years old, women, never married, college graduates (particularly of engineering and services-related courses), persons without work experience, job-seekers in areas with high unemployment rate, job searchers in households with employed members, and members of households that rely on cash transfers are the groups of unemployed that spend more time out-of-work. Married women, in particular, are also found to be disadvantaged with respect to exit rate to employment. On the other hand, job-seekers registered in public employment agencies spend less time looking for work. Time spent unemployed lowers the hazard to employment.

**Keywords:** duration analysis; unemployment; duration dependence; grouped data; discrete-time proportional hazards model; Philippines