

REPORT ON LABOR FORCE SURVEY (JANUARY 2021)

HIGHLIGHTS

The results of the January 2021 round of the labor force survey show that labor market conditions continued to improve, as the government pursued further gradual and safe reopening of the economy, amid improvements in the health system.

The unemployment rate remained at 8.7 percent in January 2021, in contrast to the double-digit rates recorded during the height of the pandemic. Meanwhile, the labor force participation rate (LFPR) significantly improved to 60.5 percent in January 2021, increasing by 1.8 percentage points (ppts) compared to October 2020. This is only 1.2 ppts below the pre-pandemic LFPR.

Combined, this means that there was a broad-based increase in employment, which rose by 1.4 million between October 2020 and January 2021. Some industries, including wholesale and retail trade, managed to already surpass their pre-COVID employment levels as emerging sub-sectors expand such as online businesses.

However, the national underemployment rate rose to 16.0 percent from 14.4 percent in October 2020, with the bulk of the increase coming from the agriculture and services sectors. This was driven by the increase in underemployment in areas outside of the National Capital Region and was likely due to weather disturbances, the African Swine Fever (ASF) that badly affected livestock production, and mobility restrictions that affected travel and domestic tourism especially around the holiday season when people in the provinces typically have additional income opportunities.

To accelerate economic growth and job creation this year, a three-pronged strategy is needed: First, safely reopening the economy, while strictly adhering to public health protocols and intensifying prevent, detect, isolate, treat, and recover (PDITR) strategies. Second, fully implementing the recovery package, especially those whose budgets have already been allocated but not yet fully spent. And third, ensuring timely implementation of the vaccine program to cover the entire adult population.

Table 1. Summary of labor and employment indicators, January 2020 - January 2021 (in thousands)

Indicators	Jan 2021 ^{p,a}	Oct 2020 ^{p,a}	Jul 2020 ^{p,a}	Apr 2020 ^{p,a}	Jan 2020 ^a
Population 15 years and over	74,733	74,307	74,061	73,722	72,841
Labor Force Level	45,201	43,649	45,877	41,058	44,934
Employment Level	41,248	39,836	41,306	33,830	42,543
Unemployment Level	3,953	3,813	4,571	7,228	2,391
Underemployment Level	6,589	5,747	7,137	6,398	6,299
Visible Underemployment	4,531	3,605	5,161	5,489	3,799
Employment Generation (QOQ)	1,411	(1,470)	7,476	(8,823)	6
Labor Force Participation Rate (%)	60.5	58.7	61.9	55.7	61.7
Employment Rate (%)	91.3	91.3	90.0	82.4	94.7
Unemployment Rate (%)	8.7	8.7	10.0	17.6	5.3
Underemployment Rate (%)	16.0	14.4	17.3	18.9	14.8
Visible Underemployment Rate (%)	11.0	9.0	12.5	16.2	8.9
Mean Hours of Work	39.3	40.8	38.2	35.0	41.3

^p Estimates are preliminary and may change

^a Estimates are based on 2015 CPH population projections

Source: Labor Force Survey (LFS), PSA

There was a broad-based increase in employment, which rose by 1.4 million between October 2020 and January 2021. Some industries, including wholesale and retail trade, managed to already surpass their pre-COVID employment levels as emerging sub-sectors expand such as online businesses.

1. The January 2021 round of the LFS shows continued improvements in labor market conditions, with the total number of employed Filipinos reaching 41.2 million. Compared to the previous quarter, employment increased by 1.4 million as new and returning entrants to the labor force were able to find work on account of further easing of community quarantine restrictions during the survey period.

Table 2. Employment: January 2019 – January 2021 (in percent)

Indicators	2019 ^a				2020 ^{p,a}				2021 ^{p,a}
	Jan	Apr	Jul	Oct	Jan ^a	Apr	Jul	Oct	Jan
Employment rate	94.7	94.9	94.6	95.4	94.7	82.4	90.0	91.3	91.3
Employment level (growth rate, QoQ)	n.a.	1.8	1.8	0.04	0.01	(20.7)	22.1	(3.6)	3.5
<i>Employment share by sector</i>									
Agriculture	21.6	21.7	22.9	22.8	22.6	25.9	26.3	24.5	24.4
Industry	19.9	19.4	18.9	19.1	18.8	17.0	18.8	18.3	18.4
Manufacturing	9.0	8.5	8.7	8.6	8.5	8.0	8.2	7.6	7.6
Services	58.5	58.9	58.2	58.1	58.6	57.1	54.8	57.2	57.2

^{p/} Estimates are preliminary and may change

^{a/} Estimates are based on 2015 CPH population projections

Source: Labor Force Survey (LFS), PSA

- As a whole, the services sector was the largest source of additional employment at more than 800,000. Most of these were recorded in wholesale and retail trade (+253,000), other service activities¹ (+200,000), and transportation and storage (+115,000). The upbeat performance of the wholesale and retail trade and transportation and storage subsectors may be due to the continued expansion of e-commerce^{2,3}, while the other services sub-sector benefitted from an increase in allowed capacity to operate.

In fact, the wholesale and retail trade subsector posted a year-on-year growth (+48,000), along with administrative and support service activities (+100,000), information and communication (+93,000), education (+89,000), and human health and social work activities (+67,000). These are reflective of the sectors identified by the Department of Labor and Employment (DOLE) that have good

¹ Other service activities include activities of membership organizations, repair of computers and personal and household goods and a variety of personal service activities not covered elsewhere in the classification. Parlors, spas, laundry services, funeral activities, domestic services, and porter services, among others, are included in this subsector (Source: 2009 Philippine Standard Industrial Classification). Note that personal services was under 75-100% operating capacity in January 2021 for GCQ and MGCQ areas (Source: [MC 20-57 s. 2020 \(DTI\)](#)).

² National Income Accounts Technical Report for Q4 2020.

³ 88K new online businesses register with DTI in 2020 | Philippine News Agency ([pna.gov.ph](#))

employment prospects, particularly for information technology and business process outsourcing (IT-BPO) and health activities.⁴

3. Consistent with the more optimistic employment outlook for the first quarter of 2021⁵, the industry sector registered more than 300,000 additional employment relative to the previous quarter. The bulk of this increase came from construction (+177,000), manufacturing (+111,000), and mining and quarrying (+22,000) subsectors.

The employment uptick in construction may be attributed to the resumption of operations in most construction projects as nearly all parts of the country transitioned to the Modified General Community Quarantine (MGCQ) by end-2020. Meanwhile, as domestic demand grew, the manufacturing Purchasing Managers Index (PMI) for January reached a 25-month high at 52.5, signaling an improvement in operating conditions for the sector. Nonetheless, it is worth noting that foreign demand remained subdued and lengthy delivery times persisted due to the remaining quarantine restrictions.⁶

Given its strong performance in recent months, the construction subsector has exceeded its pre-COVID employment level by almost 150,000.

4. Relative to October 2020, the agriculture sector contributed 282,000 to the overall employment gains for the period. Despite the presence of La Niña⁷, employment in agriculture and forestry rose by almost half a million, indicating a strong rebound from the adverse effects of the severe weather disturbances due to typhoons and flooding in the fourth quarter of 2020. Government support to farmers in the form of loans, subsidies, and training programs may have also contributed to the swift recovery of the sector⁸. However, this was moderated by a substantial drop in employment for the fishing and aquaculture subsector (-214,000) that is likely due to the implementation of the closed fishing season.⁹ Moreover, losses in the subsector may have been aggravated by severe flooding in some areas, affecting the livelihood of many fisher folks.¹⁰

⁴ Job opportunities available in 4 sectors amid pandemic: DOLE | Philippine News Agency (pna.gov.ph)

⁵ Business Expectations Survey - Q4 2020 (bsp.gov.ph)

⁶ IHS Markit Philippines Manufacturing PMI (markiteconomics.com)

⁷ More rains likely across PH 'til May 2021 as La Niña strengthens | Philippine News Agency (pna.gov.ph)

⁸ Landbank releases P231.7-B loans to 2.6M farmers, fisherfolk | Philippine News Agency (pna.gov.ph)

⁹ Closed fishing season starts November: DA-BFAR | Philippine News Agency (pna.gov.ph)

¹⁰ NegOcc posts P45-M in agro-fishery losses after floods | Philippine News Agency (pna.gov.ph)

Similarly, with its strong performance in recent months, the agriculture and forestry subsector exceeded its pre-COVID employment levels by 464,000. Although this was slightly tempered by losses in the fishing and aquaculture subsector (-45,000), the share of the whole agriculture sector to total employment inched up to 24.4 percent from 22.6 percent in January 2020.

5. By occupation group, employment generation for the period was primarily observed in medium to low-level skills, supported by increases in elementary occupations¹¹ (+1.1 million), service and sales workers (+343,000), plant and machine operators and assemblers (+168,000), and clerical support workers (+147,000). On the other hand, employment losses were recorded in skilled occupations such as skilled agricultural, forestry and fishery workers (-178,000); managers (-145,000); and technicians and associate professionals (-61,000).

Despite the quarter-on-quarter decline, the group of skilled agricultural, forestry and fishery workers registered employment growth (+606,000) compared to the results in January 2020.

6. Meanwhile, employment generated, relative to October 2020, were permanent in nature (+1.6 million), concentrated in agriculture and forestry (+400,000), wholesale and retail trade (+302,000), manufacturing (+271,000), and construction (+165,000) subsectors. In contrast, short-term employment fell by more than 400,000. The contraction mainly came from the same subsectors, specifically manufacturing (-145,000), construction (-77,000), and wholesale and retail trade (-63,000), seemingly signifying a shift from short-term to permanent employment. Meanwhile, those reporting to different employers also increased by 286,000, mostly from agriculture and forestry (+133,000), followed by construction (+89,000), and other service activities (+51,000).

In comparison with the same period last year, permanent employment dropped by almost 2.4 million, more than 1.8 million of which came from the services sector. The decline was tempered by the growth of short-term employment (+925,000) and those reporting to different employers (+174,000).

¹¹ This occupation group includes most workers in agriculture and forestry.

7. Employment growth was observed for all classes of workers except for employers in own family-operated farm or business which posted a reduction of -177,000 individuals from the previous quarter. With the resumption of economic activities and further relaxation of community quarantines, the more remunerative and stable work (or wage and salary workers) increased by almost 1.0 million individuals.

Despite significant improvements, vulnerable employment¹² remained a challenge with an additional 596,000 persons, bringing total vulnerable employment to 14.2 million in January 2021 from 13.6 million in October 2020. This implies a high proportion of vulnerable employment to total employment, at 34.5 percent.

8. In terms of hours worked, full-time employment (i.e., those who worked for 40 hours and more a week) posted a decline by almost 1.0 million workers to 25.3 million in January from 26.2 million in October. This can be mainly attributed to agriculture that accounted for 831,000 individuals or 90.7 percent of the total decrease in full-time workers. In terms of full-time class of worker, the self-employed without any paid employee (-447,000 persons) and those wages and salaried workers who worked for private establishments (-417,000) posted significant declines.

Meanwhile, part-time employment (or those who worked for less than 40 hours) increased by 2.5 million individuals compared to the previous quarter, mainly from agriculture (+1.1 million individuals) and wage and salaried workers in private establishments (+1.2 million individuals).

Following the decline in full-time employment accompanied by a significant increase in part-time employment, the mean hours of work decreased from 40.8 hours in October 2020 to 39.3 in January 2021.

9. By geographic location, nine out of 17 regions posted employment gains relative to the previous quarter. The bulk of the increase came from Central Visayas (+371,000), Zamboanga Peninsula (+338,000), and National Capital Region (+269,000). Meanwhile, the regions that experienced the steepest drop in

¹² Refers to: (a) self-employed workers without any paid employee; and (b) unpaid family workers.

employment are Bicol Region (-85,000), BARMM (-51,000), and Caraga (-42,000). Heavy rains, flooding, and landslides brought by the northeast monsoon and easterlies, which also caused road closures in the eastern part of the country, may have contributed to the employment decline.¹³

Four regions have now managed to exceed their pre-COVID employment, namely BARMM (+215,000), Zamboanga Peninsula (+211,000), Western Visayas (+60,000), and Cagayan Valley (+2,000).

The national underemployment rate rose to 16.0 percent from 14.4 in October 2020, with the bulk of the increase coming from the agricultural sector and services sector. This was driven by the increase in underemployment in areas outside of the National Capital Region and was likely due to weather disturbances, the African Swine Fever that badly affected livestock production, and mobility restrictions that affected travel and domestic tourism especially around the holiday season when people in the provinces typically have additional income opportunities.

Table 3. Underemployment rates, January 2019 – January 2021
(in percent)

Area	2019 ^a				2020 ^{p,a}				2021 ^{p,a}
	Jan	Apr	Jul	Oct	Jan ^a	Apr	Jul	Oct	Jan
National	15.4	13.4	13.6	12.8	14.8	18.9	17.3	14.4	16.0
AONCR	16.7	14.8	14.8	14.2	16.3	20.3	18.1	14.9	17.1

^{p/} Estimates are preliminary and may change

^{a/} Estimates are based on 2015 CPH population projections

Source: LFS, PSA

- The number of underemployed workers, or those wanting more hours of work, increased by 0.8 million in January 2021 compared to October 2020. For areas outside of NCR (AONCR), the underemployment rate also increased from 14.9 percent in October 2020 to 17.1 percent in January 2021. This can be attributed

¹³ 8 roads in 4 regions still closed due to bad weather: DPWH | Philippine News Agency (pna.gov.ph), One missing, hundreds evacuate due to floods, landslides in Bicol | Philippine News Agency (pna.gov.ph)

to i) the loss of jobs and reduction in income from weather disturbances and flooding, ii) the African Swine Fever that badly affected livestock production, and iii) mobility restrictions that affected travel and domestic tourism especially around the holiday season when people in the provinces typically have additional income opportunities.

11. By industry, the construction sector posted 129,000 more underemployed workers as construction activities of government as well as households and non-profit institutions picked up in the last quarter of 2020 (-25.3 percent in Q4 from -39.7 percent in Q3). Meanwhile, in the services sector, ‘other services’ activities saw the highest increase in underemployment (+90,000), mainly from higher part-time employment as the sector was allowed to operate at 75 to 100 percent capacity starting November 2020.¹⁴
12. In particular, those who are visibly underemployed (persons who are working less than 40 hours per week and wanting more hours of work) increased by 926,000 from the last survey round. On the other hand, the number of invisibly underemployed (working 40 hours and still seeking additional hours of work), posted a decline of 85,000 workers. Almost half or 429,000 of the increase in visibly underemployed were from the agriculture and forestry sector, partly reflecting the impact of the ASF on meat producers as well as the effects of typhoons and flooding late last year on agricultural production.¹⁵
13. Underemployment increased across almost all classes of workers. About 545,000 more underemployed workers were recorded among wage and salary workers, followed by the self-employed without any paid employee (+247,000) and unpaid family workers (+112,000). Only employers in own-family operated farm and business saw a decline in underemployment by 63,000.
14. Geographically, underemployment rose in most regions. The underemployment rate increased the most in Region IX (+14.2 percent), likely due to the power outages in the Zamboanga Peninsula in January.¹⁶ Moreover, underemployment remains elevated in MIMAROPA, Region V, and Region X, affecting about one-

¹⁴ https://dtiwebfiles.s3-ap-southeast-1.amazonaws.com/COVID19Resources/COVID-19+Advisories/311020_MC2057.pdf

¹⁵ <https://www.da.gov.ph/agri-chief-reiterates-directive-to-da-officials-to-help-stabilize-food-supply-and-prices/>

¹⁶ <https://www.pna.gov.ph/articles/1127848>

fourth of those employed in said regions. Meanwhile, the underemployment rate in NCR improved to 8.2 percent in January from 11.1 percent in October last year.

Unemployment rate remained at 8.7 percent in January 2021, in contrast to the double-digit rates recorded during the height of the pandemic.

Table 4. Unemployment Rates: January 2019 – January 2021 (in percent)

Indicator	2019 ^a				2020 ^{p,a}				2021 ^{p,a}
	Jan	Apr	Jul	Oct	Jan ^a	Apr	Jul	Oct	Jan
Overall	5.3	5.1	5.4	4.6	5.3	17.6	10.0	8.7	8.7
15-24	14.2	12.9	14.7	12.9	13.6	31.6	22.4	19.4	19.8
25-54	3.9	3.9	4.0	3.2	4.0	16.0	8.1	7.3	7.4
55 & over	1.7	1.8	1.6	1.5	2.0	10.6	4.3	4.3	3.7

^p/2020 estimates are preliminary and may change

^a/Estimates are based on 2015 CPH population projections

Source: LFS, PSA

15. The resumption of economic activities as quarantine restrictions were eased contributed to keeping the unemployment rate in January 2021 at bay. Notably, the number of discouraged workers, or those who did not look for work because of fatigue or the belief that no work was available (-76,700) as well as those awaiting results of previous job application (-143, 200) significantly dropped on a year-on-year basis.
16. Moreover, compared to October 2020, the number of unemployed among those with college education declined (-168,000). In contrast, an increase of unemployment among those with at most high school (+130,000) and elementary (+115,000) education was observed.
17. By age group, unemployment rate of individuals aged 55 years old and above likewise improved, from 4.3 percent in the previous survey round to 3.7 percent in January 2021. This is likely due to this age group having already been

permitted to go out¹⁷ since mid-October 2020. Meanwhile, a marginal increase by 0.4 ppt (about 1.4 million unemployed youth) was also observed in the youth unemployment rate, which may warrant accelerated and effective government support and intervention. This is in line with the January 2021 youth unemployment of 19.8 percent. The Updated Philippine Development Plan target is 14.5 percent to 16.5 percent by 2021.

18. By region, the increase in unemployment for 11 regions, mostly affected by the isolated lower pressure areas (LPAs) and thunderstorms such as CALABARZON (+160,000) and Western Visayas (+129,000)¹⁸ were tempered by the registered declines in unemployment in six regions: NCR (-200,000), Central Visayas (-65,000), Ilocos region (-51,000), Zamboanga Peninsula (-45,000), Central Luzon (-43,000), and Davao region (-28,000).

Overall, the slight increase (+141,000) in this survey round compared to October 2020 can be attributed to the effects of the lingering quarantine restrictions, especially related to interruptions in business operations for some areas still under the General Community Quarantine (GCQ).¹⁹ Relatedly, half of those unemployed who opted not to look for work (30.8 percent, equivalent to 1.2 million individuals) continue to cite challenges as a result of the COVID-19 pandemic.

¹⁷ <https://www.officialgazette.gov.ph/downloads/2020/10oct/20201015-IATF-Resolution-79-RRD.pdf>

¹⁸ <https://www.pna.gov.ph/articles/1127799>; <https://newsinfo.inquirer.net/1375966/trough-of-lpa-to-bring-rains-in-western-eastern-visayas-on-saturday>

¹⁹ <https://www.officialgazette.gov.ph/2021/01/01/memorandum-from-the-executive-secretary-on-community-quarantine-classification-of-provinces-highly-urbanized-cities-and-independent-component-cities-from-01-31-january-2021/>

Table 5. Comparison of latest unemployment rates²⁰ across selected Asian economies

Indicator	Latest Period		Previous Period	
	Unemployment Rate	Month released	Unemployment Rate	Month released
China ^a	4.2	Dec 2020	4.2	Sep 2020
India ^b	6.7	Jan-Feb 2021	7.5	Oct-Dec 2020
Indonesia ^c	7.1	Aug 2020	5.0	Feb 2020
Malaysia ^b	4.8	Oct-Dec 2020	4.7	Jul-Sep 2020
Philippines	8.7	Jan 2021	8.7	Oct 2020
Thailand ^b	1.9	Oct-Dec 2020	1.9	Jul-Sep 2020
Vietnam ^a	2.5	Sep 2020	2.7	Jun 2020

Notes: a/ Unemployment in these countries is reported quarterly (March, June, September, December);

b/ Unemployment in these countries is reported monthly; figures above refer to quarterly average;

c/ Indonesia unemployment is reported semi-annually (February and August); Figures in February do not take into account COVID-19 impact

19. The sustained unemployment rate compared with the previous survey round is at par with the gradual recovery of the labor market, which is also observed in select Asian economies.

²⁰ <https://www.ceicdata.com/en/indicator/china/unemployment-rate;>

[https://unemploymentinindia.cmie.com/;](https://unemploymentinindia.cmie.com/)

<https://www.thejakartapost.com/news/2020/11/05/unemployment-surges-to-decade-high-as-covid-19-causes-millions-to-lose-jobs.html;>

<https://www.economy.com/malaysia/unemployment-rate;>

<https://www.ceicdata.com/en/indicator/thailand/unemployment-rate;>

<https://www.ceicdata.com/en/indicator/vietnam/unemployment-rate>

Labor force participation rate (LFPR) significantly improved to 60.5 percent in January 2021, increasing by 1.8 ppts compared to October 2020. This is only 1.2 ppts below the pre-pandemic LFPR.

Table 6. LFPR, January 2019 – January 2021 (in percent)

Indicator	2019 ^a				2020 ^{p,a}				2021 ^{p,a}
	Jan	Apr	Jul	Oct	Jan ^a	Apr	Jul	Oct	Jan
LFPR (total)	60.3	61.3	62.1	61.4	61.7	55.7	61.9	58.7	60.5
Youth	35.9	38.8	38.3	37.1	37.4	32.4	38.9	33.9	34.7
Male	73.8	75.2	75.3	74.9	74.8	69.8	75.3	72.3	73.9
Female	46.6	47.4	48.7	47.8	48.4	41.5	48.5	45.0	46.9

^{p/} Estimates are preliminary and may change

^{a/} Estimates are based on 2015 CPH population projections

Source: Labor Force Survey (LFS), PSA

20. Relatedly, an overall decline (-1.1 million) was observed among persons not in the labor force (NILF), especially among those who cited COVID-19 related reasons (-631,900) and household duties (-459,100). In addition, the majority (75 percent) of new female entrants in the labor force also belong to the youth cohort.

21. Meanwhile, regions that bore the brunt of various typhoons and flooding at the onset of 2021 are the only ones that indicated slight reductions in the labor force compared to October 2020: Caraga (-28,000), Ilocos (-22,000), and MIMAROPA region (-19,000).

The share of economically inactive youth declined to 19.4 percent in January from 20.4 percent in October 2020. Notably, the number of youth citing lockdown or COVID-19 related reasons for not looking for work decreased.

Table 7. Share of youth NEE and NEET to total youth population: January 2019- January 2021 (in percent)

Indicator	2019 ^a				2020 ^{p,a}				2021 ^{p,a}
	Jan	Apr	Jul	Oct	Jan ^a	Apr	Jul	Oct	Jan
Share of youth NEE (%)	19.8	18.9	19.0	17.3	17.1	25.4	11.5	20.6	19.6
Share of youth NEET (%)	19.5	18.7	18.8	17.2	16.9	25.2	11.4	20.4	19.4

^{p/} Estimates are preliminary and may change

^{a/} Estimates are based on 2015 CPH population projections

Source: Labor Force Survey (LFS), PSA

22. The proportion and number of youth not in education, employment, nor training (NEET) declined to 19.4 percent (equivalent to 3.9 million) from 20.4 percent (equivalent to 4.1 million) last October. Notably, the number of youth citing lockdown or COVID-19 related reasons for not looking for work decreased for both unemployed youth NEET and those not in the labor force, possibly indicating that discouragement due to the pandemic, particularly of the youth, is decreasing.

To accelerate economic growth and job creation this year, a three-pronged strategy is needed: First, safely reopening the economy, while strictly adhering to public health protocols and intensifying prevent, detect, isolate, treat, and recover (PDITR) strategies. Second, fully implementing the recovery package, especially those whose budgets have already been allocated but not yet fully spent. And third, ensuring timely implementation of the vaccine program to cover the entire adult population.

23. The improvements in labor market outcomes resulted from further reopening amid the sustained decline in COVID-19 cases between the period of mid-September 2020 until January 2021, when the survey was conducted considering

less restrictive quarantine measures. This was observed in the NCR, CALABARZON, Western Visayas, and Central Visayas which demonstrates the country is on track to getting back jobs lost due to COVID-19 and the quarantines.

24. The gradual reopening of the economy requires a more careful and calibrated approach, given the risks from the new COVID-19 variants. The PDITR strategies will need to be sustained and vigorously implemented as a more targeted, safe, and gradual reopening of the economy is pursued. On the one hand, everyone will need to be more vigilant in high-risk areas by strictly enforcing the health standards and using localized quarantines. This way, virus spread can be reduced without affecting the healthy majority who are in need of jobs to address their hunger and other health concerns. On the other hand, in low-risk areas, expanded capacities in businesses, transport, and other sectors, can be gradually allowed as well as safely widening the age group allowed to go out.
25. To restore jobs, regaining market confidence is critical. A solid communication strategy is needed to allay fears on COVID-19 and encourage Filipinos to safely participate in the reopening of the economy. These will be supported by the availability of more public transport operations, promotion and support for active transport such as protected bicycle lanes, and the gradual expansion of age groups allowed to go out, with safeguards, to increase demand.
26. The swift and effective implementation of the programs under the Bayanihan II, as well as those earmarked under the PHP 4.5 trillion national budget for 2021, remain vital to the country's recovery from the pandemic. Hence, implementing agencies and local government units (LGUs) are advised to further enhance their absorptive capacities to effectively carry out these programs and projects. Among these programs, there are income support measures including cash-for-work or TUPAD and COVID-19 Adjustment Measures Program or the AKAP, which aim to supplement the income of those heavily affected by the pandemic, especially low-income households.
27. The full and fast implementation of the recovery package would underpin economic growth this year and onwards. The higher stimulus through the Bayanihan II, the 2020 budget extension, the 2021 budget, as well as the swift

enactment or implementation of key legislations are all crucial. These reforms include the Financial Institutions Strategic Transfer (FIST) Act, the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, and the Government Financial Institutions Unified Initiative to Distressed Enterprises for Economic Recovery (GUIDE) Act. Overall, these are expected to help preserve and create more employment opportunities and drive productive activities across industries.

28. Programs related to upskilling and retooling for in-demand skills in the new normal such as digital adeptness and technological skills may be widely promoted. Other training and vocational programs may also be supported by the government in partnership with the private sector, academe or civil society organizations to facilitate the sectoral reallocation of the workforce from the industries severely affected by the crisis into priority sectors such as agriculture, manufacturing, and the government's Build, Build, Build (BBB) program. Relatedly, the government can further boost and expand its existing programs to increase the employability and productivity of workers through improved connectivity and the use of digital technology.
29. Amidst the lingering impact of quarantine restrictions and consequent job displacements of millions of Filipinos, the government may need to intensify measures to ensure that food remains affordable to avoid a wage-price spiral.

To proactively manage the increase in food prices, the continued strict implementation of the Food Resiliency Protocol, in coordination with LGUs, and adequate and affordable logistics services are necessary to facilitate the unhampered delivery of agriculture and fishery products. On account of the ASF and the increase in meat prices, hog repopulation programs in green zones or ASF-free areas may also need to be prioritized. In the interim, allowing more importation of basic food commodities will also help augment supply, even as further liberalization measures are thoroughly studied.

30. Studies found that remote learning may worsen inequality in learning outcomes²¹, as some households have limited access to reliable internet and

²¹ Final report: The Impact of the COVID-19 Crisis on Households in the National Capital Region of the Philippines.pdf ([unicef.org](https://www.unicef.org))

necessary devices. Likewise, mobility restrictions particularly for the youth, may have unintended consequences on their development. The Asian Development Bank also estimates that each year of school closure results in a PHP 1.9 trillion worth of losses to the economy. Given these, it is recommended to consider the resumption of face-to-face classes in basic education may need to be considered, starting from areas with zero/low local transmission rates, to ensure the delivery of quality education as well as boost the productivity of parents and guardians who are balancing work and assisting their children in online or modular learning. Smaller class size, shorter break hours, less extracurricular activities, and staggered schedules may also be explored to maintain minimal interaction among students.

31. Although 75 percent of the economy has already been reopened going into the 4th quarter of 2020, consumer confidence remained low, with the consumer confidence index²² at -54.5 in Q4 2020. The results of the survey also suggest that consumers' and companies' perception of a better 2021 depends on the timely distribution of an effective COVID-19 vaccine, and the sustained reopening of the economy.²³

The results of the Social Weather Stations (SWS) survey on COVID-19 vaccines conducted in September 2020 suggest that around 66 percent of Filipinos are willing to get the COVID-19 vaccine when available.²⁴ While this is within the range of herd immunity for COVID-19, which is pegged at 60-70 percent of the population,²⁵ the government may need to intensify its information, education, and communication campaigns to ensure that the public is informed and to boost confidence. Although the initial tranche of doses has already arrived and these are now being distributed across the country, much remains to be done in order to achieve and execute the National Deployment and Vaccination Plan for COVID-19. On 1 March 2021, vaccination of medical frontliners started. The country is expected to receive more doses to keep the vaccination program going

²² The Consumer Confidence Index captures the economic outlook of consumers as an indication of the country's future economic conditions.

²³ Consumer Confidence Turns Pessimistic for Q3 and Q4 2020; More Optimistic for the Next 12 Months | PTV News

²⁴ CNN Philippines (19 November 2020). 66% of Filipinos willing to get COVID-19 vaccine now – SWS. Retrieved from <https://www.cnnphilippines.com/news/2020/11/19/sws-survey-percentage-of-filipinos-willing-to-get-COVID-19-vaccine.html>

²⁵ WHO (28 August 2020). WHO's Science in 5 on COVID-19 – Herd Immunity. Retrieved from <https://www.who.int/news-room/q-a-detail/herd-immunity-lockdowns-and-covid-19>

for the high-risk populations. The aim is to provide vaccines to at least 70 million Filipinos this year, or the entire adult population. Rolling out these lifesaving doses will allow the country to safely open the economy more and restore jobs and incomes to make the fight against hunger more sustainable.

32. Finally, an effective strategy to safely resume social and economic activities amidst the pandemic requires the whole of society to work together. Thus, everyone needs to do their part in complying with the minimum public health protocols to curb the spread of the virus as well as to protect themselves and their families. On the side of the government, it will continue to intensify the implementation and monitoring of the PDITR strategies, address the scarring effects of the pandemic and the lockdown, and facilitate the transition to the new normal.