

REPORT ON LABOR FORCE SURVEY (SEPTEMBER 2021)

HIGHLIGHTS

1. The unemployment rate slightly increased to 8.9 percent in September from 8.1 percent in August, or an additional 373,000 unemployed individuals. These results were expected as many parts of the country remained under stringent and blanket quarantines for most of the survey period.
2. The labor force participation rate (LFPR) also marginally declined to 63.3 percent in September, as more young people went back to school with the resumption of classes in public schools.
3. The higher unemployment rate, combined with the lower LFPR, led to a net employment loss of 642,000. This came mostly from agriculture (-862,000) and manufacturing (-343,000), due to severe weather disturbances, the continued spread of the African Swine Fever (ASF), and weak demand. Meanwhile, employment increased by 414,000 in the services sector, mostly driven by wholesale and retail trade.
4. Meanwhile, the underemployment rate further improved to 14.2 percent in September from 14.7 in August, as more people find more productive work. Specifically, part-time employment fell substantially, while full-time employment increased, especially in trade (+351,000), construction (+135,000), education (+84,000), and admin and support services (+72,000).
5. With the full impact of granular lockdowns, better labor market outcomes are expected in the coming months. This strategy has been effective in bringing down COVID-19 cases from its peak in early September while restoring more business activities and employment safely. Furthermore, the government will continuously ramp up its vaccination efforts to boost business and consumer confidence.

Table 1. Summary of Labor and Employment Indicators, January 2020, April 2020, August 2021, and September 2021 (in thousands)

Indicators	2020 ^{a,b}		2021 ^{p,a}	
	Jan	Apr	Aug ^c	Sep ^c
Population 15 years and over	72,841	73,722	75,610	75,570
Labor Force Level	44,934	41,058	48,116	47,847
Employment Level	42,543	33,830	44,234	43,592
Unemployment Level	2,391	7,228	3,882	4,255
Underemployment Level	6,299	6,398	6,482	6,183
Visible Underemployment	3,799	5,489	4,616	4,415
Employment Generation (QoQ / MoM)	6	(8,713)	2,567 ^d	(642) ^d
Labor Force Participation Rate (%)	61.7	55.7	63.6	63.3
Employment Rate (%)	94.7	82.4	91.9	91.1
Unemployment Rate (%)	5.3	17.6	8.1	8.9
Underemployment Rate (%)	14.8	18.9	14.7	14.2
Visible Underemployment Rate (%)	8.9	16.2	10.4	10.1
Mean Hours of Work	41.3	35.0	39.6	40.2

^p Estimates are preliminary and may change; ^a Estimates are based on 2015 CPH population projections; ^b Estimates for the quarterly round of the LFS; ^c Starting February 2021, monthly LFS will be conducted in between quarterly or regular LFS to generate national-level labor and employment statistics from the survey; ^d Increment from previous month; QoQ – quarter on quarter difference; M-o_M – month on month difference.

Source: Labor Force Survey (LFS), PSA

The LFPR slightly decreased to 63.3 percent as more young people returned to school.

- The number of persons not in the labor force (NILF) increased by 230,000, mainly due to young individuals going back to school (+889,000) as classes in

public schools began in September,¹ along with an increase in the number of people experiencing temporary illness or disability (+151,000).

7. Individuals who opted out of the labor force accounted for the bulk of the 269,000-decline, resulting in a lower total LFPR by 0.3 percentage point (ppt) to 63.3 percent this month. The decline was observed mostly among the young cohort (-407,000), 35 to 44-year-olds (-266,000), and 65 years old and over (-86,000).

Table 2. LFPR, January 2020 – September 2021 (in percent)

Indicator	2020 ^{a,b}				2021 ^{p,a}								
	Jan	Apr	Jul	Oct ^p	Jan ^b	Feb ^c	Mar ^c	Apr ^b	May ^c	Jun ^c	Jul ^b	Aug ^c	Sep ^c
LFPR (total)	61.7	55.7	61.9	58.7	60.5	63.5	65.0	63.2	64.6	65.0	59.8	63.6	63.3
Youth	37.4	32.4	38.9	33.9	34.7	37.7	40.1	38.2	38.4	39.8	33.3	37.8	35.8
Male	74.8	69.8	75.3	72.3	73.9	76.0	76.8	75.0	76.1	76.3	72.4	75.8	75.5
Female	48.4	41.5	48.5	45.0	46.9	50.9	53.1	51.4	52.9	53.7	47.1	51.4	51.1

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Source: LFS, PSA

Total employment declined in September, largely due to the impact of severe weather disturbances in agriculture.

8. Total employment dropped by 642,000 or 1.5 percent month-on-month (m-o-m) in September, to 43.6 million, though still above the pre-pandemic level by 1.1 million.
9. The agriculture sector suffered the largest employment loss (-850,000), primarily from agriculture and forestry (-862,000). This is attributed to severe

¹ <https://www.pna.gov.ph/articles/1147239>

weather disturbances and the continued spread of ASF.^{2,3,4,5,6} Typhoon Jolina, which affected some 30,000 hectares of agricultural land across the regions of Central Luzon, CALABARZON, MIMAROPA, Bicol, Western Visayas, Central Visayas, and Eastern Visayas, resulted in around PHP1.4 billion worth of damage to the sector.⁷ These were further aggravated by the undocumented shipments of cheaper agricultural produce.⁸ On the other hand, fishing and aquaculture recorded employment gains (+13,000) during the survey period, which slightly tempered the overall employment losses in the agriculture sector.

Table 3. Employment: January 2020 – September 2021

Indicators	2020 ^{a,b}				2021 ^{p,a}								
	Jan	Apr	Jul	Oct ^p	Jan ^b	Feb ^c	Mar ^c	Apr ^b	May ^c	Jun ^c	Jul ^b	Aug ^c	Sep ^c
Employment rate (in %)	94.7	82.4	90.0	91.3	91.3	91.2	92.9	91.3	92.3	92.3	93.1	91.9	91.1
Employment Growth (QoQ in %)	0.01	(20.5)	22.1	(3.6)	3.5	4.6 ^d	5.0 ^d	(4.5) ^d	3.3 ^d	0.8 ^d	(7.6) ^d	6.2 ^d	(1.5) ^d
<i>Employment levels by sector (in thousands)</i>													
Agriculture	9,625	8,761	10,867	9,762	10,044	10,303	11,130	10,560	10,626	10,938	9,188	11,096	10,247
Industry	7,989	5,754	7,783	7,299	7,601	7,647	8,802	7,885	8,223	8,171	8,341	8,374	8,167
Manufacturing	3,634	2,699	3,373	3,028	3,140	3,276	3,560	3,420	3,548	3,502	3,539	3,708	3,365
Services	24,929	19,315	22,652	22,776	23,602	25,203	25,400	24,825	25,867	25,966	24,138	24,764	25,178

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² ‘Kiko’ damage in Cagayan reaches P54.16-M | Philippine News Agency (pna.gov.ph)

³ NoCot town disaster workers distribute aid to 21K flood victims | Philippine News Agency (pna.gov.ph)

⁴ ASF detected in La Union town's 4 villages | Philippine News Agency (pna.gov.ph)

⁵ ASF hits Davao Occidental town | Philippine News Agency (pna.gov.ph)

⁶ ASF spreads to 49 Eastern Visayas towns, cities | Philippine News Agency (pna.gov.ph)

⁷ Typhoon Jolina causes P1.3-B damage to agriculture | Philippine News Agency (pna.gov.ph)

⁸ DA warns of harmful residue from cheap, imported goods | Philippine News Agency (pna.gov.ph)

10. The industry sector also posted a 206,000 employment loss for the period. The bulk of losses came from manufacturing (-343,000), reportedly due to weaker consumer demand and voluntary resignations.⁹ Additionally, based on the administrative data collected by the Department of Labor and Employment (DOLE) for September, there were more workers displaced due to retrenchment and permanent closure of manufacturing establishments compared to the previous month. Employment in mining and quarrying likewise contracted (-75,000), consistent with the downbeat employment outlook of businesses in the subsector for Q3 2021.¹⁰ Meanwhile, employment in construction (+105,000), water supply (+58,000), and electricity (+49,000) subsectors registered gains m-o-m.

11. In contrast, the services sector recorded higher employment (+414,000), with wholesale and retail trade (+353,000), public administration (+118,000), and education (+115,000) as top contributors. The improving conditions in wholesale and retail trade are partly due to the continued expansion of e-commerce and the growth of pharmaceutical retail businesses.¹¹ Meanwhile, government emergency or temporary employment programs along with intensified contact tracing at the *barangay* level may have supported public employment.¹² Lastly, the resumption of classes in public schools likely boosted employment in the education sector.¹³

However, these were moderated by employment losses in information and communication (-126,000), real estate (-69,000), accommodation and food services (-67,000), transportation and storage (-66,000), and professional activities (-54,000). This is consistent with DOLE administrative data showing more workers were displaced due to retrenchment and permanent closure of establishments in accommodation and food service and professional activities.

⁹ IHS Markit Philippines Manufacturing PMI (markiteconomics.com)

¹⁰ Business Expectations Survey Q3 2021 (bsp.gov.ph)

¹¹ Pharma retail still poised for growth, job openings in Cebu | Philippine News Agency (pna.gov.ph)

¹² DILG to LGUs: Intensify Covid-19 case finding, contact tracing | Philippine News Agency (pna.gov.ph)

¹³ DepEd issues guidelines for SY 2021-2022; face-to-face classes still prohibited | Department of Education

12. In terms of occupation, skilled agricultural workers (-353,000), elementary occupations¹⁴ (-302,000), and managers (-297,000) posted the largest employment losses. There were also recorded increases in professionals (+212,000), clerical support workers (+155,000), and craft and related trade workers¹⁵ (+121,000).
13. Majority of the employment decline is among workers with different employers (-498,000), particularly in construction (-301,000) and agriculture (-159,000). Permanent employment fell (-368,000), mostly in manufacturing (-445,000), agriculture (-306,000), accommodation and food services (-172,000), and information and communication (-102,000). These were tempered by permanent employment created in wholesale and retail trade (+353,000), construction (+265,000), and education (+170,000).

On the other hand, short-term employment grew by 223,000, the bulk of which came from administrative and support services (+149,000), construction (+141,000), and public administration (+137,000). However, this was tempered by significant losses in agriculture (-397,000).

14. By class of worker, the bulk of the decline in employment was among the self-employed (-418,000) and unpaid workers (-265,000), mostly in agriculture. Wage and salary workers increased (+107,000), with the substantial uptick in the public sector (+237,000) offsetting losses in the private sector.

¹⁴ Elementary occupations involve the performance of simple and routine tasks which may require the use of hand-held tools and considerable physical effort.

¹⁵ Craft and related trades workers apply specific knowledge and skills in the fields to construct and maintain buildings, form metal, erect metal structures, set machine tools, or make, fit, maintain, and repair machinery, equipment or tools, carry out printing work, produce or process foodstuffs, textiles, or wooden, metal and other articles, including handicraft goods.

The underemployment rate improved further to 14.2 percent, the second-lowest underemployment rate recorded this year, as more people find productive work.

15. Part-time employment¹⁶ fell substantially (-931,000), mostly in agriculture, manufacturing, and trade. In contrast, full-time employment¹⁷ increased slightly (+24,000), mainly in trade (+350,000), construction (+135,000), education (+84,000), and admin and support services (+72,000). These were mostly offset by losses in manufacturing (-204,000), information and communication (-74,000), agriculture (-72,000), transport (-72,000), and mining (-70,000). Consequently, the mean hours of work increased slightly to 40.2 hours from 39.6 hours in the previous month.
16. Likewise, the number of underemployed¹⁸ workers declined (-299,000), mostly coming from trade (-127,000), information and communication (-59,000), and manufacturing (-52,000). This is consistent with DOLE administrative data showing a decrease in the number of firms and workers reporting to be under flexible work arrangements.¹⁹ Thus, the underemployment rate eased to 14.2 percent, at par with that of June 2021.

Table 4. Underemployment rates, January 2020 – September 2021 (in percent)

Area	2020 ^{a,b}				2021 ^{p,a}								
	Jan	Apr	Jul	Oct ^p	Jan ^b	Feb ^c	Mar ^c	Apr ^b	May ^c	Jun ^c	Jul ^b	Aug ^c	Sep ^c
National	14.8	18.9	17.3	14.4	16.0	18.2	16.2	17.2	12.3	14.2	20.9	14.7	14.2

^p Estimates are preliminary and may change; ^aEstimates are based on 2015 CPH population projections; ^b Estimates for quarterly round of the LFS; ^c Starting February 2021, monthly LFS will be conducted in between quarterly/regular LFS to generate national-level labor and employment statistics from the survey.

Source: LFS, PSA

¹⁶ worked less than 40 hours

¹⁷ worked 40 hours or more

¹⁸ Employed individuals who want more work

¹⁹ September 2021 DOLE Job Displacement Report

The unemployment rate increased to 8.9 percent, as the country's economic centers remained under stringent quarantines and weather disturbances affected agriculture.

17. Given the substantial reduction in employment, an additional 373,000 unemployed Filipinos were recorded in September. These were partly due to workers not looking for work due to COVID-19-related reasons (+80,000) and waiting for job application results (+87,000). Nevertheless, the year-to-date (YTD) average unemployment rate (8.1%) remains within the Updated Philippine Development Plan (PDP) target of 7.0 to 9.0 percent. Meanwhile, the YTD youth unemployment rate (16.3%), is approaching the higher end Updated PDP target range of 14.5 to 16.5 percent.

Table 5. Unemployment Rates: January 2020 – September 2021 (in percent)

Indicator	2020 ^{a,b}				2021 ^{p,a}								
	Jan	Apr	Jul	Oct ^p	Jan ^b	Feb ^c	Mar ^c	Apr ^b	May ^c	Jun ^c	Jul ^b	Aug ^c	Sep ^c
Overall	5.3	17.6	10.0	8.7	8.7	8.8	7.1	8.7	7.7	7.7	6.9	8.1	8.9
15-24	13.6	31.5	22.4	19.4	19.8	18.5	15.4	15.8	14.5	14.5	15.4	16.0	17.7
25-54	4.0	16.0	8.1	7.3	7.4	7.5	6.0	8.1	6.9	7.1	5.9	7.2	7.9
55 & over	2.0	10.5	4.3	4.3	3.7	4.9	2.9	4.2	4.2	3.3	3.3	3.8	4.9

^p Estimates are preliminary and may change; ^{a/} Estimates are based on 2015 CPH population projections; ^{b/} Estimates for quarterly round of the LFS; ^{c/} Starting February 2021, monthly LFS will be conducted in between quarterly/regular LFS to generate national-level labor and employment statistics from the survey.

Source: LFS, PSA

18. The Philippines' unemployment rate remains to be among the highest compared to the latest figures from major Asian emerging economies.

Table 6. Latest unemployment rates across selected Asian economies

Indicator	Unemployment Rate	Month released
China ^a	3.9	September 2021
India ^b	7.6	July to August 2021
Indonesia ^c	6.3	February 2021
Malaysia ^b	4.8	July 2021
Philippines	8.9	September 2021
Vietnam ^a	3.6	September 2021

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

b/ Unemployment in these countries is reported monthly; c/ Indonesia unemployment is reported semi-annually (February and August)

Further reopening the economy through the full implementation of granular lockdowns, along with the accelerated rollout of the vaccination program in areas outside the National Capital Region (AONCR) are key to economic recovery.

19. **To further reopen the economy, the government looks forward to expanding the alert level system and granular lockdown system to the whole country to recover more jobs and livelihoods.** The government pilot-tested the COVID-19 alert level system with granular lockdowns in Metro Manila. **Its evaluation and subsequent rollout to the rest of the country is seen to allow for more targeted restrictions.** This will be complemented by the improved implementation of the Prevent, Detect, Isolate, Treat, and Reintegrate plus Vaccinate (PDITR+V) strategy to help curb the spread of the virus and avert the imposition of further lockdowns. Establishments are likewise encouraged to innovate and adopt digital solutions to ensure business continuity and lower the risk of transmission.

20. With the vaccination rate in NCR already exceeding 85 percent,² **the government is now focusing vaccine distribution in the other regions.** As a result, the number of new daily COVID-19 cases in NCR declined significantly since mid-September. Vaccination plays a key role in promoting the safe recovery of economic activities. In fact, the International Labor Organization (ILO) estimates that for every 14 fully vaccinated individuals, one job is added to the global labor market.²⁰

As of November 2, 2021, 32.7 million Filipinos have received their first dose while 27.7 million are already fully vaccinated.²¹ About 35 percent of the target population have received their second dose. The Philippines has received about 106.2 million vaccines since February 2021,²² out of the 197.3 million doses secured by the Philippines from various manufacturers and sources for this year.²³

21. **The government is targeting to administer 1.5 million vaccines daily in order to reach the target of vaccinating 70 percent of the total population by year-end.** The vaccination program has also been opened to the general public along with the **pilot inoculation of 12 to 17-year-olds.** As of October 26, 2021, more than 18,000 minors have already been vaccinated with their first dose. **The accelerated vaccine program will further support efforts to reopen the economy including the resumption of face-to-face classes.**
22. **In addition, the full implementation of the recovery programs and the urgent passage of economic liberalization bills is crucial in supporting the recovery.** For instance, the amendments to the Public Service Act redefines the coverage of public utilities and proposes to remove foreign ownership restrictions in critical services sectors such as transportation and

²⁰ Virus pandemic's impact on employment worse than expected: ILO | <https://www.pna.gov.ph/articles/1158052>

²¹ National COVID-19 Vaccination Dashboard

²² PH receives over 106.2M Covid-19 jabs since February | Retrieved from: <https://www.pna.gov.ph/articles/1158416>

²³ PH's cumulative COVID-19 vaccine deliveries to hit over 100M by end of October as supply stabilizes – Galvez | Retrieved from: <https://peace.gov.ph/2021/09/phs-cumulative-covid-19-vaccine-deliveries-to-hit-over-100m-by-end-of-october-as-supply-stabilizes-galvez/>

telecommunications, among others. This will encourage the entry of more players and help provide consumers with a wider range of choices and improved quality of services at more reasonable rates.