

REPORT ON LABOR FORCE SURVEY (NOVEMBER 2021)

HIGHLIGHTS

1. With the resumption of more economic activities and further easing of labor mobility restrictions following improving health outcomes¹, the Philippine labor market continued to see gains in November 2021.
2. The rising labor force participation and falling unemployment have enabled millions of Filipinos to regain their jobs. The unemployment rate declined from 7.4 percent in October 2021 to 6.5 percent in November 2021, the lowest unemployment rate recorded since the height of the enhanced community quarantine (ECQ) last April 2020.
3. The 1.7 million additional employed individuals brings the employment level to 45.5 million, which is 2.9 million higher than the pre-pandemic level.
4. Meanwhile, the overall underemployment rate slightly increased from 16.1 percent to 16.7 percent in November. The marginal increase is mainly due to the increase in vulnerable employment².
5. The emergence of new variants has shown us that the COVID-19 virus is not going to go away easily. Even as we take a step back and temporarily impose more stringent restrictions, economic prospects in 2022 remain promising. The accelerated roll out of our vaccination program will protect more people against the Omicron variant and help sustain our recovery this year.

¹ Montemayor, T. November 9, 2021. "PH logs 1,409 new Covid-19 cases, lowest in over 8 months." Retrived from <https://www.pna.gov.ph/articles/1159227>). With this, only the province of Catanduanes is under Alert Level 4 from November 17 to 30. Metro Manila and most areas in the Philippines are under Alert Level 2 as the government pandemic task force implemented the COVID-19 alert level system for most of the country (<https://www.rappler.com/nation/philippines-covid-19-alert-levels-november-2021/>).

² Self-employed without any paid employee and unpaid family workers

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

Indicators	2020 ^{a,b}		2021 ^{p,a}	
	Jan	Apr	Oct ^c	Nov ^c
Population 15 years and over	72,841	73,722	75,570	75,701
Labor Force Level	44,934	41,058	47,330	48,637
Employment Level	42,543	33,830	43,826	45,477
Unemployment Level	2,391	7,228	3,504	3,159
Underemployment Level	6,299	6,398	7,044	7,617
Visible Underemployment	3,799	5,489	4,708	5,242
Employment Generation (QoQ / MoM)	6	(8,713)	234 ^d	1,651 ^d
Labor Force Participation Rate (%)	61.7	55.7	62.6	64.2
Employment Rate (%)	94.7	82.4	92.6	93.5
Unemployment Rate (%)	5.3	17.6	7.4	6.5
Underemployment Rate (%)	14.8	18.9	16.1	16.7
Visible Underemployment Rate (%)	8.9	16.2	10.7	11.5
Mean Hours of Work	41.3	35.0	39.7	39.6

^aEstimates are preliminary and may change; ^bEstimates are based on 2015 CPH population projections; ^cEstimates for the quarterly round of the LFS; ^d 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; ^eIncrement from previous month; qoq – quarter on quarter difference.

Source: Labor Force Survey (LFS), Philippine Statistics Authority (PSA)

The Labor Force Participation Rate (LFPR) improved to 64.2 percent from 62.6 percent in the previous month, with a broad-based increase across all age groups.

1. The total labor force grew by 2.8 percent relative to the previous month. About 1.3 million individuals joined the labor force, resulting in a significant improvement in the LFPR. This increase in the labor force was broad-based and can be observed across all age groups. In particular, the LFPRs of both males (+470,000) and females (+837,000) recovered from the decline recorded last month.
2. As a result, the number of persons not in the labor force (NILF) dropped by 1.2 million, as less individuals cited schooling (-372,000), COVID-19-related concerns (-323,000), having temporary illness or disability (-145,000), and household duties (-137,000) for opting out of the labor force. This reverses the trend in October 2021. Relative to pre-pandemic levels, there was a decline observed among individuals who did not join the labor force due to household duties (-2.5 million) and temporary illness or disability (-274,000), contributing to the overall reduction in NILF (-842,000). In contrast, those citing schooling (+620,000) and age-related limitations (+823,000) as reasons for staying out of the labor force remain substantially higher than pre-pandemic levels.

Table 2. LFPR, January 2020 – November 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	Oct ^c	Nov ^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	62.6	64.2
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	35.7	37.5
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	74.9	76.1
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	50.2	52.3

^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 or regular LFS to generate national level labor and employment statistics from the survey.

Source: Labor Force Survey (LFS), PSA

As COVID-19 cases continued to decline and community-wide restrictions were eased, labor market conditions markedly improved in November, generating over 1.7 million employment month-on-month (m-o-m).

- Relative to the previous month, domestic employment grew by 3.8 percent, reaching a total of 45.5 million in November. This surpasses the January 2020 or pre-pandemic employment level by 2.9 million.
- The services sector is the top employment contributor, creating around 1.2 million additional employment m-o-m. In particular, these gains were mainly from miscellaneous services (+323,000); public administration (+292,000); wholesale and retail trade (+282,000); education (+145,000); and arts, entertainment, and recreation (+102,000). These are consistent with the sentiment of firms in the services sector as COVID-19 cases decline, more businesses reopen, and more Filipinos get vaccinated and return to work.³ Aside from this, the pilot runs for face-to-face classes also began in November.^{4, 5} The top contributor of these gains in the aforementioned

³ Business Expectations Survey Q4 2021 (bsp.gov.ph)

⁴ DepEd names 100 public schools for pilot face-to-face classes on November 15 | Department of Education

⁵ 18 private schools begin pilot run of face-to-face classes | Department of Education (deped.gov.ph)

subsectors were recorded among wage and salary workers, except for wholesale and retail trade where additional employment generated was among unpaid family workers and the self-employed.

Compared to pre-pandemic levels, employment in the services sector is higher by 1.5 million, most of which are from wholesale and retail trade (+1.4 million), primarily from self-employed and unpaid workers.

- The agriculture sector continued to post employment gains (+391,000), mostly from fishing and aquaculture (+355,000) despite the closed fishing season in North Palawan and the Visayan sea.^{6,7} Given this sustained growth, total employment in agriculture has surpassed its pre-pandemic level by more than 1.5 million.

Table 3. Employment: January 2020 – November 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	Oct ^c	Nov ^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	92.6	93.5
Employment growth (QoQ in %)	0.01	(20.5)	22.1	(3.5)	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	0.5 ^d	3.8 ^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	10,769	11,160
Industry	7,989	5,754	7,783	7,300	7,601	7,647	8,802	7,885	8,223	8,171	8,341	8,374	8,167	7,817	7,910
Manufacturing	3,634	2,699	3,373	3,029	3,140	3,276	3,560	3,420	3,548	3,502	3,539	3,708	3,365	3,326	3,368
Services	24,929	19,315	22,652	22,775	23,602	25,203	25,400	24,825	25,867	25,966	24,138	24,764	25,178	25,240	26,407

^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/regular LFS to generate national-level labor and employment statistics from the survey; ^d Increment from previous month; qoq – quarter on quarter difference.

Source: Labor Force Survey (LFS), PSA

⁶ 3-month closed fishing season in north Palawan starts Nov. 1 | Philippine News Agency (pna.gov.ph)

⁷ Fishing in Visayan Sea prohibited until Feb. 15, 2022: BFAR | Philippine News Agency (pna.gov.ph)

6. Similarly, the industry sector generated 93,000 additional employment as electricity (+69,000), construction (+47,000), and manufacturing (+42,000) registered gains m-o-m. These also reflect the optimistic outlook of firms for the fourth quarter of 2021 given the uptick in the volume of orders and consumer demand with the upcoming holiday season. Moreover, it is consistent with the expectation that outcomes in the construction subsector will be more favorable as government projects resume amid the easing of quarantine restrictions.⁸ The IHS Markit Manufacturing Purchasing Managers' Index (PMI) also rose to 51.7 in November from 51.0 in October as demand expanded for the first time in eight months.⁹ Aside from this, the Department of Labor and Employment administrative data also show less establishments in the industry sector that have displaced workers due to permanent closure or retrenchment relative to the previous month.

However, these gains were moderated by employment losses in mining and quarrying (-35,000) and water supply (-31,000). Given the fluctuating employment conditions in the industry sector, employment levels remain lower than pre-pandemic levels (-79,000).

7. Vulnerable employment constitutes the bulk of employment generated for the period (+1.2 million). Nonetheless, remunerative and stable work (or wage and salary workers¹⁰) also increased significantly (+769,000). In particular, this refers to those who worked in private households (+302,000) and government (+263,000). On the other hand, employers posted a decline m-o-m (-311,000).
8. In terms of major occupation, employment generated for the period was mainly among: elementary occupations¹¹ (+880,000), service and sales workers¹² (+528,000), professionals (+324,000), clerical support workers (+228,000), and

⁸ Business Expectations Survey Q4 2021 (bsp.gov.ph)

⁹ HIS Markit Philippines Manufacturing PMI November 2021

¹⁰ This includes those who worked in private households, private establishments, government or government corporation, and with pay in own family-operated farm or business.

¹¹ Elementary occupations involve the performance of simple and routine tasks which may require the use of hand-held tools and considerable physical effort.

¹² Service and sales workers provide personal and protective services related to travel, housekeeping, catering, personal care, or protection against fire and unlawful acts, or demonstrate and sell goods in wholesale or retail shops and similar establishments, as well as at stalls and on markets.

skilled agricultural workers (+139,000). However, these were tempered by employment losses among managers (-333,000), plant and machine operators (-90,000), and technicians and associate professionals (-37,000).

9. By nature of employment, the gains recorded m-o-m were mostly short-term (+1.3 million) particularly from wholesale and retail trade (+501,000), other service activities (+236,000), transportation and storage (+142,000), manufacturing (+137,000), and agriculture and forestry (+119,000). Those who reported to have different employers also increased by 489,000. Meanwhile, permanent employment dropped by 174,000, with most of the subsectors posting a decline. This was partly offset by gains in public administration (+333,000), fishing and aquaculture (+314,000), and education (+128,000).

The national underemployment rate in November marginally increased to 16.7 percent, 0.7 percentage points (ppts) higher compared to the previous month.

10. Part-time employment¹³ increased (+523,000) m-o-m, almost half of which came from fishing and aquaculture (+250,000), which was then followed by wholesale and retail trade (+185,000), public administration (+99,000), and arts, entertainment, and recreation (+66,000). The driver of this increase was among workers who cited the nature of their work (+565,000) and holidays (+205,000) as reasons for working less than 40 hours per week.

Nonetheless, the jobs generated m-o-m are mostly full-time employment¹⁴, which grew by about 1.0 million primarily from the same sectors: other service activities (+276,000), public administration (+204,000), education (+120,000), fishing and aquaculture (+118,000), and wholesale and retail trade (+108,000). Despite this, the mean hours of work slightly declined to 39.6 hours from 39.7 hours in the previous month.

¹³ worked less than 40 hours

¹⁴ worked 40 hours or more

11. The number of underemployed¹⁵ workers rose by 573,000 relative to the figures recorded in October. This mostly came from the agriculture sector (+381,000) and was likely due to weather disturbances¹⁶ and the fishing ban in the Visayan Sea.¹⁷ Underemployment in the services sector also increased by 308,000, mainly in wholesale and retail trade (+173,000) and public administration (+85,000). However, this was tempered by declines in underemployment for the industry sector (-116,000) as all subsectors posted a reduction in underemployment especially in manufacturing (-55,000) and construction (-32,000). This is also in line with the recent results of the manufacturing PMI recording an eight-month high¹⁸ along with the ramp up of government construction programs.¹⁹
12. The bulk of the increase in underemployment are on account of those visibly underemployed.²⁰ Meanwhile, by class of worker, underemployment increased among those in vulnerable employment (+478,000) followed by wage and salary workers (+152,000). On the other hand, underemployment decreased among employers (-57,000). The increase in the employment and underemployment of vulnerable workers pulled up the underemployment rate to 16.7 percent, or an equivalent of 7.6 million underemployed workers.

Table 4. Underemployment rates, January 2020 – November 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	Oct ^b	Nov ^b
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	16.1	16.7
AONCR	16.7	20.3	18.1	14.2	17.1	N/A	N/A	17.5	N/A	N/A	21.8	N/A	N/A	16.9	N/A

^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.

¹⁵ Employed individuals who want more work

¹⁶ 2 weather systems continue to bring rains over parts of PH | Retrieved from: <https://www.pna.gov.ph/articles/1159416>

¹⁷ Fishing in Visayan Sea prohibited until Feb. 15, 2022: BFAR | Retrieved from: <https://www.pna.gov.ph/articles/1160072>

¹⁸ PH manufacturing PMI hits 8-month high in November | Retrieved from: <https://www.pna.gov.ph/articles/1161437>

¹⁹ 20K more jobs available for 'Build, Build, Build': DPWH | Retrieved from: <https://www.pna.gov.ph/articles/1159999>

²⁰ Visibly underemployed persons are those who are working less than 40 hours and still want additional hours of work

Source: Labor Force Survey (LFS), PSA

The unemployment rate declined further to 6.5 percent in November, the lowest since the start of the pandemic.

13. Unemployment decreased by 9.8 percent across all age groups and educations backgrounds as the number of those unemployed due to COVID-19 concerns (-319,000) declined. This is equivalent to 345,000 less unemployed workers. Despite this decline, senior high school graduates continue to record the highest unemployment rate at 19.7 percent.
14. Overall, the November 2021 unemployment rate of 6.5 percent is only 1.2 percentage points above the pre-pandemic unemployment rate. The year-to-date (YTD) average unemployment rate of 7.9 percent and YTD youth unemployment rate of 16.0 percent also remain within the Philippine Development Plan’s target of 7.0 to 9.0 percent and 14.5 to 16.5 percent, respectively.²¹

Table 5. Unemployment Rates: January 2020 – November 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	Oct ^c	Nov ^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	7.4	6.5
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	15.1	13.4
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	6.5	5.7
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	3.8	3.1

^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: Labor Force Survey (LFS), PSA

15. The Philippines’ unemployment rate remains to be among the highest compared to the latest figures from major Asian emerging economies, slightly

²¹ The PDP target range for youth unemployment rate is based on the October LFS rounds, hence, best comparable to October 2021 at 15.1 percent rather than the YTD figure.

outperforming India. This is expected to further improve as growth prospects remain encouraging given COVID-19 containment measures that will allow for the gradual and safe reopening of the economy.

Table 6. Latest unemployment rates across selected Asian economies

Indicator	Unemployment Rate	Month released
China ^a	3.9	September 2021
India ^b	7.0	November 2021
Indonesia ^c	6.5	August 2021
Malaysia ^b	4.3	October 2021
Philippines	6.5	November 2021
Vietnam ^a	3.6	December 2021

Notes: 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)

Amid the threat of new COVID-19 variants, there is a need to continue our risk management approach. The government’s policy to shift to the alert level system with granular lockdowns has been effective in containing the virus as it is designed around the 3C’s (i.e., closed spaces, close contact, and crowded spaces).

16. Moving forward, there is a need to shift from a pandemic to an endemic paradigm. Changing the government’s primary metrics for decision-making, monitoring, and reporting to the public will facilitate the paradigm shift towards an “endemic” mindset. This is especially important as we face the challenges from the Omicron variant where despite a surge in cases, emerging evidence has shown that it is causing milder symptoms as compared to other variants.²²

²² WHO sees more evidence that Omicron causes milder symptoms | Retrieved from <https://www.reuters.com/business/healthcare-pharmaceuticals/who-sees-more-evidence-that-omicron-affects-upper-respiratory-tract-2022-01-04/>

17. Accelerated implementation of the alert level system and the Prevent, Detect, Isolate, Treat, and Reintegrate + Vaccinate (PDITR+V) strategy, and expanding the public transport capacity will be key to sustaining the recovery.

The accelerated roll out of the vaccination program will help boost the confidence of the public in resuming economic activity. As of January 5, 2021, a total of 110.9 million doses have been administered, including 2.5 million booster shots.²³ More than half of the targeted population of essential economic workers are fully vaccinated while those who have received at least one dose have already exceeded the target.²⁴ This will be supported by the recent approval of the three-month interval between the second vaccine dose and the booster shot.²⁵ The government is likewise working towards the expansion of the vaccination program among the younger age groups and sustaining efforts to strengthen the country’s healthcare capacity to avert critical cases and deaths.

18. Given the severe effects of natural calamities as with typhoon Odette, it is necessary to strengthen the country’s resilience and disaster risk management by improving coordination efforts and programs with local government units.
19. To ensure our resilience against future shocks, we also propose to enact a pandemic flexibility bill. This will complement the Philippine Disaster Risk Reduction and Management Act. Moreover, a “pandemic playbook” will cull all the lessons we have learned over nearly two years of coping with COVID-19.

²³ Department of Health. COVID-19 Vaccination Dashboard. Retrived from <https://doh.gov.ph/>

²⁴ Target population for A4 is 28.3 million | Source: National Vaccination Operations Center Daily Vaccination Report as of November 14, 2021

²⁵ DOH: SHORTER INTERVAL FOR COVID-19 VACCINE BOOSTERS | Retrieved from <https://doh.gov.ph/press-release/DOH-SHORTER-INTERVAL-FOR-COVID-19-VACCINE-BOOSTERS>