

# REPORT ON LABOR FORCE SURVEY (FEBRUARY 2022)

## HIGHLIGHTS

1. The country's unemployment rate in February was maintained at 6.4 percent, the lowest since the start of the COVID-19 pandemic.
2. At the same time, the labor force participation rate (LFPR) increased from 60.5 percent in January to 63.8 percent in February, which led to a net employment creation of 2.5 million over the same period. This brings the country's employment to 2.9 million above the pre-pandemic level.
3. The quality of jobs also improved, as seen in the decline in the underemployment rate from 14.9 percent to 14.0 percent.
4. As of April 1, 2022, 79 percent of the economy has been placed under Alert Level 1. However, the National Economic and Development Authority (NEDA) also cautions that the country cannot reap the full benefits of shifting to Alert Level 1 without resuming face-to-face classes.
5. To maximize the shift to Alert Level 1, there is a need for the full and urgent resumption of face-to-face classes. This will allow one-fourth of the parents who stay at home supporting their children during online classes to work. This is crucial in light of the temporary inflationary pressures due to the Russia-Ukraine conflict.
6. The full resumption of face-to-face classes is included in the 10-point policy agenda proposed by the Economic Development Cluster (EDC) and adopted by the President through the issuance of Executive Order No. 166. The agenda includes 10 key strategies to accelerate and sustain the country's economic recovery and strengthen the domestic economy against external shocks.

**Table 1. Summary of labor and employment indicators (in thousands)**

Indicators	2020 <sup>f,a,b</sup>		2021 <sup>f,a</sup>	2022 <sup>p,a</sup>	
	Jan	Apr	Feb <sup>c</sup>	Jan <sup>b</sup>	Feb <sup>c</sup>
Population 15 years and over	72,841	73,722	74,603	75,895	76,154
Labor Force Level	44,934	41,058	47,341	45,943	48,606
Employment Level	42,543	33,830	43,153	43,018	45,480
Unemployment Level	2,391	7,228	4,187	2,925	3,126
Underemployment Level	6,299	6,398	7,850	6,397	6,382
Visible Underemployment	3,799	5,489	5,385	3,848	4,191
Employment Generation (QoQ / MoM)	6	(8,713)	1,906 <sup>d</sup>	(3,256) <sup>d</sup>	2,462 <sup>d</sup>
Labor Force Participation Rate (%)	61.7	55.7	63.5	60.5	63.8
Employment Rate (%)	94.7	82.4	91.2	93.6	93.6
Unemployment Rate (%)	5.3	17.6	8.8	6.4	6.4
Underemployment Rate (%)	14.8	18.9	18.2	14.9	14.0
Visible Underemployment Rate (%)	8.9	16.2	12.5	8.9	9.2
Mean Hours of Work	41.3	35.0	38.9	41.8	40.8

<sup>f</sup> Final estimates; <sup>p</sup> Estimates are preliminary and may change; <sup>a</sup> Estimates are based on 2015 CPH population projections; <sup>b</sup> Estimates for the quarterly round of the LFS; <sup>c</sup> 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; <sup>d</sup> Increment from the previous month; quarter on quarter difference for 2020 figures only.

## As the alert level eased across the country starting February 2022, the Labor Force Participation Rate (LFPR) improved to 63.8 percent.

- The LFPR increased to 63.8 percent in February, a 3.3 percentage points (ppts) month-on-month (m-o-m) improvement, equivalent to 2.7 million additional labor force. The increase is observed across all ages and sex groups, particularly among the 55-64 years old (+429,000) and the youth cohort (+829,000). Year-on-year (y-o-y), the LFPR is higher by 0.4 ppt, while it is above the pre-pandemic figure by 2.1 ppts, with the increase more pronounced among females and across all age groups except the youth.

8. The number of persons not in the labor force (NILF) decreased by 2.4 million m-o-m. Given the declining number of COVID-19 cases and resumption of economic activities in February, fewer individuals have cited COVID-19-related concerns (-536,000) for opting out of the labor force. Notably, decreases are also recorded among those who cited age limitations (*i.e.*, too young or too old) and permanent disability (-681,000), household duties (-503,000), and schooling (-243,000), reversing the trend in the previous survey round. The only recorded increase is among those who cited temporary illness (+46,000), reflective of the lingering effects of COVID-19 infection.

**Table 2. Labor force participation rates, 2020-2022 (in percent)**

Indicator	2020 <sup>f,a,b</sup>		2021 <sup>p,a</sup>												2022 <sup>p,a</sup>	
	Jan	Apr	Jan <sup>f,b</sup>	Feb <sup>f,c</sup>	Mar <sup>c</sup>	Apr <sup>b</sup>	May <sup>c</sup>	Jun <sup>c</sup>	Jul <sup>b</sup>	Aug <sup>c</sup>	Sep <sup>c</sup>	Oct <sup>b</sup>	Nov <sup>c</sup>	Dec <sup>c</sup>	Jan <sup>b</sup>	Feb <sup>c</sup>
<b>LFPR (total)</b>	61.7	55.7	60.5	63.5	65.0	63.2	64.6	65.0	59.8	63.6	63.3	62.6	64.2	65.1	60.5	63.8
Youth	37.4	32.4	34.7	37.7	40.1	38.2	38.4	39.8	33.3	37.8	35.8	35.7	37.5	36.7	32.0	35.9
Male	74.8	69.8	73.9	76.0	76.8	75.0	76.1	76.3	72.4	75.8	75.5	74.9	76.1	76.1	72.9	75.7
Female	48.4	41.5	46.9	50.9	53.1	51.4	52.9	53.7	47.1	51.4	51.1	50.2	52.3	54.0	48.1	51.8

<sup>f</sup> Final estimates; <sup>p</sup> Estimates are preliminary and may change; <sup>a</sup> Estimates are based on 2015 CPH population projections;

<sup>b</sup> Estimates for the quarterly round of the LFS; <sup>c</sup> 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.

## Domestic employment recorded a 2.5 million increase compared to the previous month, mostly driven by the agriculture and services sector.

9. Total employment grew by 5.7 percent m-o-m, reaching 45.5 million in February 2022. This is one of the highest-recorded employment levels, second only to December 2021. It is also 2.9 million and 2.3 million higher compared to pre-pandemic and the same period last year, respectively.
10. Relative to the previous month, the agriculture sector rebounded with 1.5 million additional employment as both agriculture and forestry (+1.4

million) and fishing and aquaculture (+73,000) posted net employment growth. Lifting the closed fishing season in northeastern Palawan and the Visayan sea generated employment in the fishing and aquaculture subsector.<sup>1,2</sup> Moreover, the increased grants provided to farmers and fisherfolk to ease the burden brought by COVID-19,<sup>3</sup> higher fertilizer prices,<sup>4</sup> African Swine Fever (ASF),<sup>5</sup> and Typhoon Odette,<sup>6</sup> as well as the continued roll-out of livelihood and productivity-enhancing programs<sup>7,8,9</sup> contributed to the employment expansion in the sector.<sup>10</sup>

Employment in agriculture surpassed the pre-pandemic level by 1.2 million. It is also 559,000 higher compared to the employment recorded in the sector during the same period last year.

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<sup>1</sup> 'Closed fishing season' in northeastern Palawan lifted | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph))

<sup>2</sup> Closed Fishing Season - The three-month closed fishing season for sardines, herrings and mackerels in the Visayan Sea has been officially lifted yesterday, February 15, 2022. | Bureau of Fisheries and Aquatic Resources ([bfar.da.gov.ph](http://bfar.da.gov.ph))

<sup>3</sup> E. Visayas rice farmers get P385.2-M cash aid | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph))

<sup>4</sup> Over 800 Legazpi farmers get free fertilizers | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph))

<sup>5</sup> NoCot LGU extends P1.2-M aid to ASF affected farmers | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph))

<sup>6</sup> 190 typhoon-hit fisherfolk in Sagay City get cash aid | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph))

<sup>7</sup> Bukidnon IP farmers beneficiaries of P2.1-M agri assistance | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph))

<sup>8</sup> Zambo Norte town BP2 recipients get P15-M livelihood support | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph))

<sup>9</sup> Albay farmers get P5-K cash under DA aid program | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph))

<sup>10</sup> DA pushes against 2022 global inflation with price management strategies | Department of Agriculture ([da.gov.ph](http://da.gov.ph))

**Table 3. Employment: 2020-2022**

Indicators	2020 <sup>f,a,b</sup>		2021 <sup>p,a</sup>											2022 <sup>p,a</sup>		
	Jan	Apr	Jan <sup>f,b</sup>	Feb <sup>f,c</sup>	Mar <sup>c</sup>	Apr <sup>b</sup>	May <sup>c</sup>	Jun <sup>c</sup>	Jul <sup>b</sup>	Aug <sup>c</sup>	Sep <sup>c</sup>	Oct <sup>b</sup>	Nov <sup>c</sup>	Dec <sup>c</sup>	Jan <sup>b</sup>	Feb <sup>c</sup>
Employment rate (in %)	94.7	82.4	91.3	91.2	92.9	91.3	92.3	92.3	93.1	91.9	91.1	92.6	93.5	93.4	93.6	93.6
Employment growth (QoQ in %)	0.01	(20.5)	3.5	4.6 <sup>d</sup>	5.0 <sup>d</sup>	(4.5) <sup>d</sup>	3.3 <sup>d</sup>	0.8 <sup>d</sup>	(7.6) <sup>d</sup>	6.2 <sup>d</sup>	(1.5) <sup>d</sup>	0.5 <sup>d</sup>	3.8 <sup>d</sup>	1.8 <sup>d</sup>	(7.0) <sup>d</sup>	5.7 <sup>d</sup>
<i>Employment levels by sector (in millions)</i>																
Agriculture	9.63	8.76	10.04	10.30	11.13	10.56	10.63	10.94	9.19	11.10	10.25	10.77	11.16	11.83	9.35	10.86
Industry	7.99	5.75	7.60	7.65	8.80	7.89	8.22	8.17	8.34	8.37	8.17	7.82	7.91	8.24	8.31	8.14
Manufacturing	3.63	2.70	3.14	3.28	3.56	3.42	3.55	3.50	3.54	3.71	3.37	3.33	3.37	3.69	3.63	3.40
Services	24.93	19.32	23.60	25.20	25.40	24.83	25.87	25.97	24.14	24.76	25.18	25.24	26.41	26.21	25.36	26.48

<sup>f</sup> Final estimates; <sup>p</sup> Estimates are preliminary and may change; <sup>a</sup> Estimates are based on 2015 CPH population projections; <sup>b</sup> Estimates for the quarterly round of the LFS; <sup>c</sup> 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; <sup>d</sup> Increment from previous month; qoq – quarter on quarter difference.

11. Similarly, employment in the services sector grew by 4.4 percent, equivalent to 1.1 million additional employment. This was primarily driven by employment gains in wholesale and retail trade (+1.1 million), accommodation and food services (+145,000), public administration (+116,000), and health and social work (+108,000). These are attributed to the more relaxed alert level in most parts of the country, which increased the allowed operational capacity of establishments and improved the outlook for domestic tourism. Moreover, the Department of Labor and Employment's (DOLE) administrative data also recorded fewer workers that were retrenched or displaced due to the permanent closure of firms in the aforementioned subsectors.

However, these were partly offset by employment losses in administrative and support services (-263,000), financial and insurance activities (-57,000), arts and entertainment (-48,000), professional activities (-36,000), and transportation and storage (-29,000).

The robust growth in wholesale and retail trade led to a 1.5 million increase in employment in the subsector compared to the pre-pandemic level. Y-o-y, employment in services is also higher by 1.3 million.

12. Meanwhile, employment in industry fell by 174,000, mainly from manufacturing (-235,000), water supply (-44,000), and electricity (-12,000) subsectors. These are consistent with industry firms' less encouraging outlook in Q1 2022 due to weakened consumer demand and increased prices of raw materials.<sup>11</sup> Despite the growth in output of the subsector, manufacturing firms continued to scale back on hiring activities.<sup>12</sup>

On the other hand, construction (+79,000) and mining and quarrying (+38,000) remained upbeat, tempering the employment losses in the sector.

Despite the contraction m-o-m, the employment level in industry remains 150,000 higher than the pre-pandemic level and 491,000 higher relative to February 2021.

13. By occupation group, the bulk of employment gains was recorded in elementary occupations<sup>13</sup> (+1.3 million) and skilled agricultural workers (+918,000). Service and sales workers (+603,000), professionals (+221,000), and armed forces occupations (+48,000) likewise posted higher employment levels m-o-m. Meanwhile, losses among managers (-270,000), technicians and associate professionals (-124,000), and craft workers<sup>14</sup> (-115,000) moderated the employment expansion for the period.

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<sup>11</sup> Business Expectations Survey Q1 2022 ([bsp.gov.ph](http://bsp.gov.ph))

<sup>12</sup> IHS Markit Philippines Manufacturing PMI February 2022 ([markiteconomics.com](http://markiteconomics.com))

<sup>13</sup> Elementary occupations involve the performance of simple and routine tasks which may require the use of hand-held tools and considerable physical effort.

<sup>14</sup> 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.

14. The proportion of self-employed and unpaid family workers in total employment inched up by 5.1 ppts, from 31.5 percent in January 2022 to 36.6 percent in February 2022. This is equivalent to 3.1 million more individuals who are considered vulnerably employed. The number of wage and salary workers dropped by 351,000, driven by a decline in those who worked for private establishments (-607,000). These signal a slump in the quality of employment generated relative to the previous month.

**The underemployment rate dropped to 14.0 percent from 14.9 percent in the previous month, the second-lowest underemployment rate recorded since the onset of the pandemic.**

15. In terms of hours work, employment growth was broad-based, led by part-time employment<sup>15</sup> (+1.9 million), followed by full-time employment<sup>16</sup> (+457,000) and workers with jobs but not at work (+82,000). The large increase in part-time employment pulled down the mean hours of work to 40.8 in February 2022, from 41.8 the previous month.
16. Meanwhile, the actual number of underemployed workers declined by 15,000, bringing down the underemployment rate to 14.0 percent from 14.9 percent in January 2022. The reduction in the number of invisibly underemployed<sup>17</sup> (-357,000) offset the increase of the visibly underemployed<sup>18</sup> (+343,000) month-on-month.
17. Most of the reduction in underemployed workers came from the wage and salary workers (-243,000) in construction (-100,000), other services (-65,000), and agriculture and forestry (-54,000) subsectors. The employers in own

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<sup>15</sup> Those who worked for less than 40 hours.

<sup>16</sup> Those who worked for 40 hours or more.

<sup>17</sup> Invisibly underemployed persons are those who are working 40 hours or more and still want additional hours of work

<sup>18</sup> Visibly underemployed persons are those who are working less than 40 hours and want more hours of work



family-operated farm or business (-85,000) also contributed to the decline in underemployment rate, particularly those in agriculture and forestry (-67,000) and wholesale and retail (-15,000).

18. The recorded underemployment during the month is significantly lower relative to February 2021 (-1.5 million) but still above the pre-pandemic level (+83,000).

**Table 4. Underemployment rates: 2020-2022 (in percent)**

Indicator	2020 <sup>f,a,b</sup>		2021 <sup>p,a</sup>												2022 <sup>p,a</sup>	
	Jan	Apr	Jan <sup>f,b</sup>	Feb <sup>f,c</sup>	Mar <sup>c</sup>	Apr <sup>b</sup>	May <sup>c</sup>	Jun <sup>c</sup>	Jul <sup>b</sup>	Aug <sup>c</sup>	Sep <sup>c</sup>	Oct <sup>b</sup>	Nov <sup>c</sup>	Dec <sup>c</sup>	Jan <sup>b</sup>	Feb <sup>c</sup>
<b>National</b>	14.8	18.9	16.0	18.2	16.2	17.2	12.3	14.2	20.9	14.7	14.2	16.1	16.7	14.7	14.9	14.0

<sup>f</sup> Final estimates; <sup>p</sup> Estimates are preliminary and may change; <sup>a</sup> Estimates are based on 2015 CPH population projections; <sup>b</sup> Estimates for the quarterly round of the LFS; <sup>c</sup> 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

## The unemployment rate remained at 6.4 percent with the increase in the labor force, the lowest since the start of the COVID-19 pandemic.

19. The number of unemployed persons slightly increased (+201,000), mainly from the youth (+151,000) and prime working-age group (+81,000). Compared to the previous year, the unemployment rate decreased by 2.4 ppts but is still above (+1.1 ppts) the pre-pandemic level.
20. The number of unemployed persons who looked for work increased by 67.5 percent (+782,000), while those who did not look for work due to valid reasons (e.g., COVID-19-related reasons) declined by 32.9 percent (-581,000) following the easing of mobility restrictions during the survey period. In particular, fewer unemployed persons cited COVID-19 related reasons



(-429,000) as well as being tired or believing that there is no work available (-122,000) for not looking for work. With this, the percentage of discouraged workers also improved to 4.4 percent in February 2022 from 8.9 percent in January 2022.

21. Furthermore, unemployment increased among the college graduates (+245,000), post-secondary graduates (+83,000) and those with senior high school education (+68,000). Y-o-y, unemployment across the board decreased, except among senior high school undergraduates and graduates (+71,000).<sup>19</sup>

**Table 5. Unemployment rates: 2020-2022 (in percent)**

Indicator	2020 <sup>f,a,b</sup>		2021 <sup>p,a</sup>												2022 <sup>p,a</sup>	
	Jan	Apr	Jan <sup>f,b</sup>	Feb <sup>f,c</sup>	Mar <sup>c</sup>	Apr <sup>b</sup>	May <sup>c</sup>	Jun <sup>c</sup>	Jul <sup>b</sup>	Aug <sup>c</sup>	Sep <sup>c</sup>	Oct <sup>b</sup>	Nov <sup>c</sup>	Dec <sup>c</sup>	Jan <sup>b</sup>	Feb <sup>c</sup>
Overall	5.3	17.6	8.8	8.8	7.1	8.7	7.7	7.7	6.9	8.1	8.9	7.4	6.5	6.6	6.4	6.4
15-24	13.6	31.5	19.8	18.5	15.4	15.8	14.5	14.5	15.4	16.0	17.7	15.1	13.4	12.8	13.8	14.3
25-54	4.0	16.0	7.4	7.5	6.0	8.1	6.9	7.1	5.9	7.2	7.9	6.5	5.7	5.9	5.6	5.6
55 & over	2.0	10.5	3.7	4.9	2.9	4.2	4.2	3.3	3.3	3.8	4.9	3.8	3.1	3.9	3.3	2.7

<sup>f</sup> Final estimates; <sup>p</sup> Estimates are preliminary and may change; <sup>a</sup> Estimates are based on 2015 CPH population projections; <sup>b</sup> Estimates for the quarterly round of the LFS; <sup>c</sup> 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

22. The unemployment rate in the Philippines remains to be one of the highest among major Asian economies, though much lower than that of India (8.1%).

<sup>19</sup> Based on Orbeta Jr. and Potestad (2020), firms mostly perceive “SHS graduates as not work-ready, raising concerns on the inadequate technical and behavioral skills of SHS graduates as well as lack of length and quality of work immersion,” which may explain the persistent unemployment among this group (<https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps2040.pdf>).

**Table 6. Latest unemployment rates across selected Asian economies**

Indicator	Unemployment Rate	Month released
China <sup>a</sup>	3.9	December 2021
India <sup>b</sup>	8.1	February 2022
Malaysia <sup>b</sup>	4.2	January 2022
<b>Philippines</b>	<b>6.4</b>	<b>February 2022</b>
Vietnam <sup>a</sup>	2.8	March 2022

Notes: <sup>a/</sup> Unemployment in these countries is reported quarterly (March, June, September, December); <sup>b/</sup> Unemployment in these countries is reported monthly;

**Amid the economic headwinds, the government will continue to move forward to full recovery by implementing the 10-point policy agenda** to strengthen and insulate the domestic economy from the fallout of the Russia-Ukraine conflict.

23. The **10-point policy agenda, issued through EO 166, remains crucial** in achieving economic recovery: (1) strengthen healthcare capacity, (2) accelerate and expand the vaccination program, (3) further reopen the economy and expand transport capacity, (4) resume face-to-face learning, (5) reduce restrictions on domestic travel and standardize local government unit (LGU) requirements, (6) relax requirements for international travel, (7) accelerate digital transformation through legislative measures, (8) provide for enhanced and flexible emergency measures through legislation, (9) shift the focus of decision-making and government reporting to more useful and empowering metrics, and (10) medium-term preparation for pandemic resilience.
  
24. To help insulate the economy from external pressures, there is a need to shift the **entire country to Alert Level 1**. As of April 1, 2022, the current alert level classification places 79 percent of the economy under Alert Level 1. The easing of classification in the remaining areas will help

generate more employment and income opportunities. **Ramping up the vaccination program** will support the further reopening of the economy. As of April 2, 2022, around 67 million Filipinos have been fully vaccinated. To reach the target of fully inoculating 90 million Filipinos by June 30, 2022, the government will expand its reach through accelerating house-to-house programs, bringing the vaccination to workplaces, and conducting more “special vaccination days” in areas with low vaccination uptake.<sup>20</sup>

25. To maximize the shift to Alert Level 1, **resumption of face-to-face learning is needed**. Parents can return to full-time employment as more children go back to school. The resumption of face-to-face classes will also minimize the loss of future productivity as a result of online or modular learning.
26. The **National Action Plan Phase 5 is also being formulated, which will include the Philippine Pandemic Response Playbook and the Health Security Framework**. Both are critical components of the Pandemic Flexibility Bill. Preparatory steps for drafting the Playbook are being undertaken as a collaborative effort of NEDA, Department of Health, Department of Interior and Local Government, Office of Civil Defense, University of the Philippines-National Institute of Health, and the World Health Organization.

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<sup>20</sup> PH needs 23M shots to reach 90M target vaccinees by June | Philippine News Agency ([pna.gov.ph](http://pna.gov.ph))