

REPORT ON LABOR FORCE SURVEY (MARCH 2022)

HIGHLIGHTS

1. The Philippines tallied a new record-low unemployment rate since the start of the pandemic as the majority of the country shifted to Alert Level 1 in March 2022.
2. The country's unemployment rate fell from 6.4 percent in February to 5.8 percent in March 2022.
3. More Filipinos also joined the labor force amid increased mobility and the lower alert level. The country's labor force participation rate continued its uptrend from 63.8 percent in February to 65.4 percent in March 2022, which is also the highest since the pandemic began.
4. Together, these translated to significant employment creation of 1.5 million between February and March. This brings the net employment to 4.4 million above the pre-pandemic level.
5. Meanwhile, the underemployment rate increased from 14.0 percent to 15.8 percent as more employed workers expressed desire to have additional work.
6. The March labor force survey results reflect the gains from moving around 70 percent of the economy to Alert Level 1. As the government continues to manage the risks, it aims to shift the entire country to Alert Level 1 to generate more employment and strengthen the domestic economy against external shocks.
7. The country has made significant progress in its recovery. As of May 1, 2022, 81 percent of the economy has shifted to Alert Level 1. However, the country cannot fully recover without fully resuming face-to-face classes.

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

Indicators	2020 ^{f,a,b}		2021 ^{f,b}	2022 ^{p,a}	
	Jan	Apr	Mar ^c	Feb ^b	Mar ^c
Population 15 years and over	72,841	73,722	75,029	76,154	76,256
Labor Force Level	44,934	41,058	48,772	48,606	49,850
Employment Level	42,543	33,830	45,332	45,480	46,975
Unemployment Level	2,391	7,228	3,441	3,126	2,875
Underemployment Level	6,299	6,398	7,335	6,382	7,422
Visible Underemployment	3,799	5,489	4,928	4,191	4,810
Employment Generation (MoM)	6 ^d	(8,713) ^d	2,178	2,462	1,495
Labor Force Participation Rate (%)	61.7	55.7	65.0	63.8	65.4
Employment Rate (%)	94.7	82.4	92.9	93.6	94.2
Unemployment Rate (%)	5.3	17.6	7.1	6.4	5.8
Underemployment Rate (%)	14.8	18.9	16.2	14.0	15.8
Visible Underemployment Rate (%)	8.9	16.2	10.9	9.2	10.2
Mean Hours of Work	41.3	35.0	39.7	40.8	40.6

^{f/} Final estimates; ^{p/} Estimates are preliminary and may change; ^{d/} 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/} quarter on quarter difference. Source: Labor Force Survey (LFS), PSA

The country's labor force participation rate (LFPR) continued its uptrend from 63.8 percent in February to 65.4 percent in March 2022, which is also the highest since the pandemic began.

- The LFPR increased by 1.5 percentage points (ppt) month-on-month (m-o-m), equivalent to about 1.2 million additional workers. Year-on-year (y-o-y), the LFPR remains higher by 0.4 ppt, and above the pre-pandemic figure by 3.7 ppts, with the increase more pronounced among females and across all age groups except the youth.
- The number of persons who are not in the labor force (NILF) also decreased (-1.1 million) compared to the figures in February, owing to the lower alert level along with better health outcomes. In particular, less individuals cited COVID-19-related concerns (-528,000), temporary illness or disability (-378,000), and age-related limitations (-229,000) for opting out of the labor force. Meanwhile, the number of those who left the workforce due to household duties increased (+173,000) m-o-m, though still significantly

lower compared to its level last year (-269,000) and compared to the pre-pandemic level (-2.8 million).

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

Indicator	2020 ^{f,a,b}		2021 ^{p,a}												2022 ^{p,a}		
	Jan	Apr	Jan ^{f,b}	Feb ^{f,c}	Mar ^c	Apr ^b	May ^c	Jun ^c	Jul ^b	Aug ^c	Sep ^c	Oct ^b	Nov ^c	Dec ^c	Jan ^b	Feb ^c	Mar ^c
LFPR (total)	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	65.4
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	36.9
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	76.9
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	53.7

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Employment rose by 1.5 million to 47.0 million in March, slightly higher than its end-2021 level.

- The country's employment rate in March 2022 was recorded at 94.2 percent, the closest to pre-pandemic rates since April 2020. This corresponds to almost 47.0 million employed Filipinos, surpassing the pre-pandemic level by 4.4 million. It is also 1.6 million higher than the same period last year. Aside from this, the employment gains m-o-m are broad-based, with all major sectors posting positive growth.
- Agriculture, which now accounts for more than a quarter of total employed (25.2% in March 2022 from 23.9% in February 2022), remains to be the top contributor in generating additional employment (+977,000). Despite Taal's volcanic unrest,¹ both agriculture and forestry (+904,000) and fishing and aquaculture (+73,000) continued to generate employment m-o-m. These are attributed to the fair weather conditions experienced in March, coupled with

¹ DA secures P7-M aid for farmers, fishers hit by Taal unrest | Philippine News Agency (pna.gov.ph)

the continued modernization of facilities^{2,3,4,5} and provision of grants and subsidies to ease the burden of rising fuel and fertilizer prices.^{6,7}

Given these significant gains, employment in agriculture surpassed the March 2021 and pre-pandemic levels by 709,000 and 2.2 million, respectively.

Table 3. Employment, 2020-2022

Indicators	2020 ^{f,a,b}		2021 ^{p,a}												2022 ^{p,a}		
	Jan	Apr	Jan ^{f,b}	Feb ^{f,c}	Mar ^c	Apr ^b	May ^c	Jun ^c	Jul ^b	Aug ^c	Sep ^c	Oct ^b	Nov ^c	Dec ^c	Jan ^b	Feb ^c	Mar ^c
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	94.2
Employment growth (MoM in %)	0.01 ^d	(20.5) ^d	3.5	4.6	5.0	(4.5)	3.3	0.8	(7.6)	6.2	(1.5)	0.5	3.8	1.8	(7.0)	5.7	3.3
<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	11.84
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	8.17
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	3.61
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	26.97

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12. Comprising more than half of total employed, the services sector generated around 490,000 additional employment m-o-m. These primarily came from administrative and support services (+322,000), public administration (+213,000), financial and insurance activities (+180,000), arts and entertainment (+117,000), other services (+69,000), and real estate activities (+11,000). The increase in employment in administrative and support services is consistent with the high demand for customer service assistants, call center agents, and office clerks, among others.⁸ Generally, these subsectors have also benefitted from the further relaxation of alert levels in most parts of the country.⁹

² Pangasinan gives P28-M machinery to farmers, fisherfolk | Philippine News Agency (pna.gov.ph)

³ AgSur fisherfolk groups get P1-M processing equipment | Philippine News Agency (pna.gov.ph)

⁴ P200-M smart greenhouse to boost production of high-value crops | Philippine News Agency (pna.gov.ph)

⁵ Modern irrigation systems to benefit 14.3K farmers in Nueva Ecija | Philippine News Agency (pna.gov.ph)

⁶ Farmers, fisherfolk laud DA for fuel subsidy | Philippine News Agency (pna.gov.ph)

⁷ DA secures more subsidy to cushion Ukraine-Russia impact | Philippine News Agency (pna.gov.ph)

⁸ Based on the PESO Employment Information System of the Department of Labor and Employment (Sources: BLE Weekly - 18 March 2022.pdf (dole.gov.ph) and BLE Weekly - 1 April 2022.pdf (dole.gov.ph))

⁹ Colliers Quarterly | Property Market Report – Office | Q1 2022 | Philippines (colliers.com)

However, these were tempered by a decline in employment in other services subsectors. Accommodation and food services (-107,000) and transportation and storage (-75,000) may have been affected by the increase in prices, as inflation accelerated to 4.0 percent in March 2022. Transport and restaurants and accommodation services largely contributed to the upward trend in overall inflation.¹⁰ Likewise, wholesale and retail trade registered a drop in employment levels (-7,000). Although wages and salaried workers in the subsector increased, it was completely offset by the drop in self-employed workers. Workers who only joined the subsector out of necessity amid the pandemic may have looked for other opportunities as more jobs become available.

Nonetheless, employment in services remains higher than the pre-pandemic level by 2.0 million. It is also higher by 1.6 million compared to the same period last year.

Industry posted modest employment gains (+28,000), as the gains in manufacturing (+211,000), water supply (+27,000), and electricity (+26,000) were mostly offset by the decline in construction (-200,000) and mining (-35,000). The strong improvement in operating conditions in the manufacturing subsector, indicated by the upward trend in the S&P Global Philippines Manufacturing Purchasing Managers Index from 52.8 in February to 53.2 in March,¹¹ may have steered the employment expansion in the subsector. On the other hand, the 45-day ban on public works may have contributed to the decline in construction employment.¹²

13. Employment generation across major occupation groups was also broad-based: managers (+613,000), technicians and associate professionals

¹⁰ Summary Inflation Report Consumer Price Index (2018=100): March 2022 | Philippine Statistics Authority (psa.gov.ph)

¹¹ S&P Global Philippines Manufacturing PMI (markiteconomics.com)

¹² Resolution No. 10747 (comelec.gov.ph)

(+366,000), elementary occupations¹³ (+322,000), clerical support workers (+302,000), craft and related trade workers¹⁴ (+130,000), professionals (+124,000), and skilled agricultural workers (+69,000). Meanwhile, employment declines were noted among service and sales workers (-375,000), plant and machine operators (-42,000), and armed forces occupations (-15,000).

14. Signalling stronger labor market conditions, the bulk of the m-o-m increase in employment was among wage and salaried workers, (+1.0 million), mostly in private establishments (+862,000). However, there was also an increase in unpaid workers (+552,000). Relative to January 2020, the bulk of the 4.4 million increase in employment is in self-employment (+1.9 million) and unpaid work (+1.3 million).

The underemployment rate increased from 14.0 percent to 15.8 percent as more employed workers expressed desire to have additional work.

15. In terms of hours worked, the main contributor to the increase in employment was in part-time work¹⁵ (+900,000). Given these, the mean hours of work declined to 40.6 (from 40.8 in February 2022), while the number of underemployed workers or those who need more income and want more hours of work increased by 1.0 million from February to March 2022, elevating the underemployment rate to 15.8 percent.
16. In particular, those who are visibly underemployed¹⁶ rose by 619,000 relative to February, mostly coming from the agriculture sector (+548,000).

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

¹⁴ 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.

¹⁵ Those who worked for less than 40 hours.

¹⁶ Those who are working less than 40 hours and want additional hours of work

At the same time, the invisibly underemployed¹⁷ also increased by 421,000, driven by the wholesale and retail trade (+155,000) and agriculture and forestry (+143,00) sectors.

17. The underemployment rate for this month is lower relative to March 2021 (-0.4 ppt) but still above the pre-pandemic level (+1.0 ppt).

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

Indicator	2020 ^{f,a,b}		2021 ^{p,a}											2022 ^{p,a}			
	Jan	Apr	Jan ^{f,b}	Feb ^{f,c}	Mar ^c	Apr ^b	May ^c	Jun ^c	Jul ^b	Aug ^c	Sep ^c	Oct ^b	Nov ^c	Dec ^c	Jan ^b	Feb ^c	Mar ^c
National	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	15.8

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The unemployment rate improved from 6.4 percent to 5.8 percent in March, the lowest since the start of the pandemic as majority of the country shifted to Alert Level 1 in March 2022.

18. Given the increase in workforce and employment generation in March, fewer unemployed individuals (-251,000) have been recorded m-o-m, mostly among the youth (-189,000), and the prime working age group (-93,000). Notably, the youth unemployment rate at 11.3 percent was also registered as the lowest since the start of the pandemic, even surpassing the pre-pandemic figure by 2.3 ppts.
19. In terms of education, the overall decrease is also mostly among those with tertiary (-145,000), post-secondary (-87,000), and senior high school (-64,000) education reversing the trend in the previous month. Year-on-year, unemployment across all educational levels decreased, except those with no grade completed (+7,000). Overall, the unemployment rate is

¹⁷ Those who are working 40 hours or more and still want additional hours of work

lower compared to the previous year (-1.3 pts), but still slightly above its pre-pandemic level (+0.5 ppt).

20. The number of unemployed persons who did not look for work due to valid reasons continued to decline by 14.8 percent (-175,000), mainly attributed to less unemployed persons citing COVID-19 related reasons (-126,000), pending job applications (-62,000) and temporary illness or disability (-26,000).

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

Indicator	2020 ^{i,a,b}		2021 ^{p,a}												2022 ^{p,a}		
	Jan	Apr	Jan ^{f,b}	Feb ^{f,c}	Mar ^c	Apr ^b	May ^c	Jun ^c	Jul ^b	Aug ^c	Sep ^c	Oct ^b	Nov ^c	Dec ^c	Jan ^b	Feb ^c	Mar ^c
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	5.8
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	11.3
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	5.3
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	2.9

^f Final estimates; ^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. Source: Labor Force Survey (LFS), PSA

21. The unemployment rate in the Philippines remains one of the highest among major Asian economies, though much lower than that of India (7.6%).

Table 6. Latest unemployment rates across selected Asian economies

Indicator	Unemployment Rate	Month released
China ^a	3.9	December 2021
India ^b	7.6	March 2022
Malaysia ^b	4.1	February 2022
Philippines	5.8	March 2022
Vietnam ^a	2.8	March 2022

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

The government will continue to move towards full recovery, primarily through the full implementation of the 10-point policy agenda under Executive Order No. 166. This will accelerate the country's recovery from the pandemic and cushion the impact of the Russia-Ukraine conflict.

22. **The 10-point policy agenda, issued through EO 166, will contribute to insulating the economy from the headwinds, while accelerating 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, (8) provide for enhanced and flexible emergency measures through legislation, (9) shift focus to more useful and empowering metrics, and (10) medium-term preparation for pandemic resilience.
23. **Shifting the entire country to Alert Level 1 can help generate more employment and strengthen the domestic economy against external shocks.** The current Alert Level 1 classification for May 1-15 is already seen to benefit 81 percent of the economy and 30.1 million workers (72% of workers). Moreover, according to the *Bangko Sentral ng Pilipinas (BSP)*, **timely non-monetary policy interventions** are important to ease domestic supply constraints and prevent second-round effects on prices.¹⁸
24. **Ramping up the vaccination program** will allow for the further reopening of the economy. As of May 4, 2022, more than 68 million Filipinos have been fully vaccinated.¹⁹ To boost vaccination in far-flung areas, the

¹⁸ Inflation rises to 4% in March | Philippine News Agency (pna.gov.ph)

¹⁹ Press Briefing of Acting Presidential Spokesperson and PCOO Secretary Martin Andanar – Presidential Communications Operations Office

Department of Health (DOH) partnered with LGUs to hire additional personnel for information dissemination to address vaccine hesitancy and to conduct inoculation in the last mile.²⁰

25. Along with this, the **resumption of face-to-face classes** needs to be fast-tracked to increase domestic activities and to prevent future productivity losses. Parents can return to full-time employment as children go back to school. The resumption of face-to-face classes can also maximize the gains from more relaxed alert level classifications as it can induce more economic activities, such as those around school premises.
26. To **strengthen the resilience and support the expansion of the agriculture sector**, the Plant, Plant, Plant program of the Department of Agriculture (DA) continues to provide seeds, farm machinery, proper irrigation system, production facilities, and other logistics or infrastructure assistance. Moreover, to address agri-fishery smuggling, the government will continue to intensify the following measures: more active engagement from the Sub-Task Group on Economic Intelligence, surprise inspections,²¹ first border controls, and protection and development of a centralized digital system for better data management and transparency.
27. The **National Action Plan Phase V is also being implemented, which includes the Philippine pandemic response playbook and the health security roadmap**. Preparatory steps for drafting the playbook are ongoing as a collaborative effort between the National Economic and Development Authority, DOH, Department of the Interior and Local Government, Office of Civil Defense, University of the Philippines-National Institute of Health, and the World Health Organization.

²⁰ DOH, LGUs partner for 'last mile' vaccination in Cordillera | Philippine News Agency (pna.gov.ph)

²¹ *Economic intel group confiscates smuggled vegetables in Divisoria Market* | Official Portal of the Department of Agriculture (da.gov.ph)