REPORT ON LABOR FORCE SURVEY
(MAY 2022)

HIGHLIGHTS

1. The labor force increased year-on-year (y-o-y) by 555,000 in May 2022. All age cohorts registered a higher number, except the youth, which declined by 428,000 as more went back to school.

2. The number of employed individuals increased by 1.4 million in May 2022 over the same month of the previous year, bringing total employment to 46.1 million. Significant employment gains were recorded in the services sector (+1.3 million) as tourism and business outlook improved with the further easing of restrictions. This brings net employment creation to 3.5 million above pre-pandemic[1] levels.

3. The unemployment rate improved to 6.0 percent in May from 7.7 percent in the same month last year. The number of unemployed significantly declined y-o-y by 812,000 as restrictions are eased and the country's COVID caseload improved.

4. However, underemployment increased to 14.5 percent in May 2022 from 12.3 percent in May 2021.

5. The number in vulnerable employment, such as the self-employed (+443,000) and unpaid family workers (+188,000) also increased.

6. Amidst external uncertainties, the government will ensure the full reopening of the economy and regain the growth momentum. Over the medium term, the government will focus on creating more jobs, quality jobs, and green jobs through productivity-enhancing investments.

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[1] Pre-pandemic figures pertain to labor figures recorded in January 2020

Table 1. Summary of Labor and Employment Indicators (in thousands)

Indicators	2020[f,a,b]			2021[f,a,c]	2022[p,a,c]	
	Jan	Apr	May	May	Apr [b]	May
Population 15 years and over	72,841	73,722	75,044	76,374	76,532	
Labor Force Level	44,934	41,058	48,456	48,393	49,011	
Employment Level	42,543	33,830	44,717	45,631	46,084	
Unemployment Level	2,391	7,228	3,739	2,762	2,927	
Underemployment Level	6,299	6,398	5,491	6,399	6,668	
Visible Underemployment	3,799	5,489	3,968	4,217	4,524	
Employment Generation	6[d]	(8,713)[d]	1,448	(1,344)	452	
Labor Force Participation Rate (%)	61.7	55.7	64.6	63.4	64.0	
Employment Rate (%)	94.7	82.4	92.3	94.3	94.0	
Unemployment Rate (%)	5.3	17.6	7.7	5.7	6.0	
Underemployment Rate (%)	14.8	18.9	12.3	14.0	14.5	
Visible Underemployment Rate (%)	8.9	16.2	8.9	9.2	9.8	
Mean Hours of Work	41.3	35.0	39.0	40.1	39.8	

[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;* [d/] *quarter on quarter difference. Source: LFS-PSA*

The labor force participation rate slightly fell to 64.0 percent in May 2022 from 64.6 percent in the same period last year, as more youth went back to school.

1. More individuals (+555,000) joined the labor force in May 2022 compared to the same month last year. The additional labor force was mostly 25- to 34-year-olds (+409,000) and 45- to 55-year-olds (+222, 000). On the other hand, participation among the youth cohort declined (-428,000). An additional 1.0 million individuals cited schooling as their reason for not joining the labor force.

2.   The overall increase is also more pronounced among males (+350,000) than females (+205,000) as 214,000 more cited household family duties for opting out of the labor force.

Table 2. Labor Force Participation Rates: 2020-2022 (in percent)

Indicator	2020[f,a,b]		2021[p,a,c]								2022[p,a,c]				
	Jan	Apr	May[f]	Jun	Jul[b]	Aug	Sep	Oct[b]	Nov	Dec	Jan[b]	Feb	Mar	Apr[b]	May
LFPR (total)	61.7	55.7	64.6	65.0	59.8	63.6	63.3	62.6	64.2	65.1	60.5	63.8	65.4	63.4	64.0
Youth	37.4	32.4	38.4	39.8	33.3	37.8	35.8	35.7	37.5	36.7	32.0	35.9	36.9	34.8	36.2
Male	74.8	69.8	76.2	76.3	72.4	75.8	75.5	74.9	76.1	76.1	72.9	75.7	76.9	75.1	75.5
Female	48.4	41.5	52.9	53.7	47.1	51.4	51.1	50.2	52.3	54.0	48.1	51.8	53.7	51.5	52.5

[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: LFS-PSA*

Total employment increased by 1.4 million -y-o-y, with significant employment expansion in the services and industry sectors, as the economy reopens.

3.   The May 2022 round of the Labor Force Survey (LFS) shows further improvements in labor market conditions, with the total number of employed Filipinos reaching 46.1 million. This is 1.4 million higher than what was recorded in the same period last yearand which also surpassed the pre-pandemic employment levels by 3.5 million.

Table 3. Employment: 2020-2022

Indicators	2020[f,a,b]		2021[p,a,c]								2022[p,a,c]				
	Jan	Apr	May[f]	Jun	Jul[b]	Aug	Sep	Oct[b]	Nov	Dec	Jan[b]	Feb	Mar	Apr[b]	May
Employment rate (%)	94.7	82.4	92.3	92.3	93.1	91.9	91.1	92.6	93.5	93.4	93.6	93.6	94.2	94.3	94.0
Employment growth (%)	0.01[d]	(20.5)[d]	3.3	0.8	(7.6)	6.2	(1.5)	0.5	3.8	1.8	(7.0)	5.7	3.3	(2.9)	1.0
Employment levels by sector (in millions)															
Agriculture	9.63	8.76	10.63	10.94	9.19	11.10	10.25	10.77	11.16	11.83	9.35	10.86	11.84	10.75	10.12
Industry	7.99	5.75	8.22	8.17	8.34	8.37	8.17	7.82	7.91	8.24	8.31	8.14	8.17	8.42	8.77
Manufacturing	3.63	2.70	3.55	3.50	3.54	3.71	3.37	3.33	3.37	3.69	3.63	3.40	3.61	3.66	3.75
Services	24.93	19.32	25.87	25.97	24.14	24.76	25.18	25.24	26.41	26.21	25.36	26.48	26.97	26.46	27.19

[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: LFS-PSA

4. Relative to the same month last year, the services sector was the largest source of employment gains (+1.3 million), mostly in wholesale and retail trade (+708,000), administrative and support service activities (+533,000), transportation and storage (+303,000), and accommodation and food service activities (+270,000). The easing of quarantine and mobility restrictions, along with increased vaccination efforts, have increased consumer confidence and business outlook resulting in significant gains in the labor market, particularly in sectors severely affected by the pandemic.

    However, these were tempered by losses in public administration (-293,000), education (-142,000), and financial and insurance activities (-107,000). Due to election ban, employment in public administration contracted including those under contract–of–service engagements. Relatedly, employment in education declined with the suspension of classes in the first half of the month due to election-related activities.[2]

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[2] No classes in public schools from May 2-13 | Philippine News Agency (*pna.gov.ph*)

Compared to the pre-pandemic level, employment in the services sector remains higher by 2.3 million.

5. The industry sector registered 550,000 additional employment y-o-y, coming from construction (+218,000) followed by manufacturing (+218,000) and mining and quarrying (+77,000). Major infrastructure projects were exempted from the election ban,[3] while various public works resumed in the latter half of May. The S&P Global Manufacturing Purchasing Managers Index (PMI) was at 54.1 in May, signifying sustained improvement in operating conditions, albeit slightly softening from a high of 54.3 in April.

Overall, given the sector's robust performance, employment in industry surpassed the pre-pandemic level by 785,000.

6. In contrast, agriculture registered 503,000 employment losses relative to the same month last year, particularly in the agriculture and forestry subsector (-766,000). Weather disturbances such as La Niña,[4] smuggling,[5] and rising fuel and fertilizer prices,[6] impacted the crop sub-sector, while the persistence of African Swine Fever (ASF)[7,8] and the emergence of the highly pathogenic avian influenza (HPAI)[9] affected the livestock and poultry sub-sector. The employment contraction in the sector was slightly tempered by gains in fishing and aquaculture (+263,000).

Despite the significant decline, employment in the sector still surpassed the pre-pandemic level by 498,000.

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[3] Balinbin, Arjay. ODA-funded projects to continue during election period. Businessworld. February 15, 2022.
[4] La Niña Advisory No 9.pdf (*dost.gov.ph*)
[5] Food regulator proposed to tackle agri smuggling | Official Portal of the Department of Agriculture (*da.gov.ph*)
[6] Fertilizer prices expected to remain higher for longer (*worldbank.org*)
[7] MisOr bans entry of hogs, pork products from Zamboanga | Philippine News Agency (*pna.gov.ph*)
[8] 2 Zambo City villages with ASF cases locked down | Philippine News Agency (*pna.gov.ph*)
[9] Chicken layers to be quarantined upon arrival in Iloilo | Philippine News Agency (*pna.gov.ph*)

7. By occupation group, y-o-y employment gains were observed among service and sales workers (+1.3 million), clerical support workers (+379,000), craft and related trade workers [10] (+259,000), and skilled agricultural workers (+186,000). The rest of the other major occupation groups recorded declines in employment levels, with elementary occupations posting the largest drop (-349,000).

8. The number of wage and salary workers increased by 557,000 y-o-y, with those working for private establishments (+1.1 million) posting the largest gains. This was partially offset by the decline among government workers (-468,000) owing to the election ban. Meanwhile, the number of vulnerably employed, particularly self-employed (+443,000) and unpaid family workers (+188,000) increased, bringing the proportion of vulnerable employment to 36.8 percent in May 2022 from 36.5 percent in the same month last year.

The national underemployment rate significantly increased to 14.5 percent from 12.3 percent in the same period last year or an equivalent of 1.2 million additional underemployed.

9. In terms of hours worked, full-time employment[11] increased by 1.4 million compared to May 2021, while part-time employment marginally grew (+42,000). This increased the mean hours of work to 39.8 from 39.0. Those who were employed but did not work during the reference period due to valid reasons declined by 110,000.

10. Despite higher full-time employment, more have sought to work for longer hours, thereby increasing invisible underemployment[12] by 620,000 in May

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[10] Elementary occupations involve the performance of simple and routine tasks which may require the use of hand-held tools and considerable physical effort.
[11] Those who worked for more than 40 hours a week.
[12] Invisible underemployment are those who worked for more than 40 hours, yet still seeking to work for longer hours.

2022 relative to the same period last year. This mainly came from manufacturing (+177,000), other services (+78,000), transportation and storage (+76,000), and accommodation and food service activities (+59,000). Visible underemployment [13] also significantly increased (+557,000), particularly in fishing and aquaculture (+208,000), wholesale and retail trade (+137,000), manufacturing (+128,000), and other services (+89,000).

11. Meanwhile, by class of worker, underemployment increased among those in vulnerable employment or the self-employed (+640,000) and unpaid workers (+164,000). Underemployment also increased among wage and salary workers (+343,000) and employers (+30,000).

12. Nevertheless, the recorded underemployment rate in May 2022 is lower than the pre-pandemic level by -0.3 percentage points (ppt).

Table 4. Underemployment Rates: 2020 – 2022 (in percent)

Indicators	2020[f,a,b]		2021[p,a,c]								2022[p,a,c]				
	Jan	Apr	May[f]	Jun	Jul[b]	Aug	Sep	Oct[b]	Nov	Dec	Jan[b]	Feb	Mar	Apr[b]	May
National	14.8	18.9	12.3	14.2	20.9	14.7	14.2	16.1	16.7	14.7	14.9	14.0	15.8	14.0	14.5

[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: LFS-PSA*

The unemployment rate improved to 6.0 percent in May 2022, down by 1.7 ppts compared to 7.7 percent in May 2021.

13. Overall unemployment markedly declined (-812,000) relative to the previous year given the resumption of more economic activities. The decrease is observed across all age groups and educational levels, except for the 35 to 44-year-olds (+34,000) and those with no grade completed (+17,000). Among those which registered the highest declines are: 25 to 34 years old (-314,000) and 15 to 24 years old (-235,000), and those with

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[13] Visible underemployment are those who worked for less than 40 hours and seeking to work for longer hours.

college (-301,000), junior high school (-244,000) and post-secondary (-161,000) education. With this, the youth unemployment rate further declined to 12.1 percent from 14.5 percent in May 2021.

14. The number of unemployed persons who did not look for work due to valid reasons declined by 35.7 percent (-715,000). Those who cited COVID-19-related reasons significantly decreased (-990,000) as the country's caseload improved and restrictions eased. However, more unemployed believed that no work is available (+76,000), increasing the share of discouraged workers to 6.6 percent in May from 4.1 percent in the same month last year.

15. The unemployment rate remained slightly above the pre-pandemic rate of 5.3 percent.

Table 5. Unemployment Rates: 2020 –2022 (in percent)

Indicators	2020[f,a,b]		2021[p,a,c]									2022[p,a,c]				
	Jan	Apr	May[f]	Jun	Jul[b]	Aug	Sep	Oct[b]	Nov	Dec	Jan[b]	Feb	Mar	Apr[b]	May
Overall	5.3	17.6	7.7	7.7	6.9	8.1	8.9	7.4	6.5	6.6	6.4	6.4	5.8	5.7	6.0
15-24	13.6	31.5	14.5	14.5	15.4	16.0	17.7	15.1	13.4	12.8	13.8	14.3	11.3	12.3	12.1
25-54	4.0	16.0	7.0	7.1	5.9	7.2	7.9	6.5	5.7	5.9	5.6	5.6	5.3	5.1	5.4
55 & over	2.0	10.5	4.2	3.3	3.3	3.8	4.9	3.8	3.1	3.9	3.3	2.7	2.9	2.3	2.6

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16. The unemployment rate in the Philippines remains one of the highest among major Asian economies, though much lower than that of India.

Table 6. Latest Unemployment Rates Across Selected Asian Economies

Indicator	Unemployment Rate	Month Released
China[a]	5.6	March 2022
India[b]	7.8	June 2022
Malaysia[b]	3.9	April 2022
Philippines	**6.0**	**May 2022**
Indonesia[c]	5.8	February 2022
Vietnam[a]	2.5	June 2022

Notes: [a] Unemployment in these countries is reported quarterly (March, June, September, and December); [b] Unemployment in these countries is reported monthly; [c] Indonesia unemployment is reported semi-annually (February and August)

The immediate challenge is to fully reopen the economy, and regain the growth momentum. Over the medium term, the government will focus on creating more jobs, quality jobs, and green jobs.

17. **The Department of Health (DOH) eased the metrics in determining the alert level system by scrapping the two-week positive growth rate.** This is a further step towards shifting to an endemic mindset. However, **it remains critical to shift the entire country to Alert Level 1 to help generate more employment and strengthen the domestic economy against external shocks.**[14] For the first half of July, around 15 percent of the economy is still under Alert Level 2.

18. **Scaling up the country's vaccination program remains crucial to shift the entire country to Alert Level 1 and accelerate economic recovery.** As of July 3, 2022, more than 70.7 million or 78.6 percent of the target population have been fully vaccinated and over 15.1 million have received a booster or additional dose.[15] The new administration will reinstitute the

[14] Alert level system metrics revised | Philippine News Agency (*pna.gov.ph*)
[15] Department of Health Facebook Page (accessed on July 6, 2022)

vaccination drive and further encourage booster vaccination, particularly among youth.[16] The DOH has approved the roll-out of the first booster dose for adolescents aged 12 to 17 years old.[17]

19. **The capacity of the health system to respond to COVID surges need to be ensured.** Contingency plans for increasing hospital beds, human resources for health, oxygen supply, PPEs, treatment medicines, ventilators, and other equipment needed to address a COVID surge, have to be developed, including how it can be quickly deployed as and where needed.

20. **The immediate and safe resumption of face-to-face classes will increase domestic activities and prevent future productivity losses.** The resumption of face-to-face classes can maximize the gains from more relaxed alert level classifications as it can induce more economic activities, such as businesses around schools. In addition, **a catch-up plan needs to be formulated to regain lost learning from the past two years**. This will help secure better opportunities for future generations and ensure that the country's demographic dividend will not be wasted.

21. **Increasing the employability of the current and future workforce can translate to job creation and better employment outcomes in the medium term**. This can be done through improved quality of education, provision of opportunities for life-long learning, in-demand skills development, options to obtain micro-credentials, enhanced job facilitation programs and strengthened linkages between industry, business, and training institutions for a more efficient labor market, among others.

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[16] Marcos wants to step up vax drive vs. Covid-19 | Philippine News Agency (*pna.gov.ph*)
[17] DOH NVOC to roll out first booster for all adolescents 12-17 yo (*doh.gov.ph*)