

# Labour Market Profile

## The Philippines – 2021/2022



This profile provides a comprehensive overview of the labour market's structure, development, and challenges.

*Danish Trade Union  
Development Agency*



ULANDSSEKRETARIATET – DTDA  
DANISH TRADE UNION DEVELOPMENT AGENCY

## PREFACE

Danish Trade Union Development Agency (DTDA) is the development organisation of the Danish trade union movement. This agency was established in 1987 by the two largest Danish confederations – the Danish Federation of Trade Unions (Danish acronym: LO) and the Danish Confederation of Professionals (Danish acronym: FTF). These confederations merged to become the Danish Trade Union Confederation (Danish acronym: FH) in January 2019. Formerly known as LO/FTF Council was replaced by DTDA.

The work of DTDA is in line with the global Decent Work Agenda (DWA) based on its pillars: creating decent jobs, guaranteeing rights at work, extending social protection, and promoting social dialogue. The overall development objective is to eradicate poverty and support the development of just and democratic societies by promoting the DWA.

DTDA collaborates with trade union organisations in Africa, Asia, Latin America, and the Middle East. The programmes' immediate objective is to assist the partner organisations in becoming change agents in their own national and regional labour market context, capable of achieving tangible improvements in the national DWA conditions and achieving the labour-related Sustainable Development Goals (SDGs).

The Labour Market Profile (LMP) format provides a comprehensive overview of the labour market's structure, development, and challenges. In the framework of DWA and SDGs, LMPs follow several central indicators addressing labour market development aspects, especially the unionism evolution, social dialogue and bi-/tri-partite mechanisms, policy development, and legal reforms status vis-à-vis ILO conventions and labour standards, among others.

Primary sources of data and information for LMPs are:

- As part of programme implementation and monitoring, national partner organisations provide annual narrative progress reports, including information on labour market developments. Furthermore, specific data and information relating to central indicators are collected using a unique data collection tool.
- National statistical institutions and international databanks are used as a source for collection of general (statistical) data and information such as ILOSTAT and NATLEX, World Bank Open Data, ITUC Survey of Violations of Trade Union Rights, the U.S. Department of State, as well as other internationally recognised labour-related global indexes.
- Academia and media sources (e.g., Labour Start, national news, among others) are furthermore used in the available research on labour market issues.

The profile is regularly updated. The current version covers the period from 2021 to 2022. Labour Market Profiles for more than 30 countries are available on DTDA's website:

<https://www.ulandssekretariatet.dk/>.

DTDA prepared the Labour Market Profile with support from FEW and PUBLIK from the Philippines. If any comments arise to the profile, please contact Mr Kasper Andersen ([kan@dtda.dk](mailto:kan@dtda.dk)) from DTDA.

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## EXECUTIVE SUMMARY

The Philippines's solid economic growth supported poverty reduction during the 2010s, linked to the structural employment shifts without real minimum wage hikes. The economy plummeted in 2020, triggered by the Covid-19 pandemic and strict enhanced community quarantine (ECQ). It strained the national savings and mounting debt, equally pushing many workers balancing on the poverty line.

Few new labour-related laws have been registered in recent years, mainly improving the maternity leave conditions and work from home arrangements. Generally, the labour-related legal framework sticks to low national compliance with fundamental freedom of association and collective bargaining.

Social dialogue is vibrant in the country in numerous tripartite institutions. The Department of Labour and Employment (DoLE) claims that the incidence of strikes has continually dropped during the last decade. It shadows the deteriorated trade union density down to 7.0% of employees in 2021, leading to workers' eroding bargaining power connected by the controversial "endo" contracts (short-term employment practice). Collective Bargaining Agreements' coverage even punctured, reaching just 0.6% of employees in 2021. Central trade agreements have weak references to labour clauses, not to mention the country dropped on the bottom of the Global Rights Index in 2021.

During the 2010s, the country experienced significant shifts in the employment structure, especially a growing share of more formal employees, predominantly moving to the service sector. It generated an upturn in labour productivity, a trend that was like other ASEAN countries. The employment-to-population ratio and mean work hours fell significantly at the beginning of 2020 due to the Covid-19 pandemic and ECQ, but they rebounded swiftly. Unemployment is an urban youth phenomenon, and it rose quickly during 2020, grasping 10% but is projected to fall in 2021. Two

out of five in the workforce stay economically inactive, blinding the real unemployment's scope just as the Not in Employment, Education, or Training (NEET) rate only slowly fell, reaching 19% in 2020. At least half of workers operate in the informal economy that frequently loopholes in business and labour regulations due to lack of awareness or incentives.

The net migration flow became more balanced during the 2010s. Still, personal remittances remain a central part of the economy and hover far above the regional average, not even disrupted in 2020. The country also has many internally displaced persons (IDPs) with stalled job prospects.

Labour gender gaps are visible in the labour market; for example, primary occupation and educational attainment play a role in the pay gender gap. The Philippines is the second-best country worldwide on the ability of women to rise to positions of enterprise leadership, and it has the highest percentage of firms with female participation in ownership at 69%.

Reforming the Philippines' education system during the 2010s initially prompted hikes in school enrolment at all levels, which most likely supported a reduction in the relatively high child labour. Technical and Vocational Education Training (TVET) providers gradually became more dominated by private institutions, and the Fourth Industrial Revolution (4IR) required upskilling. The firms offering formal training is high compared to the ASEAN countries.

Weak coverages of key social protection haunt the Philippines' workforce, e.g., one out of five (21%) older persons receiving a pension and one out of ten (12%) mothers with new-borns receiving maternity benefits. Although most (85%) are covered by health social protection, public health expenditure continues relatively low, and personal out-of-pocket health expenditure is rising fast.

The table below provides an overview of key labour market indicators' status in the Decent Work Agenda framework.

On Page iv the second table presents an overview of the current value and targets of the Sustainable Development Goals' indicators concerning labour market issues.

**Status of key labour market indicators in the framework of the Decent Work Agenda (DWA) in the Philippines**

<b>Creating decent jobs</b>	
Policy reforms addressing creation of decent employment.	The Medium-Term Philippine Development Plan 2017–2022 (MTPDP) serves as the overall planning document containing a wide range of policy reforms addressing creation of decent employment. Social partners were consulted in the making of the MTPDP.
ILO standard setting on improvement of status of workers from the informal economy.	National forums dealing with informal economy workers and specific policies addressing the status of informal economy workers were not active in 2020.
<b>Guaranteeing rights at work</b>	
Growth in trade union members.	The membership rate increased by 5.8% from 2017 to 2021.
Violations of trade union rights.	5+ (5+ is worst) in 2021. *
New labour laws/decrees in 2019 and 2020.	The latest approved laws were mainly the Expanded Maternity Leave Law, the Act Strengthening Compliance with Occupational Safety and Health Standards, and the Safe Spaces Act, and the Telecommuting Act, all from 2019. The Security of Tenure bill passed the Lower House of the Philippine Congress in December 1, 2021, but has not yet been signed into law.
Partner organisations with minimum 30% women representation in decision-making bodies.	The General Secretaries of two - SENTRO and Partido Manggagawa - of the four major confederations in the NAGKAISA Labour Coalition are women. Four women sit in the Coalition's Council of 14 Convenors.
<b>Extending social protection</b>	
Percentage of total population covered by Health Social Protection.	Around 85% in June 2020. The trade union movement lobbied and campaigned for the increase in the Health Social Protection coverage which paved the way to the passing of the Universal Health Care Act from 2013 or RA 10606.
Workers from the informal economy have access to national social security schemes.	In principle, informal economy workers have access to social protection through plenty of available private social security schemes and mutual aid associations and cooperatives. In practice, the income of most informal economy workers is not enough to pay for the premiums of social safety net providers. Estimates suggest that this segment's coverage at around six to seven million contributors.
<b>Promoting social dialogue</b>	
Ratio of public and private sector trade union members to employees.	7.0% in 2021.
Cooperation in labour-employer relations.	15 out of 141 countries (one is best). **
Number of Collective Bargaining Agreements (CBAs).	Fall from 939 in 2019 to 800 in 2020.
Workers' coverage of Collective Bargaining Agreements to employees.	Fall from 0.4% of employees in 2019 to 0.3% in 2020.
Bi-/tri-partite agreements concluded in recent years.	National Tripartite Industrial Peace Council's Executive Committee held two online meetings in 2020, reaching drafted resolutions calling on the Inter-Agency Task Force (IATF) to augment the funds for the Covid-19 Adjustment Measures Programme (CAMP) and the Tulung Panghanapbuhay sa Ating Displaced Workers Programme (CAMP); and calling for the Preservation of Work and Strict Observance of the Right to Security of Tenure amid the COVID-19 Pandemic. National Wages and Productivity Commission held two online meetings in 2020 leading guidelines on the Conduct of Video Conferencing During Commission Meetings and amendments on Category of Calamities and Exemptions on Coverage of Wage Orders. Regional Tripartite Wages and Productivity Boards were active in few regions in 2020. Government Service Insurance System was quite active. In 2020, the bipartite Leaders' Forum signed a letter to the Philippines Health Insurance Corporation (PhilHealth) concerning immediate response to allegations of corruption; exercise financial accountability and transparency; defer an increase in PhilHealth premium contributions and constitute genuine sectoral representation in the PhilHealth Board.
* While the legislation may spell out certain rights, workers have effectively no access to these rights and are therefore exposed to autocratic regimes and unfair labour practices and linked to dysfunctional institutions because of internal conflict and/or military occupation. Source: ITUC's Global Rights Index, 2021. ** Based on survey data for employers' view. Source: The Global Competitiveness Report, 2019, 8 <sup>th</sup> pillar: Labour market efficiency. Sources: DTDA, The Philippines: Data-collection tool 2019 and 2020; own calculations on trade union membership growth, trade union density, and ratio of informal workers affiliated to social security to vulnerable employment.	

### Status of key Sustainable Development Goals in labour market related issues in the Philippines

Indicators	Value	Year	SDG Targets
1.1.1: Working poverty rate (percentage of employed living below US\$1.9 PPP).	2.9%	2019	By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than US\$1.9 a day.
1.3.1: The population effectively covered by a social protection system, including social protection floors.	37% *	2020	Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.
5.5.2: Proportion of women in senior and middle management positions	35%	2020	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.
5.5.2: Proportion of women in managerial positions	53%	2020	
8.2.1: Annual growth rate of output per worker (GDP constant 2011 international \$ in PPP).	4.3%	2010s, average	Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.
8.3.1: Proportion of informal employment in non-agriculture employment.	-	-	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, through access to financial services.
8.3.1: Women	-	-	
8.3.1: Men	-	-	
8.5.1: Average hourly earnings of women and men employees.	-	-	By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.
8.5.2: Unemployment rate (Total, 15+)	2.5%	2020	
8.5.2: Women, 15+	2.7%	2020	
8.5.2: Women, 15-24 years	8.5%	2020	
8.5.2: Men, 15+	2.4%	2020	
8.5.2: Men, 15-24 years	6.1%	2020	
8.6.1: Proportion of youth (15-24 years) not in education, employment, or training).	19%	2020	By 2030, substantially reduce the proportion of youth not in employment, education, or training.
8.7.1: Proportion and number of children aged 5-17 years engaged in economic activity (Total).	-	-	Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025, end child labour in all its forms.
8.7.1: Girls	-	-	
8.7.1: Boys	-	-	
8.1.1: Non-fatal occupational injuries per 100,000 workers	417	2017	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
8.8.1: Fatal occupational injuries per 100,000 workers.	9.6	2017	
8.8.2: Level of national compliance with labour rights (freedom of association and collective bargaining)	4.37 **	2018	The exact measurement method and scoring for this indicator needs to be developed.
9.2.2: Manufacturing employment as a proportion of total employment.	8.1%	2020	Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.
10.4.1: Labour income share as a percent of GDP.	27%	2017	Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

\* Population covered by at least one social protection benefit (see more in Table 18). \*\* Level of national compliance with labour rights (freedom of association and collective bargaining) based on ILO textual sources and national legislation (see more in the Ratified ILO Conventions section).

Source: ILO, Key Indicators of the Labour Market (KILM); ILO, World Social Protection Report 2017-2019.



## COUNTRY MAP



Source: The Nations Online Project.

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## ECONOMIC PERFORMANCE

The Philippines is considered as a dynamic economy, linked in solid consumer demand and robust personnel remittances. The economic development benefits a globally recognised competitive workforce. The sustained average annual growth of 6.4% from the 2010s moved the country on its way from a lower-middle-income country to an upper-middle-income country. The Medium-Term Philippine Development Plan 2017–2022 (MTPDP) sets the direction containing a wide range of policy reforms addressing the creation of decent employment. Social partners were consulted in the making of the MTPDP.

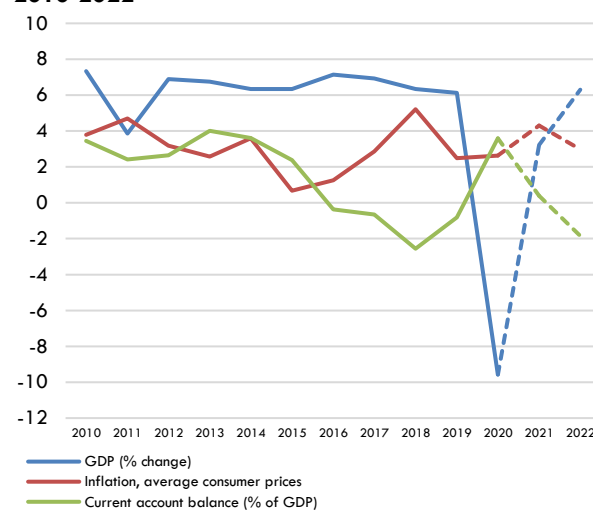
In 2020, economic growth was disrupted because of the Covid-19 pandemic, leading to strict community quarantine measures imposed in the country. The growth plummeted by -10%, driven by significant declines in consumption and investment, exacerbated by the sharp slowdown in exports and tourism. GDP per capita even fell by 4.2% from 2019 to 2020, reaching US\$3,323 per capita. Surprisingly, personal remittances received increased by 17% from 2019 to 2020. Economic growth is expected to rebound in 2021-2022, assuming a containment of the Covid-19. With domestic activity bolstered by consumer and business confidence along with the public investment momentum.<sup>1</sup> The inflation in consumer prices has been relatively stable and low in recent years, except for a slight upsurge at the end of the 2010s that started to challenge workers' income purchasing power (see more in Table 1 and Figure 1, and the Working Conditions section).

**Table 1: The Philippines' key economic data, projections, 2019-2022**

Values	2019	2020	2021	2022
GDP (current, billion, US\$)	377 bn	361 bn	386 bn	406 bn
GDP per capita (current, US\$)	3,512	3,323	3,492	3,621
Total investment (% of GDP)	26%	17%	20%	20%
Gross national savings (% of GDP)	26%	21%	20%	18%
General government total expenditure (% of GDP)	22%	26%	28%	27%
General government gross debt (% of GDP)	37%	52%	59%	62%

Sources: International Monetary Fund, World Economic Outlook Database, October 2021.

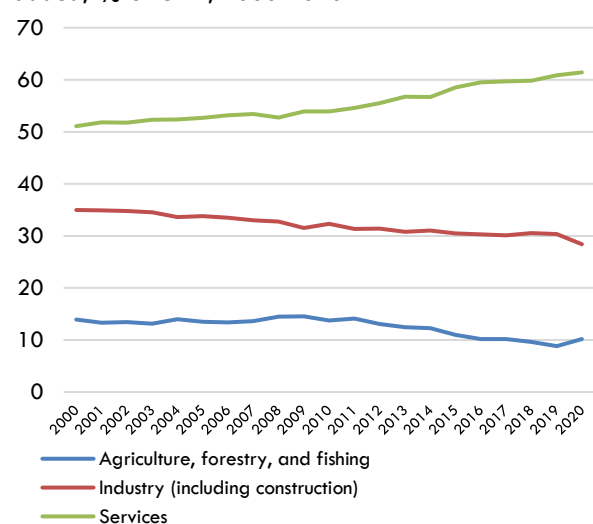
**Figure 1: Gross domestic product, inflation, and current account balance trends in the Philippines, %, 2010-2022**



Sources: International Monetary Fund, World Economic Outlook Database, October 2021.

Figure 2 shows shifts in the economic sectoral value-added during the last two decades: There is an upsurge in the service sector while the agricultural sector and the industry sector go through downturns on the margin. These changes are linked to developments in the employment structure (see more in the Workforce section).

**Figure 2: Aggregate sectoral economic changes, value added, % of GDP, 2000-2020**



Source: World Bank, World Development Indicators.

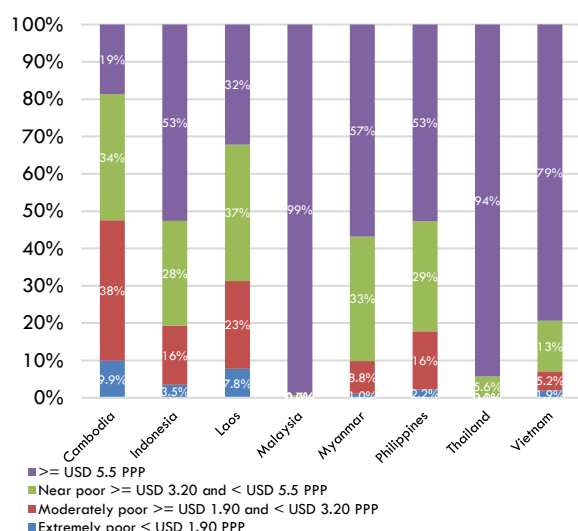
The informal economy is widespread, haunted by corruption with a significant obstacle to good governance. Business regulations continue somewhat cumbersome: The Doing Business Index ranking the

Philippines 95 out of 190 countries (1st is best) in 2020. Out of ten qualities, the country's best ranking was getting electricity (32) and resolving insolvency (65). Several of the scales were very poor, e.g., starting a business (171), enforcing contracts (152), and getting credit (132). See more details in Appendix Table 26.

Until the onset of the Covid-19 crisis in 2020, the country's economy made progress in delivering pro-poor growth. For example, inequality in the distribution of family income dropped from 46 in 2009 to 42 in 2018 (i.e., 0 represents perfect equality, while a Gini-index of 100 represents high inequality).<sup>2</sup> The Human Development Index (HDI) ranks the country as high human development, at 107 out of 189 (1 is best) in 2020.<sup>3</sup>

Among the Philippines' employed population, estimations of aggregated working poor (<US\$3.1 per day) fell from 32% in 2010 to 18% in 2019. The near-poor workers stood at a flat growth at 30%, while the middle-class groups increased, reaching 53% in 2019. The share of working poor was in line with Indonesia but significantly higher than several other ASEAN countries like Malaysia, Myanmar, and Thailand (see Figure 3).

**Figure 3: Projections of employment by economic class in ASEAN countries, %, 2019**



Note: Data exclude the economically inactive population, covering 41% of the population (aged 15+) (see more in the Unemployment sub-section). The value is measured at Purchasing Power Parity (PPP). The figure excludes data from Brunei and Singapore.

Sources: ILO, Key Indicators of the Labour Market (KILM).

The Philippines broader poverty headcount ratio at the national poverty line further measured a drop from 26% in 2009 to 17% of population in 2018. Workers did not benefit from real minimum wage hikes in the 2010s. Instead, the declining poverty rate was supported mainly by an upsurge among the employees' group and developments in social welfare (see more in the Working Conditions, Workforce, and Social Protection sections). However, the economy got hit hard during 2020 due to the Covid-19 impact, with negative consequences for poverty reduction. One-quarter of total employment in the Philippines (approximately 11 million workers) is likely to face job disruption due to the pandemic. Reports outline that even 7.2 million workers are exposed to a double-tiered risk of job disruption due to digitalisation and Covid-19.<sup>4</sup>

Foreign Direct Investments (FDIs) rose from 0.5% in 2010 to their peak at 3.1% of GDP in 2017, slipping down to 2.3% in 2019. It is estimated that the Philippine Economic Zone Authority (PEZA) approves more than half of the Philippines' inward FDI every year. In perspective, more than 40% of the FDI in 2016 went to the manufacturing sector. The country's FDI on average in the 2010s is the lowest among all ASEAN peers, e.g., Cambodia (13%), Laos (6.1%), Malaysia (3.4%), and Vietnam (5.9%). The Philippines relatively low FDI inflow concerns legislation limits foreign investment and restricts foreign ownership in several sectors, such as land ownership and public utilities.

### Special Economic Zones (SEZs)

The Special Economic Zone Act from 1995 established the SEZs' framework. The law requires zone operators to develop a single point of contact, or a one-stop shop to deliver government services to SEZ businesses. Establishing SEZ is to attract foreign investment to the country. The Philippine Economic Zone Authority (PEZA) monitors and administers these economic zones and promotes investment, create employment, and generate export.

SEZs companies receive several exclusive benefits: i) income tax holidays, generally for 4-6 years, capped at 8 years; ii) special tax rate of 5% on gross income, iii) tax and duty-free import of capital equipment, spare parts and supplies, iv) tax and duty-free import of raw materials and supplies used in export, and v) zero value-added tax.<sup>5</sup>

SEZs went through a significant transformation over the past decades: SEZs evolved from government-controlled export processing zones (EPZs) to more liberal economic zones that include private participation and a broad spectrum of economic activities. The Philippines' government attempts to gear up to compete with other ASEAN manufacturing hotspots to grab a share of foreign investment. Benefits within SEZs have attracted the FDI inflow during the 2010s, e.g., these FDI have especially been within the SEZs; PEZA approved around 60% of the total FDI in the Philippines since 2010.

In 2020, there were registered 410 Economic Zones (EZs): IT parks and centre (290), Industrial and Export Processing Zones (76), Tourism Ecozones (19), Medical Tourism Parks (3), and agro-industrial parks (22).<sup>6</sup> Investments in EZs pitched in the middle of the 2010s but started to fall, and in 2020 reached the 2006-level. Employment in EZs steadily increased from around 92,000 in 1994 to its peak at 1.6 million workers in 2019. A result of the Covid-19 pandemic impact in 2020 reflected that employment in EZs fell by at least 2.3% in 2020.<sup>7</sup> EZs employment share of all employees increased from 3.7% in 2010 to 5.7% in 2019 but falling to 5.4% in 2020.

The government usually promotes more relaxed laws to protect workers' rights and welfare in EZs. Reports registered that local zone directors claimed exclusive authority to conduct their own inspections as part of the zones' privileges intended by the legislature. Employers controlled hiring through special zone labour centres. For these reasons, and in part due to organisers' restricted access to the closely guarded zones and the propensity among zone establishments to adopt fixed-term, casual,

temporary, or seasonal employment contracts, unions had little success organising in the EZs.<sup>8</sup>

In 2020, NAGKAISA Labour Coalition and Kilusang Mayo Uno Joint Statement calling for the scuffling of the Philippine National Police (PNP) and the PEZA Joint Industrial Peace and Concern Office (JIPCO), which the unions believe is intended to stop to organise trade unions as an institutional and government-led attack on workers' right to organise.

## LABOUR LEGISLATION

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The Philippines' labour-related legal framework is intertwined with the principle of social justice, not to mention protecting workers. However, it continues with flaws to international standards. Few new laws have been registered in recent years (see more in Appendix Table 20). The latest approved laws were mainly the Expanded Maternity Leave Law, the Strengthening Compliance with Occupational Safety and Health Standards Act, the Safe Spaces Act, and the Telecommuting Law, all three from 2019. In addition, the Republic Act 11479 of 2020 (or the Anti-Terrorism Act) replaced the Human Security Act of 2007 on July 18, 2020. This latter mentioned act has been considered undermining civil liberties and endangers rights at work by placing workers, trade union activists and other human rights actors and defenders.<sup>9</sup> In addition, the draft Public Sector Labour Relations bill is in a process that aims at guaranteeing the protection of public sector workers' right to organise, and formal procedures for determining the terms and conditions of employment of public service workers; and civil and political rights of civil servants

Labour enforcement is governed by the Labour Law Compliance System (LLCS). It combines developmental and regulatory approaches in promoting a culture of compliance on labour and occupational safety and health (OSH) standards and encourages strategic partnerships with employers and workers to undertake joint assessments in establishments.

The status of central labour-related laws is summarised below.

### **Constitution**

The 1987 Philippine constitution guarantees the rights to form unions, the right for workers to organise, the right to strike, and to secure humane conditions of work and wages. The constitution ensures that workers are protected, and it is aimed to promote the shared responsibility of workers and employers in settling disputes. Women workers maternal function and their full employment are also a part of the constitution.

A revision to the 1987 Constitution is in progress. There are debates on replacing the current unitary state system with a federal one, relaxing foreign participation in utilities and critical services and introducing articles constraining political dynasties. The Consultative Committee (ConCom) submitted a draft constitution. However, whether Congress shall act as a Constituent Assembly remains pending.

### **Labour Code**

The Labour Code from 1974 stands as the law governing employment practices and labour relations in the Philippines. The law primarily governs six areas:

- pre-employment, including the recruitment and placement of overseas workers, and the employment of non-resident foreign nationals;
- human resources development, including training for apprentices and learners;
- labour standards, including hours of work, rest periods, wages and premium pay;
- health and safety, and social welfare benefits;
- labour relations, including regulations on the organisation and activities of unions, collective bargaining, and strikes and lockouts; and
- post-employment, including termination of contracts and retirement.<sup>10</sup>

The law provides the opportunity to form and join independent unions for all workers, except in the military, police, and short-term employees. The law prohibits anti-union discrimination. Foreigners and migrants are not allowed to organise unless they

have an agreement from their country of origin. They are not permitted to organise unions unless a deal with the nation of origin enables them to hold unions in the Philippines.<sup>11</sup> Besides, managerial employees and confidential employees are not eligible to form, join or assist labour unions. Supervisory employees do not qualify for membership in the collective bargaining unit of rank-and-file employees. Still, they may enter, help or form separate collective bargaining units and/or labour unions of their own (see more in the Observations on Labour Legislation sub-section).

Strikes are authorised for as long as they comply with the strict requirements under the code, and workers who organise or participate in illegal strikes may be subject to dismissal. Strikes organised by trade unions are allowed if most members approve it along with an approved notice.

Contracting or subcontracting has been a hot topic in the Philippines since the end of the 2010s. The application of controversial contractual forms known as end-of-contract (“endo”) with a maximum five months’ period has created loopholes in the Labour Code’s labour-only contracting which frees employers from providing workers with benefits (e.g., health and social security). To end the “endo’s” widespread application, the government launched an executive order on May 1, 2018, prohibiting any contracting or subcontracting arrangement to circumvent the workers’ right to security of tenure, self-organisation, collective bargaining, and peaceful concerted activities. It was not until December 1, 2020, the Security of Tenure Law, known as the End Endo Law, passed through the Lower House of the Philippine Congress in December 1, 2021, but has not yet been signed into law. The bill seeks to amend the Labour Code, explicitly prohibit labour-only contracting under the law but permit legitimate job hiring and fixed-term employment under certain conditions. Representations from the Philippines’ trade union movement criticised the bill because it provides dodges for the abusive practices of employers, who would still be allowed to hire relievers, project workers, and seasonal employees.<sup>12</sup>

## Social Legislation

The National Health Insurance Act of 1995, the Social Security Law of 1997, and the Home Development Mutual Fund Law of 2009 outline Philippine employers and their employees' certain social security obligations. Under the "Social Legislations", a Philippine employer and its employees are required to be members of the Social Security System (SSS), Philippine Health Insurance Corporation (PhilHealth) and Home Development Mutual Fund (Pag-IBIG Fund) (see more in the Social Protection section).

## Domestic Workers Act

The Domestic Workers Act from 2013 has institutionalised several policies concerning the protection and better working conditions for the Philippine workers. The act has approved rights and benefits, including daily and weekly rest, 13th-month pay, coverage under social security schemes, regional minimum monthly wages, and employee certificates. Regarding the registration of domestic workers, the employer must register the domestic worker, deduct, and remit the required SSS premiums and contributions.

In terms of extending social protection to workers in the informal economy, the National Health Insurance Act of 2013 (RA 10606) mandates the enrolment of workers in the informal economy to avail of health benefits with the assistance of the financial arrangements provided by Philhealth.

## Observations on labour legislation

Workers face several challenges in exercising their rights. According to employers' view, labour regulation in the Philippines is rigid, primarily because of strict dismissal procedures and high minimum wage.<sup>13</sup> On the workers' side, the International Trade Union Confederation (ITUC) registers a wide range of observations regarding the labour legislation concerning the international standards of the rights to organise, right to collective bargaining, and the right to strike. Some of the main observations are summarized below:<sup>14</sup>

- The right to freedom of association is enshrined in the constitution but strictly regulated. Likewise, the Labour Code prohibits anti-union discrimination but does not provide adequate means of protection against it.
- Excessive representativity or a minimum number of members required to establish a union: The union needs to demonstrate support of more than 20% of the bargaining unit to register, i.e., 30% in sectors regulated by the Government Employees Regulations.
- Restrictions on trade unions' right to establish branches, federation, and confederation or affiliate with national and international organisations: Federations must have at least ten local chapters, each of which must have achieved a collective bargaining agreement.
- Restrictions on the right to elect representatives and self-administer in full freedom.
- Restrictions on the right to freely organise activities and formulate programmes.
- Several public servants, including prison guards and firefighters, do not have the right to form and join unions.
- Non-nationals or migrants can only join unions if their home country permits migrants from the Philippines to join unions.
- Managerial staff are not allowed to join unions. Supervisors may join their organisations but not general workers' unions.
- Temporary workers do not have the right to join and form unions.
- The right to collective bargaining is recognised by law, but barriers often challenge agents; for example, the union must demonstrate the support of most bargaining unit members.
- Restrictions on the principle of free and voluntary bargaining.
- Restrictions on the scope of application and legal effectiveness of concluded collective agreements.
- Limitations or ban on collective bargaining in specific sectors, i.e., government employees have a more restrictive bargaining law.
- The right to strike is recognised by law but strictly regulated, including barriers to lawful strike actions, undue interference by authorities



or employers during a strike, and limitations or ban on strikes in certain sectors such as for “public servants” and discretionary determination or an excessively long list of “essential services” in which the right to strike is prohibited or severely restricted, among others.

Reports noted that some employers reportedly chose to employ workers who could not legally organise in practice, such as short-term contracts and foreign national workers, to minimise unionisation and avoid other rights to “regular” workers. The non-governmental Centre for Trade Union and Human Rights contended that this practice led to a decline in unions and workers covered by collective bargaining agreements. Employers also often abused contract labour provisions by rehiring employees shortly after the expiration of the previous contract. The Labour Department reported multiple cases of workers alleging employers refused to bargain.<sup>15</sup>

The Supreme Court has held that temporary employees in government service have a right to self-organisation and are covered by the protection against arbitrary dismissals. Still, there is no domestic law, rule, or policy about the right to organise temporary employees.

Apart from these legal restrictions, the labour-related laws’ coverage is haunted by the widespread informal economy. It is interrelated to employers’ and workers often loophole in business and labour regulations due to lack of awareness or incentives, not to mention micro and small enterprises are challenging the unionism (see more in the Trade Union sub-section).

### **Ratified ILO Conventions**

International principles and rights at work are enumerated in the International Labour Organisation’s (ILO) conventions. The Philippines ratified 38 conventions: 31 are in force, 4 have been denounced; 1 instrument abrogated.<sup>16</sup> The latest ratified conventions were the Promotional Framework for Occupational Safety and Health Convention (C187) from 2019 and the Labour

Relations (Public Service) Convention (C151) from 2017. The trade union movement is conducting a campaign for the Philippines’ ratification of ILO’s Violence and Harassment Convention (C190).

Appendix Table 21 shows that the Philippines ratified all eight fundamental conventions and two Governance Conventions, i.e., Employment Policy Convention (C122) and Tripartite Consultation Convention (C144). The country also ratified 29 Technical Conventions, and 18 are Up-To-Date and actively promoted.

In 2020, the independent ILO body, known as the Committee of Experts on the Application of Conventions and Recommendations (CEACR), listed observations and direct requests for ten conventions. Among others, the Freedom of Association and Protection of the Right to Organise Convention (C087) received a series of critical observations dealing with allegations of violence and intimidation along with pending cases of alleged killings of trade union leaders. CEACR further raised concerns regarding measures to combat impunity, not to mention comments for the 2020 Anti-Terrorism Act’s broad definition of terrorism, which aims at silencing dissenting voices and further entrenches State repression and hostility against workers and trade unionists. Overall, the committee expects that the government will make serious efforts to align the Labour Code and other pieces of national legislation with the convention.<sup>17</sup>

While noting that the Supreme Court has held that temporary employees in Government service have a right to self-organisation and are covered by the protection against arbitrary dismissals, the CEACR observes that there is no domestic law, rule, or policy pertaining to the right to organise of temporary employees.<sup>18</sup>

The Sustainable Development Goal indicator 8.8.2 seeks to measure the level of national compliance with fundamental labour rights (freedom of association and collective bargaining (FACB)). Based on ILO textual sources and national legislation, the Philippines ranks at 4.20 from 2015 to 4.37 in 2018 (0 out of 10; 0 is best). Compared



to neighbouring countries, the ranking is better than Cambodia's but significantly worse than Indonesia and Papua New Guinea (see more details in Table 2).

**Table 2: Level of national compliance with labour rights (freedom of association and collective bargaining) among the Philippines and neighbouring countries, 2018**

Country	Value
Cambodia	5.29
Indonesia	2.68
Papua New Guinea	1.10
Philippines	4.37

*Note: The value has a range from 0 to 10, with 0 being the best possible score (indicating higher levels of compliance with FACB rights) and 10 the worst (indicating lower levels of compliance with FACB rights based on ILO textual sources and national legislation).*

*Sources: ILO, Key Indicators of the Labour Market (KILM).*

## Trade Agreements

The Philippines is a member of the World Trade Organization (WTO). It further signed eight free trade agreements (FTAs). Six FTAs are via the Association of Southeast Asian Nations (ASEAN) representing ten member countries – Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam – so far signed with Australia, China, India, Japan, Korea, and New Zealand. Two bilateral FTAs are the Philippines-Japan Economic Partnership Agreement (PJEPA) initiated in 2008, and the EFTA States – Iceland, Liechtenstein, Norway, and Switzerland – signed an agreement with the Philippines in April 2016. The EFTA-Philippines FTA entered into force on June 1, 2018, for the Philippines, Norway, Liechtenstein, and Switzerland and Iceland on January 1, 2020.

Studies found that except for the two bilateral FTAs with Japan and EFTA countries, the Philippines' current FTAs do not have labour provisions. While the bilateral agreements with Japan and EFTA countries have references to adhering to labour standards, these agreements do not include enforcement and monitoring mechanisms.<sup>19</sup>

## SOCIAL PARTNERS

Social partners are central to promote the realisation of core labour rights and social justice for workers by protecting freedom of association and collective bargaining in bi- and tripartite functions. These partners usually represent government institutions, trade unions, and employers' organisations.

### Government

The Department of Labour and Employment (DoLE) is the regulatory entity primarily charged with administering and enforcing the Labour Code and is empowered to issue rules and regulations on employment matters. The department has general authority to enforce laws on freedom of association and collective bargaining. It includes publishing yearly Labour Relations Overview report following the statistical trends concerning unions, collective bargaining, Labour Management Council, industrial action, single entry approach programme, and social dialogue. DoLE is a part of central agencies such as Employee's Compensation Commission, Overseas Workers Welfare Administration, National Conciliation and Mediation Board, Institute for Labour Studies, National Labour Relations Commission, Occupational Safety and Health Centre, Philippine Overseas Employment Administration, Professional Regulation Commission, Technical Education and Skills Development Authority, and National Maritime Polytechnic.

The agencies involved in the implementation of the Philippine Qualifications Framework (PQF) are the Department of Education (DepEd), Commission on Higher Education (CHED), Technical Education and Skills Development Authority (TESDA), the DoLE, and the Professional Regulations Commission (PRC).

Central players on the social protection sector are the Government Service Insurance System (GSIS), the Social Security System (SSS), and the Philippine Health Insurance Corporation (PhilHealth).

## Trade unions

The Philippines' organised workers could be divided into the public sector, enterprise-based unions in the private sector, and workers associations. The aggregated labour organisations membership rate fell by -4.6% from 2017 to 2021, reaching close to 4.8 million workers as of the third quarter of 2021. This drop was mainly from workers' associations by -12%, while workers covered by public sector agencies/units grew by 11% and private enterprise-based unions by 4.3% in the mentioned period. Members from the public sector represented 10% of the aggregated labour organisations membership rate in 2021, while enterprise-based unions in the private sector of 34%, and workers associations of 56%. Concerning the number of organisations among the public sector has a share of 1.7%, enterprise-based unions in the private sector of 17%, and workers associations of 82% in 2021 (see Table 3 and more details in Appendix Table 23 and Table 24).

**Table 3: Status of organised workers in the Philippines, 2021 (3<sup>rd</sup> quarter)**

Indicator	Value
Public sector organisations	1,849
Private Trade Union Centres	14
Private Federations	138
Private Industry Unions	4
Private Enterprise Based Unions	17,993
Workers' Associations organisations	89,117
Members of labour organisations	4,795,409
Members of trade unions	2,109,590 *
Ratio of labour organisation members to total employment	10%
Ratio of public and private sector trade union members to employees	7.0% *

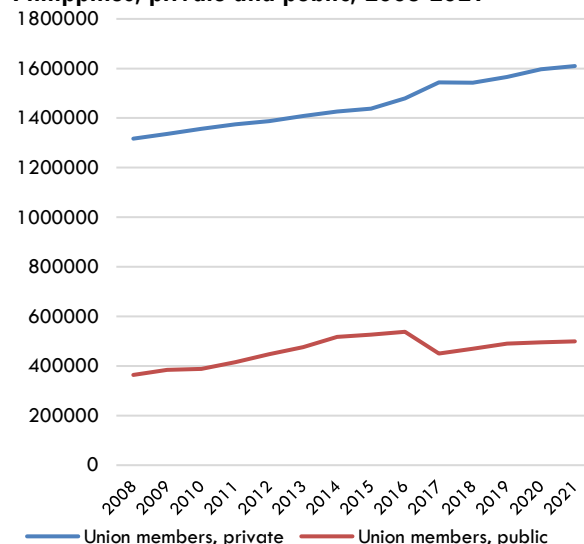
\* Excluding workers' association members.

Source: Philippines' Bureau of Labour Relations, Statistical Reports; own calculations on trade union density based on ILO and DTDA employment estimations.

Trade unions trends (excluding workers' associations) show that it grew steadily until it plummeted in the public sector in 2017. A renewed vibrancy in organising workers in the public sector rebounded in 2018, especially in the local government units, attempting by ending the "endo" (Figure 4). The trade union density rate gradually

diminished from 8.7% in 2010 to 7.0% in 2021, signalling that the affiliation to trade unions are not following the pace of the employees' expansion.

**Figure 4: Trends in trade union members in the Philippines, private and public, 2008-2021**



Source: Philippines' Bureau of Labour Relations, Statistical Reports.

Other data from the Philippines Statistics Authority' latest official survey data from 2018 listed that 6.3% of establishments with 20 or more workers had unions, an increase of 0.5 percentage points from 2014, but a drop of 0.4 percentage points from the 6.7% share in 2016. In 2018, the highest union density rates were reported in the mining and quarrying industry at 30%, followed by water supply, sewerage, waste management and remediation activities with 27%.<sup>20</sup> Large establishments employing 200 and more workers were more unionised with 16% share compared to other smaller employment sizes.

The trade union density contraction is connected to several aspects. First, applying the controversial non-standard or end-of-contract ("endo") model is complicated to organise workers. Legal reforms to stop this model have been a hot topic (see more in the Working Conditions section). Second, unionism's legal framework promotes a highly competitive process of certification elections (i.e., a method of determining through secret ballot the sole and exclusive bargaining agent of all the employees in an appropriate bargaining unit for collective bargaining). Third, union-busting and union

avoidance by employers is behavioural, mainly arising from mistrust between the two parties. Fourth, the impact of the Covid-19 pandemic affecting jobs there could deteriorate the trade union membership rate. For example, the massive layoff of workers, thousands in 'floating status' in employment, many others under the "endo" arrangement. DoLE allowed the extension of the floating status to one year from the previously allowed six months. This stance further weakened unions' collective bargaining power (see more in the Social Dialogue section). On the positive side, some trade unions, such as ALU/TUCP, FFW, PSLINK, KAMAGGFI, PSEAS, and CARAGEA, registered new members in 2020 with ranges from 130 to 7,860.<sup>21</sup>

Women accounted for 30% of the union officers in 2018, increasing 8.1 percentage points since 2016. The highest share of female union officers in establishments was mainly within professional, scientific, and technical activities at 72%. About 28% of the unionised establishments had a woman president.<sup>22</sup> Besides, many trade unions operate with gender and youth policies.<sup>23</sup>

Trade union members are mainly in the service sector (47%) and the industry sector (42%) while only one out of ten (11%) is in the agricultural sector.<sup>24</sup> Out of the 17 regions, the main bulk (55%) of the union members is in the National Capital Region (NCR) followed by the Calabarzon (Region IV-A) of 12%, Central Luzon (Region III) of 8.6%, and Central Visayas (Region VII) of 4.1%.<sup>25</sup>

Table 4 below outlines the ten leading federations with the largest number of locals and members. The Philippine Trade and General Workers Organisation (PTGWO) is the federation with the highest number of members, at least 84,000. Among the 138 registered federations nationwide, the Associated Labour Unions (ALU) has the greatest number of locals/affiliates having 924 recorded locals/affiliates. The Federation of Filipino Workers (FFW) follows with 467 locals/affiliated unions. The government's cumbersome registration process could be lower than the trade unions' registers.

**Table 4: Largest federation and their affiliated organisations, 2018**

Federations	Members	Affiliates
PTGWO	84,213	326
ALU	71,767	924
AMAPO	36,306	39
FFW	34,189	467
NAFLU	29,802	310
SUPER	27,310	445
NFL	22,417	192
AGLO	17,431	156
NUBE	16,859	14
NAFLU-KMU	16,074	140
Total	356,368	3,013

Source: Bureau of Labour Relations, Labour Relations Overview 2018.

The trade union movement in the Philippines has been fragmented but gradually becoming more organised. The Labour Advisory and Consultative Council (LACC), formed in 1986, drew the various factions of the labour movement together to advise the MoLE. In addition, NAGKAISA (UNITED) Coalition is the largest alliance formed in 2012 by 47 labour federations, made up of workers in public and private sectors as well as various urban and peasants' groups representing approximately 720,000 workers, or 34% of the 2.1 million organised labour in the country. This latter coalition operates with a loose organisational structure. It involves several themes, such as ensuring workers' security of tenure by eliminating the controversial contractualisation scheme to deter the closing of union organisers, minimum wage taxation, the institutionalisation of core labour standards in the agro-industrial plan, and others. A joint trade union position paper on the United Nations Socioeconomic and Peacebuilding Framework for Covid-19 Recovery in the Philippines (SEPF) 2020-2023 was presented in June 2021.<sup>26</sup> NAGKAISA Labour Coalition Statement also endorsing House Bill 309 on the reduction of the workweek schedule of private-sector employees to 35 hours voluntarily and rejecting House Bill 1338 on compressed work week with more than eight hours a day work without overtime pays.

Generally, health and frontline workers, informal economy workers, and self-employed workers and casual workers are disproportionately exposed to

the negative consequences of the Covid-19 pandemic.<sup>27</sup>

## Employers' Organisations

Estimations suggested that 2.4% of the total employment in the Philippines represented employers in 2020, which is slightly lower than South-Eastern Asia and the Pacific average at 2.8% (see more in Figure 6 ahead).

The Global Competitiveness Index provides the Philippines employers' view on a wide range of aspects, including labour market efficiency. This last pillar is elaborated upon surveys among employers and other statistical data. The Philippines ranks 39<sup>th</sup> out of 141 countries (1<sup>st</sup> is the best) in the mentioned pillar. Out of twelve indicators, the best rankings are internal labour mobility (7), pay and productivity (13), and cooperation in labour-employer relations (15). The worst rankings are redundancy costs (116) and workers' rights (104) (see more in Table 5).

**Table 5: Labour market efficiency in the Philippines, 2019**

Indicator	Rank
Total	39
Redundancy costs (weeks of salary) **	116
Hiring and firing practices *	54
Cooperation in labour-employer relations *	15
Flexibility of wage determination *	51
Active labour market policies *	50
Workers' rights *	104
Ease of hiring foreign labour *	76
Internal labour mobility *	7
Reliance on professional management *	28
Pay and productivity *	13
Ratio of wage and salaried female workers to male workers **	87
Labour tax rate **	26

\* Survey data. \*\* Ranked by per cent. Note: Rank from 1 to 141 (1 is highest).

Source: The Global Competitiveness Report, 2019, 8<sup>th</sup> pillar: Labour market efficiency.

The status of the leading employers' organisations is summarised below.

## Employers Confederation of the Philippines (ECOP)

ECOP was formed in September 1975. It is officially known as the umbrella organisation for the Philippines business community and work with national issues regarding labour-related issues. ECOP is a member of the ASEAN Confederation of Employers (ACE) that aims to create a conducive environment to promote productivity, efficiency, and competitiveness, including to engage in tripartite mechanisms to achieve their goals.<sup>28</sup> The confederation is also a member of the International Organisation of Employers (IOE).

ECOP's main objectives are safeguarding and enhancing employers' interests regarding labour management, including economic and social policy matters and promoting social justice and industrial harmony. The organisation promotes training, education, and development programmes through its Training Centre for the benefit of members and non-members alike.<sup>29</sup> ECOP's members are primarily individual corporations and other business membership organisations. Besides, ECOP is recognised as the single voice of employers' organisations to be consulted by the government, together with organised labour.<sup>30</sup>

The Technical Working Group (TWG) on labour and social policy issues is ECOP's main arm in advocating and addressing the interests of employers on critical policy issues. It serves as a forum to discuss pending labour bills that will ensure the incorporation of the views of various industry groups and foreign chambers.

The previously mentioned executive order that banned illegal contracting and subcontracting created reservations by ECOP since the exact definition of security of tenure along with the possible loose or abused rules of engagement in the enforcement of specific prohibitions. Many employers contended that the order could obliterate the country's micro, small, and medium enterprises (MSMEs).<sup>31</sup> The new security of tenure law from December 1, 2020, ban labour-only contracting but still allow legitimate job contracting and fixed-term employment.

In April 2020, ECOP launched the innovative e-Campus, a learning management system (LMS) that allows ECOP to offer courses and programmes, either fully online or through a blended approach. The ECOP eCampus offers 60 courses, and the amount of training services per week has increased fast, among others, due to the Covid-19 pandemic impact. Some of the courses dealing how to effectively manage remote employees and teams, designing new work policies in the post-Covid-19 world, and how to comply with labour standards, among others.<sup>32</sup>

In August 2021, ECOP argued that lockdown is not the remedy to rising Covid-19 cases. They even opposed the proposal to extend the enhanced community quarantine (ECQ) in Metro Manila. Instead, ECOP contends reopening businesses is necessary to prevent more job losses and further damage to the economy. Vaccination and adherence to health protocols is central.<sup>33</sup>

## SOCIAL DIALOGUE

Social dialogue encompasses all types of negotiation, consultation, or exchange of information between representatives of social partners on common interest issues relating to economic and social policy. It can be informal or institutionalised, and often it is a combination of the two. It can take place at the national, regional or enterprise level.<sup>34</sup>

Social dialogue in the Philippines is supported by the national legal framework covering nine pieces of legislation, including the Republic Act No. 10395: An Act Strengthening Tripartism, amending for the purpose Article 275 of the Labour Code and a series of executive orders and DOLE Department Orders.<sup>35</sup> The country has ratified ILO's Tripartite Consultation Convention (C144) but not the Collective Bargaining Convention (C154).

Table 5 above depicts employers' view considers cooperation in labour-employer relations quite effective. The workers' view is likewise positive in tripartite social dialogue institutions. For example, jointly, the ECOP, Philippine Chamber of Commerce

and Industry, Philippine Exporters Confederation, Trade Union Congress of the Philippines, Federation of Free Workers and Sentro ng mga Nagkakaisa at Progresibong Manggagawa requested the government to increase the allocation for the Covid-19 Adjustment Measures Program (CAMP) in 2020. Besides, the country's ratification of the ILO's Labour Relations (Public Service) Convention (C151) in October 2017 resulted from extensive consultations among the tripartite constituents. Despite these positive joint initiatives, social partners also pursue separate endeavours. For example, Congress passed the law on security of tenure and no concrete tripartite agreement was achieved.

The right to collective bargaining is recognised by law. Collective Bargaining Agreements (CBAs) is not practised at the national level in the Philippines. Instead, they are bargained between management and federated unions at the enterprise level. The government has put in a 30% of employees' requirement for union registration and classification for a bargaining unit. Public sector unions are opposing this, arguing the would-be difficulties associated with organising in, for example, the education sector. Studies of the Philippines' CBAs found that most CBAs had stipulations on union security; around 60% of CBAs has fair dismissal/lay-off of workers; one-half of registered CBAs granted space for union office; nearly two-thirds of CBAs stipulated for the conduct of family planning seminars; vacation and sick leave benefits stipulated in more than 80% of registered CBAs; and labour management and quality councils stipulated in slightly more than half (52%) of CBAs.<sup>36</sup>

Table 6 shows that the number of CBAs was declining during the last decade and dwindling coverage among employees. In 2021, 834 existing CBAs with close to 196,000 workers in 2021 represented a ratio of CBAs coverage to employees at 0.6%. Only a few, around 17, were renewed in 2020 due to the Covid-19 pandemic impact. While the number of CBAs are updated, coverage refers only to federated unions. In addition, the 2017/2018 Integrated Survey on Labour and Employment registered a higher



number of around 362,000 workers covered by CBAs, equal a share at 1.4% of employees.<sup>37</sup>

**Table 6: Collective Bargaining Agreements and coverage in the Philippines, 2012-2021**

Year	Total CBAs	CBAs' coverage	Ratio of CBAs coverage to employees
2012	1,358	228,131	1.0%
2013	1,361	225,183	0.9%
2014	1,227	207,507	0.8%
2015	1,149	190,747	0.8 %
2016	1,131	209,284	0.8 %
2017	1,159	220,905	0.8 %
2018	995	186,892	0.7%
2019	939	203,229	0.7%
2020	800	182,030	0.6%
2021*	834	195,572	0.6%

\* As of 3<sup>rd</sup> quarter 2021.

Source: Bureau of Labour Relations, Labour Relations Overview; DRDA, Philippines: data collection tool, 2020.

Most of the workers covered by existing CBAs (60%) are from the National Capital Region (NCR). Other regions that recorded more than 10,000 workers CBA coverage are Region III, Region IV-A, and Region XI.<sup>38</sup>

### Central tripartite institutions

Numerous consultation bodies are set to promote social dialogue in the Philippines, and they meet regularly. There are different types of tripartite bodies:

Consultative Bodies (national and local levels):

- Tripartite Industrial Peace Councils (TIPCs).
- Industry Tripartite Councils (ITCs).
- Public Sector Labour Management Council (PSLMC)

Reactivating TRIPs and ITCs peaked at the beginning of the 2010s but stalled at the decade's end. Instead, the number of existing ITCs rose from 70 in 2010 to 298 in 2017, supported by the ratification of the ILO's Labour Relations (Public Service) Convention (C151).

Other policy-making bodies:

- Overseas Workers Welfare Administration (OWWA).
- Technical Education and Skills Development Authority (TESDA).
- Occupational Safety and Health Center (OSHC).
- National Wages and Productivity Commission (NWPC).
- Philippine Overseas Employment Administration (POEA).
- Employees Compensation Commission (ECC).
- Tripartite Voluntary Arbitration Advisory Council (TVAAC).

Other bodies with policy-making functions where the DoLE as well as social partners are represented:

- Social Security Commission (SSC).
- Home Mutual Development Fund (HDMF).
- Philippine Economic Zone Authority (PEZA).
- Philippine Health Insurance Corporation (PHIC).

Quasi-Judicial Bodies:

- National Labour Relations Commission (NLRC).
- National Wages and Productivity (NWPC).

Quasi-Legislative Bodies:

- Regional Tripartite Wage and Productivity Boards (RTWPBs).

The leading active institutions are summarized below:

### National Tripartite Industrial Peace Council (NTIPC)

The national TIPC was reconstituted in 2013 as the main consultative and advisory mechanism with the DoLE. In the council, workers, employers, and government can discuss labour and employment relevant policies. It is also mandated to formulate, for submission to the President or Congress, tripartite views, recommendations and proposals on labour, economic and social concerns. TIPCs also have set up tripartite industry councils at regional, provincial, municipal and industry levels (automotive, banking, construction, clothing and textile, hotel and restaurant, sugar, and maritime). The public sector union representatives to the 14



Regional Tripartite Industrial Peace Council (RTIPC) shall be appointed solely from PUBLIK nominees.

In recent years, national TIPC's results are endorsing the Single-Entry Approach (SEnA) Programme, part of the reform of labour arbitration and adjudication system (see more in the Dispute Settlement sub-section). Also, one meeting was held in 2020 by the Maritime Industry Tripartite Council endorsed the Philippine Application for Inclusion in the ILO White-List of Membership Under ILO C185. Besides, NTIPC's Executive Committee held two online meetings in 2020 and drafted resolutions: First, calling on the Inter-Agency Task Force (IATF) to augment the funds for the Covid-19 Adjustment Measures Programme (CAMP) and the *Tulong Panghanapbuhay sa Ating Displaced Workers Programme* (CAMP); and second, calling for the Preservation of Work and Strict Observance of the Right to Security of Tenure amid the Covid-19 Pandemic.

#### **National Industry Tripartite Councils (ITCs)**

A national ITC is chaired by the DoLE and is composed of workers and employers' representatives as the needs of the industry may warrant. A regional or local ITC is consistent with the principle of respecting local autonomy, the governor or mayor in the local unit concerned shall be given priority in heading the ITC. It comprises regional or local industry representatives from the workers' and employers' sectors and other government agencies directly involved with the specific industry.

There are currently eight national ITCs:

- Automotive Assembly Industry Tripartite Council (AAITC).
- Banking Industry Tripartite Council (BITC).
- Construction Industry Tripartite Council (CITC).
- Clothing And Textile Industry Tripartite Council (CTITC).
- Hotel and Restaurant Tripartite Consultative Body, Inc. (HRTCB).
- Sugar Tripartite Council (STC).
- Maritime Industry Tripartite Council (MITC).
- Land-based Tripartite Consultative Council (LTCC).

Meetings of ITCs vary; some meet every month, while others have agreed to meet bi-monthly or quarterly.

#### **Public Sector Labour Management Council (PSLMC)**

The PSLMC is a consultative and advisory mechanism lodged with the DoLE. The expansion of membership in the PSLMC allows elected sectoral representatives to participate during the deliberation of policies on public sector unionism at the level of the PSLMC-Technical Working Group. However, the members of the PSLMC are exclusively government representatives, while representatives of public servants' organizations do not have a right to vote in its discussions and deliberations and can only participate during PSLMC deliberations.<sup>39</sup>

#### **Dispute settlement**

The Labour Code subjects all problems affecting labour and employment to mandatory mediation-conciliation. The DoLE provides mediation services through the National Conciliation and Mediation Board (NCMB) with regional branches. The NCMB is an agency attached to DoLE and offers different services for the Labour Management Council (LMC). The board also mediates and arbitrates between labour and management, including disputes concerning strikes and lockouts, which are only possible if they are related to violations of unfair labour practice, a collective bargaining deadlock or a gross violation of collective bargaining laws.

The Single-Entry Approach Programme (SEnA) was institutionalised to de-judicial the dispute-settlement procedures and foster fair, speedy and inexpensive labour justice. The SEnA provides a 30-day mandatory conciliation-mediation service on all individual and collective labour and employment disputes as to the first approach. They aim to decline in the number of assumptions of jurisdiction cases and cases certified for compulsory arbitration. Demand for SEnA services has been high. Requests for assistance under the SEnA Programme totalled 59,927 in 2018. The national disposition rate was 97% or 58,298 Requests for Assistance (RFAs) during the same period. Likewise,

the national settlement rate was posted at 75% or 44,893 RFAs. Regarding the 30-day conciliation-mediation phase, the average number of days to settle cases is fifteen days in practice. Notices of strike and lockout are exempt from its coverage.<sup>40</sup>

If mediation fails, the union may issue a strike notice. Parties may bring any dispute to mediation but strikes or lockouts must be related to acts of unfair labour practice, a gross violation of collective bargaining laws, or a collective bargaining deadlock. The legislation permits employers to dismiss union officers who knowingly participate in an illegal strike. The DoLE claims that the incidence of strikes has continually dropped during the last decade. From 2010 to 2015, there were just 15 strikes; from 2016 to 2020, there have been 35 strikes: 15 in 2016, nine in 2017, zero for the years 2018 and 2019, and 11 in 2020. During the 2010s, there has been no incidence of a lockout being declared by an employer. The NCMB reported 339 preventive mediation cases in 2020.<sup>41</sup> The NCMB attributed the decrease of filed claims to the Covid-19 pandemic and community quarantine.<sup>42</sup>

The Philippine jurisprudence attempts that any doubts in the interpretation of labour-related law, especially the Labour Code, are resolved in more favour of labour than management.<sup>43</sup>

Under Republic Act No. 6715, amended to the Labour Code, the operating mechanism of labour-management cooperation programme in organised establishments is called a Labour-Management Council (LMC). In unorganised establishment, the mechanism is called Labour-Management Committees (LMC). The LMC aims to foster better relations between labour and management to supplement the grievance process when necessary and supplement the CBA. LMCs operate with several features, such as i) labour representatives are elected by at least most of the workers in the establishment; ii) there are two co-chairmen - one from labour and one from management - who serve concurrently or on a rotating basis; iii) a third-party facilitator acceptable to labour and management may assist the LMC particularly in the early stages

of its operation, and iv) sub-committees may be formed to address specific concerns, among others.<sup>44</sup>

## TRADE UNION RIGHTS VIOLATIONS

The Philippines' ranking on the Global Rights Index worsened from 5 in 2017-2020 to category 5+ (5+ is worst) in 2021, i.e., no guarantee of rights due to the breakdown of the rule of law.<sup>45</sup> The worrisome low-ranking links to a severe violation of the right to free speech and assembly related to violent suppression of popular dissent. ITUC listed workers and their representatives remained particularly vulnerable to violent attacks, intimidation, and arbitrary arrests. Trade unionists, maliciously red-tagged by the government with even extrajudicial killings sanctioned in public speeches, remained under immediate threat of the police and the army, which conducted targeted raids against them. Twenty-eight union representatives were illegally arrested and detained in March and December 2020, and seven union leaders were killed between March 2020 and April 2021.

The situation was likely to worsen for workers as the Anti-Terrorism Act, which came into force in July 2020, granted even more extended powers to the police and the military to attack and harass workers and trade union activists.

From 2019 to 2020, ITUC listed a series of specific cases of trade union rights' violations dealing with education unionist shot dead; adoption of the Anti-terrorism Act of 2020; ACT leaders harassed by the military; union-busting at Coca-Cola company; fabricated charges against ACT members; Philippine police plan to prevent unions from organising in Special Economic Zones; persecution of teachers' union ACT continues; anti-union lay-offs at cement plant; union leader and rural community organiser shot dead; police raids and mass arrests; Coca Cola seeks to undermine union; teacher unionist shot by masked men; severe threats against a member of the teachers' union; striking workers arrested; injuries and arrests as police disperse strikers; striking workers attacked, eleven injured;

union organiser murdered; union-busting at clothing company; harassment and intimidation of teachers' union members and leaders; union president arrested on trumped-up charges; arbitrary detention of three farmworker union leaders; three unionists arrested in Compostela Valley; and union-busting at clothing factory.<sup>46</sup>

A total of 34 Freedom of Association cases were registered by the ILO's complaints procedures register: one case is active and confidential, six cases are listed as a follow-up, and 27 are closed.<sup>47</sup> The active case deals with the complainant organisation, which is the International Transport Workers' Federation (ITF), alleges the extrajudicial killings of three trade union leaders and denounce the failure of the government to investigate these cases and bring the perpetrators to justice adequately. The complainants further allege the use of threats and murder attempts against a fourth trade union leader and his family, who have been forced into hiding, denounces the government's failure to investigate this case and protect the victims adequately. The failure to investigate and prosecute in these cases would have reinforced the climate of impunity, violence, and insecurity, damaging effect on the exercise of trade union rights.

The Philippines has ratified ILO's Abolition of Forced Labour Convention (C105), and Domestic Workers Convention (C189), not to mention the Labour Code prohibits all forms of forced or compulsory labour. However, forced labour is still applied in practice in the Philippines. This issue is mainly in fishing and other maritime industries, gold mines, debt bondage agriculture, and other areas of the informal economy, including domestic service, forced begging, and small factories. Trade unions reported that continued poor compliance with the law was partly due to the government's lack of capacity to inspect labour practices in the informal economy.<sup>48</sup> The Global Slavery Index ranks the Philippines as 30 out of 167 countries (1 is worst) with an estimated prevalence at 7.7 victims per 1,000 population in 2018.<sup>49</sup>

## WORKING CONDITIONS

The Philippines' government controls and regulates the minimum wage. No workers in the Philippines should be paid less than the minimum wage states. Employers who do not pay salaries according to minimum wage can be subjected to fines. The minimum wage system is complex, and it varies by region and industry. The wages are set by tripartite regional wage boards located in every region. Due to the Covid-19 pandemic, the minimum wages were not raised in 2020 or 2021 (September) as expected. Nevertheless, the National Wages and Productivity Commission (NWPC) held two online meetings in 2020: i) guidelines on the Conduct of Video Conferencing During Commission Meetings; and ii) Amendments on Category of Calamities and Exemptions on Coverage of Wage Orders. In addition, several Regional Tripartite Wages and Productivity Boards (RTWPBs) promoted active wage hike petitions in three regions NCR (National Capital Region), Region II (Cagayan Valley), and Region XI (Davao Region).

The highest and lowest minimum wage scales from 2018 are available in Table 7. On average, the minimum wage level relative to mean wage was approximately 58% in 2019. Some estimations suggested an annualised real minimum wage growth at -0.2% during the 2010s.<sup>50</sup>

**Table 7: Status of Earnings and Minimum Wages in the Philippines**

	PhP Current	US\$ Current
Most typical earning (2021)	27,959 *	574
Non-Agriculture Minimum Wage, highest (NCR) (2018-current)	13,962 *	275
Non-Agriculture Minimum Wage, lowest (Region I) (2018-current)	8,060 *	159
Agriculture Minimum Wage, highest (NCR) (2018-current)	13,000 *	256
Agriculture Minimum Wage, lowest (Region VIII) (2018-current)	7,670 *	151

\* Number is computed by 26 days per month.

Source: National Wages and Productivity Commission; [www.averagealarysurvey.org](http://www.averagealarysurvey.org)

The highest monthly non-Agriculture Minimum Wage (NCR) was US\$272 since 2018. Compared to ASEAN neighbouring countries, it was significantly higher than Cambodia (US\$187), Laos (US\$116),

Myanmar (US\$79), Thailand (US\$261), Vietnam (US\$181), but lower than Indonesia (DKI Jakarta) (US\$306) and Malaysia (US\$291). The relatively high minimum wage in the Philippines is challenging its international trade competitiveness.

Concerning the minimum wage coverage, many workers are not protected by these wages because wage boards exempted some newly established companies and other employers from the rules because of business size, industry sector, export intensity, financial distress, and capitalisation level. Reports also found that violations of minimum wage standards were common. Many firms hired employees for less than minimum wage apprentice rates, even if there was no training in their work. Complaints about payment under the minimum wage and non-payment of social security contributions and bonuses were particularly common at companies in the Special Economic Zones.<sup>51</sup> Workers in the informal economy do not apply the minimum wage regulations. On the latest measurement of the proportion of poor Filipinos whose incomes are not sufficient to meet their basic food and non-food needs were set at PhP 10,727 (US\$204), on average, for a family of five per month in 2018. Several official minimum wages were even below the poverty line.<sup>52</sup>

During the strict Enhanced Community Quarantine in 2020 due to the Covid-19 pandemic, households experienced a significant earnings loss: median household labour earnings for those working fell by half from PhP 2,000 to PhP 1,000 (US\$40 to US\$20) per week. The shock was particularly pronounced in urban areas and Luzon, among male workers and youth.

The application of the “endo” has been widespread even prevalent among the government’s employees. In this controversial arrangement, workers are hired for not more than five months. It makes employment cheaper by cutting benefits granted to regular employees, including OSH, and thereby placing them in vulnerable working conditions. As previously mentioned, the government acted to end the “endo” through an executive order on May 1, 2018, prohibiting any contracting or

subcontracting arrangement to circumvent the workers’ right to security of tenure. Afterwards, around 300,000 additional workers entered as regular labour contracts, and the drop in organised workers from the public sector was reverted (revisit Figure 4).<sup>53</sup> The House of Representatives passed the security of tenure bill in December 2020, which would ban labour-only contracting but still allow legitimate job contracting and fixed-term employment.

During the 2010s, DoLE launched initiatives to strengthen its labour enforcement and compliance system. The labour inspectors, called Labour Law Compliance Officers (LLCOs) in the Philippines, are expected to assist enterprises in closing noncompliance gaps through DoLE’s integrated set of programmes and services. In 2018, DoLE operated with 574 LLCOs deployed nationwide with a slight increase in compliance on inspections. However, small- and medium-sized enterprises (SMEs) and activities in the informal economy lack inspections. Besides, LLCOs’ coverage was estimated at one inspector per 47,000 employees (or one per 74,000 of total employment) in 2018. The ILO is concerned if the relation exceeds one inspector per 20,000 workers in transition economies, and one inspector per 40,000 workers in less developed countries.<sup>54</sup> Thus, the Philippines is significantly above the threshold. The relatively poor LLCOs scope opens more possibilities in violations of working conditions, which are common in the Philippines. For example, several incidents of firms paying employees less than the minimum wage and absence in payment of bonuses and social security schemes have occurred commonly in SEZs.

In the Philippines, cases of non-fatal occupational injury have been declining during the 2010s, standing at medium-level in ASEAN countries, but relatively high compared with fatal cases (Table 8). These data suggest that the Philippines is somewhat behind the SDGs goal to protect labour rights and promote safe and secure working environments for all workers; see more in the SDG table, Indicator 8.1.1, page iv.

**Table 8: Fatal and non-fatal occupational injuries per 100,000 workers in ASEAN countries, 2010s average**

Country	Fatal	Non-fatal
Malaysia	5.8	665
Myanmar	3.9	15
Philippines	6.1	473
Singapore	1.7	371
Thailand	6.8	512

Note: data from Brunei, Cambodia, Indonesia, Laos, and Vietnam were not available.

Source: own estimations based on data from ILO's SDGs KILM.

A fast overview of central working conditions regulations approved in the Philippines is available in Table 9.

**Table 9: Status of Working Conditions in the Philippines**

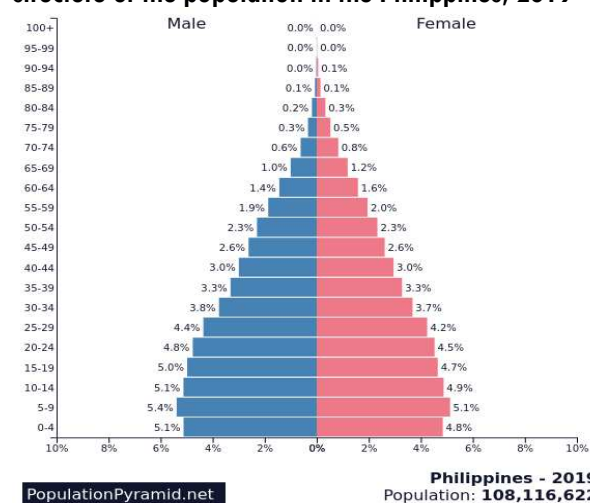
Indicators	Values
Fixed-term contracts prohibited for permanent tasks	No
Maximum length of a single fixed-term contract (months)	No limit
Standard workday	8 hours
Premium for night work (% of hourly pay)	10 %
Premium for overtime work (% of hourly pay)	25 %
Paid annual leave (average for working days with 1, 5 and 10 years of tenure, in working days)	5
Minimum length of maternity leave	105
Receive 100% of wages on maternity leave	Yes
Five fully paid days of sick leave a year	No
Unemployment protection after one year of employment	No

Source: World Bank, Doing Business, Labour Market Regulation in the Philippines.

## WORKFORCE

The Philippines' population growth demonstrated a declining trend from 2.7% in 1980 to 1.4% in 2019. The population reached 111 million people in 2021. The fertility rate (births per woman) fell from 4.8 on average in the 1980s to 2.8 in the 2010s. The life expectancy rate increased in the margin from 65 years to 71 in the same period. Around 52% of the population are below 25 years old; 63% are of working age (15-64) (see more in Figure 5). The Philippines faces the looming challenge of an ageing population like other Asian economies, mounting financial pressure on social protection such as health and eldercare pensions.

**Figure 5: Population pyramid based on the age-sex structure of the population in the Philippines, 2019**



Source: PopulationPyramid.net, Philippines.

Projections suggest that the Philippines' employment-to-population ratio stood at around 59% in 2019, falling to 56% in April 2020 as an impact of the Covid-19 pandemic but rebound to 62% in July 2020. Besides, the mean hours of work in a week fell from 41.8 in July 2019 to 35 in April 2020, up to 38.2 in July 2020.<sup>55</sup>

The country's women employment-to-population ratio has a significantly lower proportion than men compared to the South-Eastern Asia average. The Philippines' relatively low youth employment-to-population fell by four percentage points during the 2010s linked to the rising school enrolment rates following the education reforms coincided with job reduction in agriculture (Table 10 and see more in the Education section).

**Table 10: Estimations of employment-to-population ratio in the Philippines and South-Eastern Asia, Age and sex distribution, 2019**

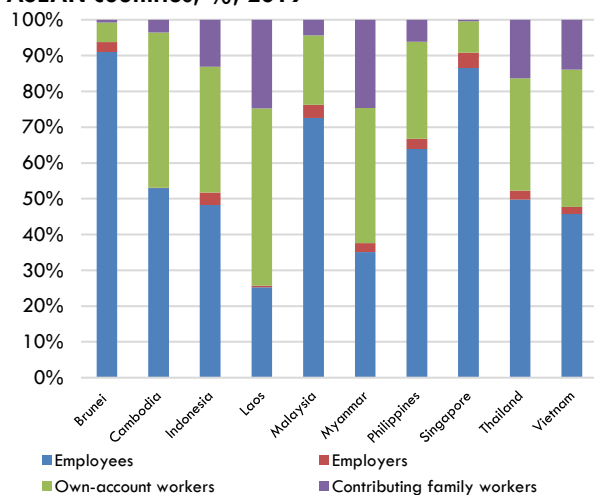
Sex	Age	Philippines	South-Eastern Asia
Total	Total 15+	59%	66%
	Youth 15-24	34%	42%
Men	Total 15+	72%	77%
	Youth 15-24	41%	48%
Women	Total 15+	46%	55%
	Youth 15-24	26%	36%

Source: ILO, Key Indicators of the Labour Market (KILM).



Imputed observations in the Philippines' employment status suggested some changes. The employees' group increased from 54% in 2010 to 64% in 2019, at a medium level compared to the ASEAN countries. The Philippines' employers stood at approximately 2.9%. Own-account workers fell from 30% to 27%, and contributing family workers dropped by six percentage points, reaching 6% in 2019. These two latter segments are in "vulnerable employment", i.e., they are less likely to have formal work arrangements and are more likely to lack decent working conditions adequate (see more in Figure 6).

**Figure 6: Projections of status in employment in ASEAN countries, %, 2019**



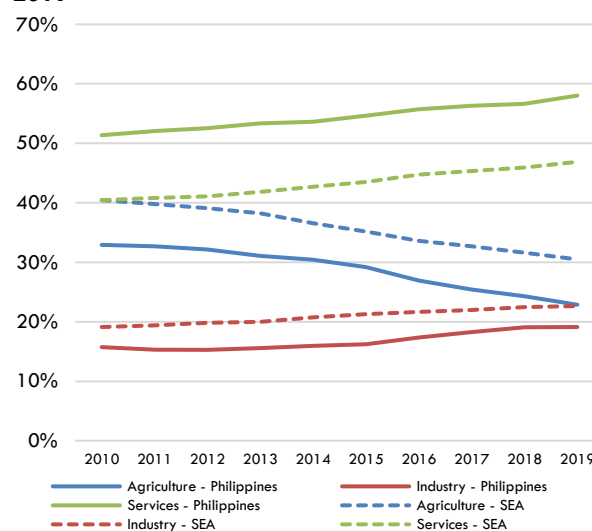
Note: The presented data are based on imputed observations and subject to uncertainty; it should only be used as proxy indicator.

Source: ILO, Key Indicators of the Labour Market (KILM).

Figure 7 shows that employment in the agricultural sector has been declining significantly during the last decade. Instead, the service sector is on the rise, also the industry sector in the margin. These trends are similar in the South-Eastern Asia region. Supporting the shift in the employment structure is detected in the sectoral aggregate GDP value-added. It is worthwhile to mention that despite the slight upsurge in employment in the industry sector, it has not increased this sector's value-added in GDP (revisit Figure 2). Besides, the industry sector's employment share remained stable at 19% from July 2019 to July 2020. The agricultural sector increased by 3.4 percentage points, reaching 26%. In contrast, the service sector dropped to similarly, get to 55%.<sup>56</sup> While there were job losses in other

sectors, there were only actual gains in jobs in the agriculture sector.

**Figure 7: Employment aggregate sector in the Philippines and South-Eastern Asia (SEA), %, 2010-2019**



Source: ILO, Key Indicators of the Labour Market (KILM).

The labour's share of national income has been declining during the 2010s. This issue raised concerns about slowing income growth, inequality, and loss of the consumer purchasing power needed to fuel demand in the economy. Among others, the change concerns the rising power of new technology, globalisation, the hollowing out of unionism through the breakdown of laws, or market consolidation. In addition, the newly emerging Fourth Industrial Revolution (4IR) is rapidly changing the nature of work and the demand for skills. The Philippines' business process outsourcing (BPO) sector is particularly vulnerable given its significant growth over the last two decades. The BPO industry has been growing at around 17% yearly and now contributes 6% to GDP growth (see more in the Technical Training sub-section).<sup>57</sup>

The impact of the Covid-19 pandemic has not yet been fully introduced in statistical systems. However, studies assessed that one-quarter of total employment in the Philippines, equal to 10.9 million workers, were likely to face job disruption, either through decreased earnings and working hours or complete job loss. The high-risk sectors consist of industries that are least likely to remain operative with containment measures in place or are

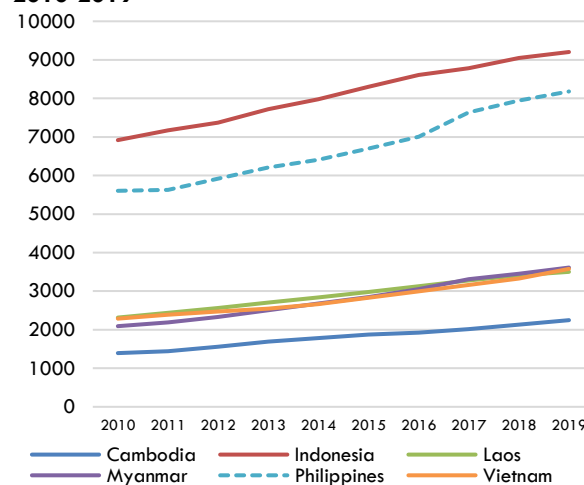


experiencing sharp slumps in demand due to the pandemic. These sectors include manufacturing, transportation and storage, accommodation and food service activities, arts, entertainment, and recreation. The negative labour market impact of the pandemic is more pronounced among vulnerable and part-time workers, young people, overseas Filipino workers, women, and healthcare and medical workers.<sup>58</sup> An estimated 7.2 million workers are exposed to a double-tiered risk of job disruption due to digitalisation and Covid-19.

The Philippines' employment in the manufacturing sector as a proportion of total employment stood stable at 8% during the 2010s. A recent survey revealed that during the implementation of the containment measures to curb the Covid-19 pandemic in 2020, respondent firms, mostly micro-enterprises from the manufacturing sector, encountered difficulties in coordinating their supply chains. It resulted in half of the firms registering a 40% reduction in operating hours, an approximately 50% loss of employment, and a 60% reduction in revenue and production volume. The lack of available transport and employees' anxiety about going to work contributed to worker shortages, with only a handful of firms successfully implementing work-from-home arrangements. These challenges were further compounded because most firms did not have transparent and responsive plans for business continuity, especially during extraordinary situations.<sup>59</sup>

Before the economic rupture in 2020, shifts in the Philippines' employment and GDP value-added structures increased labour productivity. The country was hovering significantly above several other ASEAN countries but below the more industrialised ones such as Singapore, Thailand, and Indonesia (Figure 8). Estimations suggest that the Philippines' labour productivity dropped by -5.6% in 2020, compared with a growth of 3.0% in 2019, caused a negative economic impact due to the Covid-19 pandemic.<sup>60</sup> This situation stalled the country's otherwise progress in the SDG target by 2030 depending on a significantly raise industry's share of employment and GDP (see more in the SDG table, Indicator 9.2.2, page iv).

**Figure 8: Projections of the Philippines and neighbouring countries' labour productivity trend, 2010-2019**



Note: This measure of labour productivity is calculated using data on GDP (in constant 2011 international dollars in PPP). The presented data are based on imputed observations and subject to uncertainty; it should only be used as proxy indicator. Four countries with labour productivity above US\$10,000 are excluded from this figure: in 2019, Brunei (US\$69,345), Malaysia (US\$26,128), Singapore (US\$96,505), and Thailand (US\$11,799).

Source: ILO, Key Indicators of the Labour Market (KILM).

Another aspect of the labour market's landscape is that 89% of all enterprises are at the micro-level (1-9 employees), small enterprises (10-99 employees) of 11%, medium enterprises (100-199 employees) of 0.5%, and large enterprises (>200 employees) of 0.5%. Micro, Small and Medium Enterprises (MSMEs) represented 5.7 million jobs in 2018, accounted for 63% of the total employment in the country. The average employment size of a micro-enterprise was 2.9. Small enterprises accounted for 27% of the total employment or equivalent to 2.4 million jobs.<sup>61</sup>

## Unemployment

The Philippines' latest Labour Force Survey from 2020 registered the unemployment rate increased from 5.4% in July 2019 to 10% in July 2020 but projected at 7.7% in June 2021.<sup>62</sup> ILO's modelled estimations based on diverging methodology measurements suggested the unemployment rate fell at the end of the 2010s. The unemployment gender gap is mainly among youth. Overall, the Philippines' unemployment rates are lower than the regional average supported a high outflow of emigrant workers (see Table 11 and Figure 9).

**Table 11: The unemployment rate in the Philippines and South-Eastern Asia (SEA), by sex and age, %, 2020**

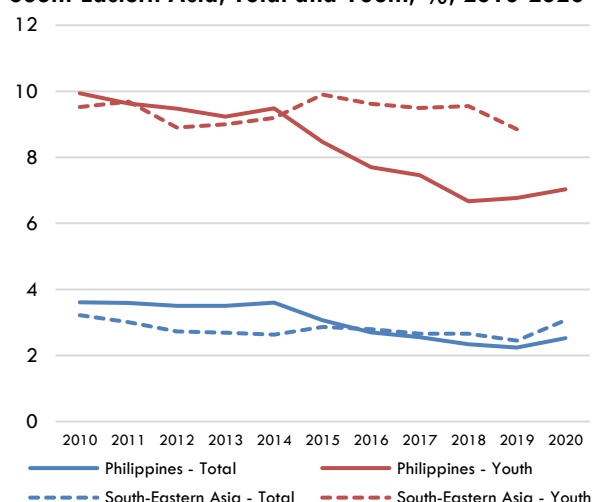
Type	Gender	Philippines	SEA
Unemployment	Total	2.5%	3.1%
	Men	2.4%	3.2%
	Women	2.7%	2.9%
Youth Unemployment	Total	7.0%	8.9% *
	Men	6.1%	8.8% *
	Women	8.5%	9.0% *
Time-related underemployment	Total	13% *	6.0% *
	Men	14% *	6.2% *
	Women	13% *	5.8% *

\* Year: 2019.

Note: unemployment rates and time-related underemployment are based on ILO modelled estimates.

Source: ILO, Key Indicators of the Labour Market (KILM).

**Figure 9: Unemployment trends in the Philippines and South-Eastern Asia, Total and Youth, %, 2010-2020**



Source: ILO, Key Indicators of the Labour Market (KILM).

In the Philippines, unemployment is mainly an urban phenomenon for youth and is concentrated among workers with intermediate and advanced levels of education. Subsistence farming is occupied during planting and harvesting but not engaged full-time during the entire year, creating some "disguised unemployment."

Time-related underemployment has been relatively stable at 13% during the 2010s and stayed significantly higher than the South-Eastern Asia average (see Table 11 above). Nevertheless, the number of persons in underemployment increased by 23% from July 2019 to July 2020. The workers with less than 40 hours segment increased by 6.9 percentage points, reaching a distribution of 67%.

A large segment of workers operates in the informal economy with weak linkage to unemployment insurance schemes. Since the formal sector is not providing sufficient new jobs, most workers are pushed to generate some income through causal informal activities, often by lower hours, to survive. It is worthwhile to mention that unemployment is statistically a part of the employed group, excluding persons outside the workforce. In the Philippines, around 41% of the working-age population was projected as economically inactive in 2020.

## Migration

The Philippines' legal framework of migration covers several laws, such as the Migrant Workers and Overseas Filipinos Act, and ratified two ILO conventions: Migration for Employment Convention (C097) and Migrant Workers Convention (C143). Migration issues are mainstreamed in the Philippine Development Plan (2017-2022). This Plan lists initiatives to increase social protection programmes for Overseas Filipino Workers (OFWs) and their families, covering disability, death and burial benefits, education and livelihood assistance programmes, and relief assistance programmes.

Many Filipinos move to improve their job opportunities and income diversification, higher earnings, social aspirations, to follow their family members, marriage, for education or shock responses such as conflicts. Especially, young people are attracted to move from rural areas to urban zones driven by the manufacturing and construction sectors. There is also considerable rural-to-rural movement, especially for seasonal agricultural work and mining.

The 2018 National Migration Survey (NMS 2018) is the first nationwide survey on migration in the Philippines, revealing that 40% of Filipinos aged 15 years and over are lifetime migrants. More than half (53%) of the lifetime migrants were women. Migration flows during the past five years were dominated by rural-rural migration and urban-urban migration. Rural-urban migration has been meagrely reflected in the urbanisation rate only

grew slowly from 45% in 2010 to 47% in 2020, not to mention significantly lower than Indonesia (57%) and Malaysia (77%) but higher than Cambodia (24%), Laos (36%), Myanmar (31%), and Vietnam (37%).

Out-migration (emigration) has a long history, and it has become a part of Filipino culture. Today, there are 10 million Filipinos live abroad, and more than 1 million Filipino leave the country each year to work overseas.<sup>63</sup> The out-migration entangles permanent migrants living abroad and irregular migrants, i.e., Filipinos who are without valid residence or work permits or people who are overstaying as workers or tourists. These out-migrants are better educated than internal migrants. Still, those with internal and international migration experience in the last five years had the highest proportion with college education among all migrant types. Studies found that losing labour to emigration can cause shortages in some sectors, for instance, the health sector.<sup>64</sup>

The net migration turned more unbalanced since the 1990s, peaking at the beginning of the 2000s. It moved towards more balanced during the 2010s (see more in Table 12 and Figure 10). The high (negative) net migration sticks to Filipino job-seeking with higher wages in other countries. According to the Commission on Filipinos Overseas, the locations for registered Filipino emigrants are mainly in the U.S. (60%), followed by Canada (20%), Japan (6.2%), Australia (5.8%), and Italy (2.9%).

The net migration changes are supported by slowly growing returnees' migrants. Investigations found that these returnees' potential in human capital development seems limited as few of them had acquired more education abroad. In most cases, return migrants were overqualified for their jobs in their host countries. Only a minority considered employment and investment opportunities in the Philippines as a motive for return. About 70% of return migrants reported they experienced difficulties finding a job in the Philippines on their return. It may mean that informal self-employment or business creation are their only options.<sup>65</sup>

Besides, as of October 2020, over 230,000 overseas Filipino workers had returned to the Philippines, representing nearly half of migrant workers from that country who had lost their jobs in the aftermath of the Covid-19 pandemic.

Based on the Philippine News Agency, more than 600,000 overseas Filipino workers (OFWs) have been displaced by the Covid-19 pandemic since May 2021 and have been repatriated by the government through the Overseas Workers Welfare Administration. Their mandatory Covid-19 quarantine, and RT PCR tests were shouldered by the government and were given airport transfers to ensure they reach home safely. Returning OFWs whose jobs were affected by the pandemic were given US\$200 under the DOLE-AKAP cash assistance programme.

Personal remittances to the Philippines from around the world have been a central part of the economy. Personal remittances reached 9.7% of GDP on average during the 2010s, significantly higher than the East and Pacific average at 0.4%. Despite the global Covid-19 pandemic's economic impact, remittances from Filipinos stood at 9.7% in 2020. Remittances are also invested in education, but not so much on other productive investments. Sectoral policies can indirectly influence the behaviour of remittance recipients and help leverage remittances for development by relieving financial constraints and improving market access and functioning.

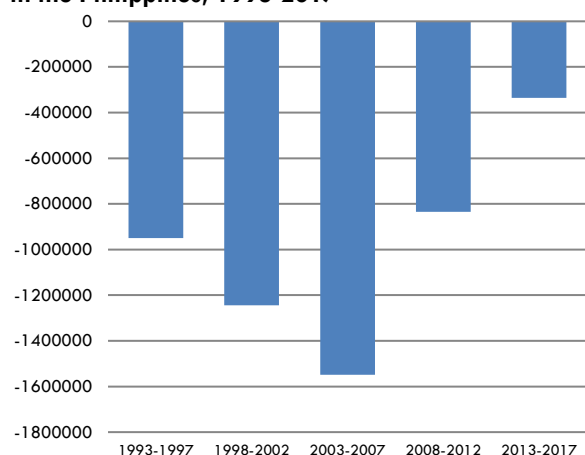
**Table 12: Status of net migration flow and personal remittances in the Philippines**

Theme	Value
Net migration rate per 1,000 population *	-0.63 (2020)
	-1.70 (2015)
	-3.44 (2010)
Personal remittance (received), % of GDP (2020)	9.7%

\* Net migration is the net total of migrants during a period of five years, i.e. the total number of immigrants less the annual number of emigrants, including both citizens and non-citizens.

Source: World Bank, World Development Indicators; and KNOEMA, Philippines - Net migration rate.

**Figure 10: Net migration trend to average population in the Philippines, 1993-2017**



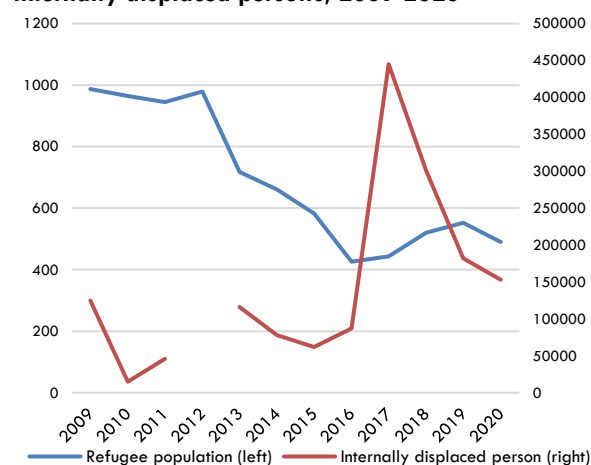
Source: World Bank, World Development Indicators.

The Philippines has developed a public-private partnership to manage overseas employment, from recruitment, deployment, and redeployment to return. Albeit worker safeguards are enclosed in bilateral labour agreements, these often facilitate temporary migration flows from countries with labour surpluses to countries with labour shortages. The Philippine Overseas Employment Administration listed 26 bilateral labour agreements.<sup>66</sup> Among others, the Philippines and Kuwait signed an agreement on workers' rights in May 2018. Workers would be guaranteed food, housing, clothing, and health insurance; and employment contracts would be renewed only with approval from Philippine officials.<sup>67</sup>

The Philippines also has a large segment of internally displaced persons (IDPs) from disasters, conflict, and violence. Concerning disasters, 4,439,000 persons were displaced in 2020, out of which 145,000 were IDPs. For example, the eruption of the Taal volcano in early 2021 led to nearly 506,000 evacuations and was the largest displacement event triggered by a geophysical hazard in 2020. About 153,000 people were IDPs in 2020 associated with conflict and violence.<sup>68</sup> Especially in the Mindanao region, 110,000 people have been internally displaced since 2012 because of armed conflicts in the southern region of the country, in which separatist rebels and Islamist terror groups like *Abu Sayyaf* are fighting for greater autonomy or the creation of an

independent state for the Muslim Moro minority (officially 5% of the population, primarily located on the island of Mindanao). Furthermore, the humanitarian crisis in Marawi in 2017 has caused fatal consequences for citizens in the region. According to UNCHR, a total number of 360,000 people are still internally displaced because of the crisis. Additionally, the majority of IDPs in the Philippines are women and children. Refugees are a minority group in the country (see Figure 11).

**Figure 11: The Philippines' refugee population and internally displaced persons, 2009-2020**



World Bank, World Development Indicators.

## Informal Economy

The informal economy is widespread in the Philippines. Workers in the informal economy are visible by independent, self-employed, small-scale producers. They often loophole in labour regulations such as minimum wage, contractual employment conditions, and social security schemes. Depicted in the Doing Business Index (Appendix Table 26), the business regulations are cumbersome in the Philippines, reducing firms' incentives to formalise their operations or paying taxes, often due to lack of awareness or incentives. This adverse environment further challenges industrial relations, organising workers, performing with collective bargaining through social dialogue.

The Philippines' national laws and regulations related to the informal economy encompasses the Domestic Workers Act from 2013, Social Reform and Poverty Alleviation Act from 1997, and act

aiding women engaging in micro and cottage business enterprises, and other purposes from 1994. The government further aims to enhance the implementation of livelihood programmes and assistance, provision of employment opportunities, and identify measures that will address the root causes of informality among workers. However, these livelihood assistance programmes' scope remains very scarce at approximately 0.7% of workers in vulnerable employment.<sup>69</sup>

National forums dealing with informal economy workers and specific policies addressing the status of informal economy workers were non-active in 2020.<sup>70</sup> On the positive side, the House Committee on Labour and Employment passed on first reading the House Bill (HB) No. 3465 or the proposed Magna Carta for Workers in the Informal Economy before Congress adjourned in June 2020. This bill consolidates the measure with six other similar bills that seek to protect informal workers who were severely affected by quarantine measures during the Covid-19 pandemic.

Proxy measurement related to the informal economy includes the vulnerable employment rate, defined as the share of own-account and contributing family workers in total employment. The latest Labour Force Survey from 2020 registered that 38% (15 million workers) of total employment are vulnerable employment forms. It means nearly two out of five workers are less likely to have formal work arrangements and access to social protection and are more at risk during a crisis or shock. Similarly, projections from ILO suggest that the segment of vulnerable employment fell from 42% in 2010 to 33% in 2019, supporting a rebound in 2020 due to the economic downturn.

A study found the Philippines' size and development of the informal economy were declining from 45% in 1991 to 28% in 2015, benefiting the sectoral shifts in employment and the economy. This range, on average, at 39% over 2004 to 2015, was significantly larger than Indonesia (24%), Laos (30%), Malaysia (32%), Singapore (12%), Vietnam (19%) but smaller than Thailand (51%) and Myanmar (51%).<sup>71</sup> Besides, the country's informal

payments to public officials are relatively high at 59% but are lower than in Cambodia (66%) and Vietnam (91%) (Table 13).

**Table 13: Status of the Philippines' informal economy**

Indicators	%
The informal economy's share of GDP (2015)	28%
Informal employment (2008-2017, average)	56%
Vulnerable employment (2020)	38%
Informal payments to public officials (% of firms) * (2015)	59%

\* Informal payments to public officials are the percentage of firms expected to make informal payments to public officials to "get things done" regarding customs, taxes, licenses, regulations, services, and the like.

Sources: IMF, *Shadow Economies Around the World: What Did We Learn Over the Last 20 Years?*, IMF Working Paper, January 2018; Philippines Statistical Authority, *Labour Force Survey 2020*; DTDA, *Philippines: data collection tool, 2020*; and World Bank, *World Development Indicators*.

Informal workers are mainly in the agricultural and service sectors with 48% and 45%, respectively. Informal workers in the industry sector are low at 6.6%. Around four out of ten informal workers reach elementary school level.<sup>72</sup> Many other Filipino women work as domestic workers, which often have been subjected to informal, unsafe working conditions in the country and those working abroad. In addition, forced labour within the informal economy is detected and primarily affect women and children. This segment of workers is mainly in fishing, small-scale factories, domestic services, and agriculture in general.

## Child Labour

Around 32% of the Philippines' population is 0-14 years old. This segment's growth lost its pace, outlined in the Population Pyramid above (revisit Figure 5). The country ratified ILO's two conventions on effective abolition of child labour (see Appendix Table 21). The labour law prohibits employing children younger than age 15, including for domestic service. It excepts under parents or guardians' direct and sole responsibility and sets the maximum number of working hours for them at four hours per day and no more than 20 hours per week. The law also prohibits the worst forms of child labour. Children between 15 and 17 are limited to



eight working hours per day, up to a maximum of 40 hours per week. The law forbids the employment of persons younger than 18 in hazardous work. The minimum age for work is lower than the compulsory education age, enticing some children to leave school before the completion of their compulsory education.<sup>73</sup>

The root of child labour is linked with poverty and remains widespread. The latest official data from 2011 registered 3.3 million, or 12%, was measured on a broader segment as working children; 7.9% of children are engaged in child labour and 7.7% in hazardous work. The working boys (63%) outnumbered the working girls (37%). As to the age group, 53% of the working children were 15 to 17 years old, 38% were 10 to 14 years old, and 8.8% were 5 to 9 years of age. Northern Mindanao had the highest proportion of working children at 22%, while the National Capital Region had the lowest at 5.4%. In addition, the Philippines' child labour has been slightly higher than East Asia and the Pacific averages (see Table 14). Under the 2017-2022 Philippine Development Plan, the government aims to reduce the cases of child labour by 30%. Updated data concerning child labour coverage were not available to assess if the country is in progress. However, school enrolment rates are on the rise during the 2010s suggesting the child labour is declining (see also the education section).

**Table 14: Status of child labour in the Philippines and Asia & the Pacific, latest data**

Country/ Region	Type	Rate
Philippines (2011)	Working children	12%
	Child labour	7.9%
	Hazardous work	7.7%
Asia & the Pacific (2020)	Working children	-
	Child labour	5.6%
	Hazardous work	2.6%

*Note: Children in employment: unpaid family workers are people who work without pay in a market-oriented establishment operated by a related person living in the same household. Child labour: work that is mentally, physically, socially, or morally dangerous and harmful to children; and interferes with their schooling. Hazardous work: children in dangerous and unhealthy conditions that can lead to a child being killed, injured, or made ill because of poor safety and health standards or employment conditions.*

*Sources: Philippines Statistics Authority, 2011 Survey on Children; ILO and UNICEF, Global estimates 2020, trends and the road forward, 2021.*

Working boys are more visible in physical work in rural areas than girls who are doing domestic work. The practice of child labour continues mostly in rural and remote areas with a lack of education and weak or even no access to government services. Most child labours are often in family settings. Child workers are also in gold mining, manufacturing, domestic service, drug trafficking, and garbage scavenging faced exposure to hazardous working environments.

The Philippines had been making slow progress in its long fight against child labour. DoLE made efforts in preventing child labour and remove children from hazardous work. The government implemented programmes to enable local governmental units to deliver a broader and better set of early childhood development services that caused improvement in cognitive, social, motor, and language development. Nevertheless, the Philippines could be classified as “affected by armed conflict”, which encountered the roots of child labour, and resources remain inadequate to accelerate the implementation of programmes. In addition, the Covid-19 pandemic reversed the gains that had been made in 2020. Achieving the SDG aiming to eradicate all forms of child labour before 2025 requires drastic measures to be completed.

## Gender

The Philippines ratified the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) and Optional Protocol to the CEDAW. The 1987 constitution recognises the role of women in nation-building and shall ensure fundamental equality before the law of women and men. The government also launched the Magna Carta of Women in 2009, a comprehensive women's human rights law that seeks to eliminate discrimination against women by recognising, protecting, fulfilling, and promoting the rights of Filipino women. Legislation continues with some flaws, e.g., property ownership law or patriarchal traditions grants men more rights over property than women in indigenous communities. Besides, the Philippines is one of the only countries where



divorce is not legal, and a civil annulment is a long process. Regarding ownership of real or moveable property, the Family Code states that the husband's decision shall prevail in case of disagreement.

Despite legal provisions, traditional cultural stereotypes linked to gender inequality and discrimination test women's role in labour. For example, women seeking job opportunities in non-traditional sectors often reach gender discrimination, not to mention gender harassment in hiring and punitive action on women employees when they become pregnant are well-known issues. In addition, no law mandates non-discrimination based on gender in the workplace.

Many women carry the 'double-burden', i.e., women's workload weighing on employment along with unpaid care and domestic responsibilities. However, an increasing number of Filipino men are doing household work and are landing jobs formerly done by women. Traditional cultural stereotypes are more present in rural areas and among specific ethnic groups.

Regarding employment, the Labour Code prohibits discrimination by gender. Still, it is not unusual for women to experience discrimination at their workplace in sexual abuse and punitive action when they become pregnant.<sup>74</sup> The gender inequalities are reflected in the wage gender gap: The average daily basic pay gender gap has declined. Studies found a pay gap of 4.8%. The age and geographical location were not the main determining factors for the pay gap. Instead, the primary occupation and educational attainment play a role with the pay gap increased to 25% and 27%, respectively.<sup>75</sup>

Table 15 displays the scope of the Philippines' gender gaps in employment structures. There are significantly fewer women in employment than men. Both sexes are present in 'vulnerable employment', visualised in unskilled labourers, traders, artisans, or subsistence farming, but women with a significant gap of 6 percentage points. Women's 'double-burden' further keep many in informal part-time activities linked to time constraints from domestic

chores. It is worthwhile to mention that the economic downturn in 2020 negatively affected the manufacturing sector linked to exports, where women's employment is more affected than men.

**Table 15: Estimation of workforce key indicators gender gaps in the Philippines, 2019**

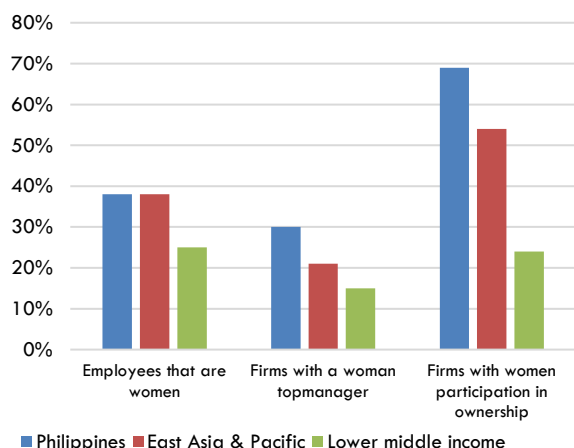
	Men	Women	Men/women ratio gap, percentage point (p.p.)
Employment	72%	46%	+26p.p.
Unemployment	2.1%	2.5%	-0.4 p.p.
Employees	66%	60%	+6.0 p.p.
Employers	3.4%	2.2%	+1.2 p.p.
Vulnerable employment *	31%	37%	-6.0 p.p.

\* Aggregated of own-account workers and contributing family workers.  
Source: ILO, Key Indicators of the Labour Market (KILM).

The global Gender Inequality Index (GII) reflects the scope of gender disparities, ranking the Philippines 104 out of 162 countries (1 is best) in 2019. This low-medium ranking is mainly due to the relatively high maternal mortality ratio and the significant gender gap in the labour force participation rate. On the other hand, Filipino women score better than men concerning population with at least some secondary education.<sup>76</sup> The other Global Gender Gap Index (GGGI) 2021 ranks the Philippines 17 out of 156 countries (1 is best). The country scores relatively high at economic participation and opportunity (18), health and survival (34), educational attainment (39), and political empowerment (33).<sup>77</sup>

According to the latest Philippines Enterprise Survey from 2015, firms with women participation in ownership and firms with a woman top manager are high (Figure 12). The Philippines is the second-best country worldwide on the ability of women to rise to positions of enterprise leadership, and it is the country with the highest percentage of firms with female participation in ownership, which is, among others, a result of the mentioned positive legal framework. Nevertheless, women entrepreneurs often face constraints that men do not, including limited access to capital and credit, due to lack of collateral, lack of information and time constraints imposed by domestic obligations.

**Figure 12: Women participation in employment, top management, and ownership in the Philippines, %, 2015**



Source: World Bank, Enterprise Surveys, Philippines 2015.

## Youth

The Philippines' youth (15-24 years old) represent 27% of the population and around 14% of the employment; at least one out of three (35%) of the total unemployment is stuck in this segment, by the same token, 43% are not in the active workforce (also revisit Table 10 above).<sup>78</sup>

The Philippine Youth Development Plan (PYDP) 2017-2022 set a framework for youth and youth-serving groups, agencies, and institutions to promote youth participation. The plan set a schedule for nine policy areas, including economic empowerment that encompasses: i) optimise youth participation in the labour force; ii) stop youth participation in vulnerable employment; iii) promote youth participation in entrepreneurial activities; and iv) strengthen youth participation in employment enrichment support systems.

Youth Councils (*Sangguniang Kabataan*) were created through the Local Government Code of 1991 as councillors, which paved the way for youth participation in governance and policymaking. Every Youth Council is part of a municipal or city association, which are, in turn, members of a provincial association. This concept was stalled but not abolished before the 2013 *barangay* elections, i.e., the smallest administrative divisions. In January 2016, the Sangguniang Kabataan Reform Act was signed into law, making significant changes to the

youth council. A new Local Youth Development Council (LYDC) was formed to support the Youth Councils' programmes and be composed of representatives from different youth organisations in the community. However, new elections were postponed several times. In May 2021, the Senate approved a bill that strengthens the Youth Councils, including a cap of 25% for the utilisation of the councils' funds for personnel services to ensure that the bulk of the budget allocated will go to programmes that will benefit the youth. The bill provides student stipends, food, book, and transportation allowances, sports and wellness projects, skills training, summer employment, cash-for-work, on-the-job training, and livelihood assistance. The national government considers it as the representation of the youth in government affairs but not all youth councils are functioning effectively with low levels of participation.<sup>79</sup>

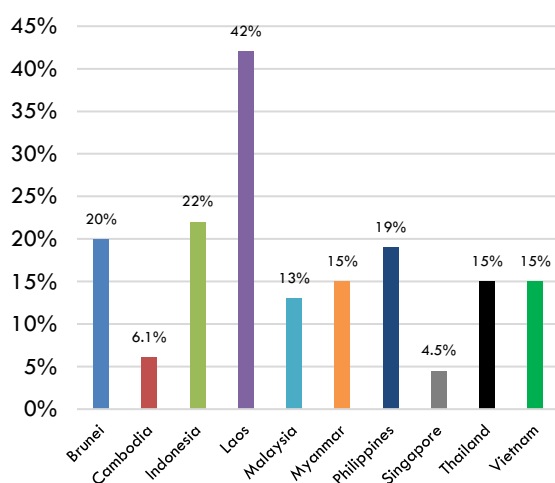
Some facets of working youth in the Philippines are that a majority (58%) have full-time jobs, and another 44% have part-time employment. Over a quarter (28%) of them seek another job because they want additional income (47%). In addition, 55% had a monthly personal income below Php 10,000 (US\$198) in 2017. The small monthly household income could be explained by the employment status of the respondents' parents: only 24% of them had parents who were both employed. Close to one out of two (47%) agreed that job security was unimportant when considering employment.<sup>80</sup> Moreover, prolonged school-to-work transition is linked to structural unemployment; it takes a high school graduate up to three years to find the first job and four years to find a permanent wage job. At higher education levels, it takes a college graduate one year to find the first job and up to two years to find a permanent position.<sup>81</sup>

Considering the insufficient job creation in the formal sector and cultural aspects make many Filipino youths discouraged and withdraw from employment, becoming economically inactive on the labour market.

Another weakness for the Filipino youth is the mismatch between job requirements and graduates' qualifications. According to the Trade Union Congress of the Philippines, approximately one million college and vocational graduates faced job-skills mismatch. Job mismatch is also the primary factor for underemployment in the country.<sup>82</sup>

The NEET rate (i.e., those not in employment, education, or training) fell from 25% in 2010 to 19% in 2020 in the Philippines. This drop was considerably among women: the NEET rate gender gap dropped from 13 to 5.6 percentage points from 2010 to 2020. It is worthwhile to mention that young people from lower-income families are more present in the NEET rate. The Philippines' NEET rate is slightly at a high level among ASEAN countries (Figure 13). The specific SDG goal targeting 2030 to reduce the NEET rate substantially appears to be in the right direction in the Philippines (see more in SDG Table, Indicator 8.6.1, Page iv). However, the economic downturn in 2020 caused by the Covid-19 pandemic is most likely to stall the progress.

**Figure 13: The NEET rate in ASEAN countries, %, 2017-2020**



Note: The NEET rate is the proportion of youth not in employment, education, or training.

Source: ILO, Key Indicators of the Labour Market (KILM).

The youth unemployment rate has been on a declining trend during the 2010s and stays significantly lower than the South-Eastern Asia average (revisit Figure 9 above). The high emigration rate somewhat shadows this relatively low youth unemployment.

Active youth on the labour market are often among informal workers or short-term labour contracting that side-line them to social protection. These groups are challenged by inadequate training and career opportunities, and among those that often earn less than the minimum wages compared to the non-youth groups.

Generally, the Covid-19 pandemic has affected the youth at various levels such as health and well-being, education, employment, and civic activities due to social distancing policies. For example, youth are the most vulnerable to lay-offs. While they may have benefited from financial help provided to workers, no special provisions were adopted by the government to address youth unemployment during the pandemic apart from the guidelines issued on alternative work arrangements. However, some smaller programmes like the Government Internship Programme (GIP) in local government units are beneficial to some unemployed youth.<sup>83</sup>

## EDUCATION

During the 2010s, the Philippines implemented comprehensive law reforms of the education system. First, the Kindergarten Education Act from 2012 makes kindergarten education the first stage of compulsory and mandatory formal education before Grade 1. In 2013, the Enhanced Basic Education Act provided at least one year of preschool and 12 years of basic education (six years of elementary, four years of junior high school, and two years of senior-high-school). Recent reforms have increased collaboration between the Commission on Higher Education of the Philippines (CHED), the Department of Education, the Technical Education and Skills Development Authority, and other stakeholders. These changes make one of the most ambitious and complex education sector reform process undertaken in the country's education system (see more in Appendix Table 25). These education reforms aimed to boost enrolment levels, graduation rates, and mean years of schooling in elementary and secondary education and improve higher education quality.

Executive Order No. 83 from 2012, and more recently, Republic Act No. 10968 from 2018, institutionalises the Philippine Qualifications Framework (PQF), which describes the levels of educational qualifications and sets the standards for qualification outcomes. It is a quality assured national system for the development, recognition and award of qualifications based on standards of knowledge, skills and values acquired in different ways and methods by learners and workers of the country.

Although the education sector's legal reforms, public spending in education dropped slowly during the last three decades from 3.8% of GDP in 1990 to 2.8% in 2019. It ended significantly lower than several other ASEAN countries like Brunei Darussalam (4.4%), Indonesia (3.6%), Malaysia (4.3%), and Vietnam (4.3%).

The Philippines' literacy rate for the population 15+ increased from 93% in 2000 to 96% in 2019, similarly to East Asia and the Pacific average at 95%. The Philippines' Labour Force Survey data from 2020 revealed that just 1.1% of total employment by education had less than basic education. Around 63% of employment have basic education; at the intermediate level, it is relatively low at 6.1%, while the advanced level is up at 30%. It is worthwhile to mention that women get somewhat better educated than men, but the former has a significantly lower employment rate than the latter (Table 16 and revisit Table 15).

**Table 16: Employment by education, age 15+, % of employment distribution in the Philippines, 2020**

	Less than basic	Basic	Inter-mediate	Advanced
Total	1.1%	63%	6.1%	30%
Men	1.2%	69%	6.0%	24%
Women	1.1%	53%	6.3%	39%

Source: Philippines Statistics Authority, Statistical Tables on Labor Force Survey (LFS): October 2020.

The education reforms during the 2010s supported an upsurge in enrolment at the primary school level. They were getting close to fully net enrollment for Filipino males and females, but they lost the tempo at the end of the decade (Figure 14). Nevertheless, the initial enrolment rise benefitted from advances

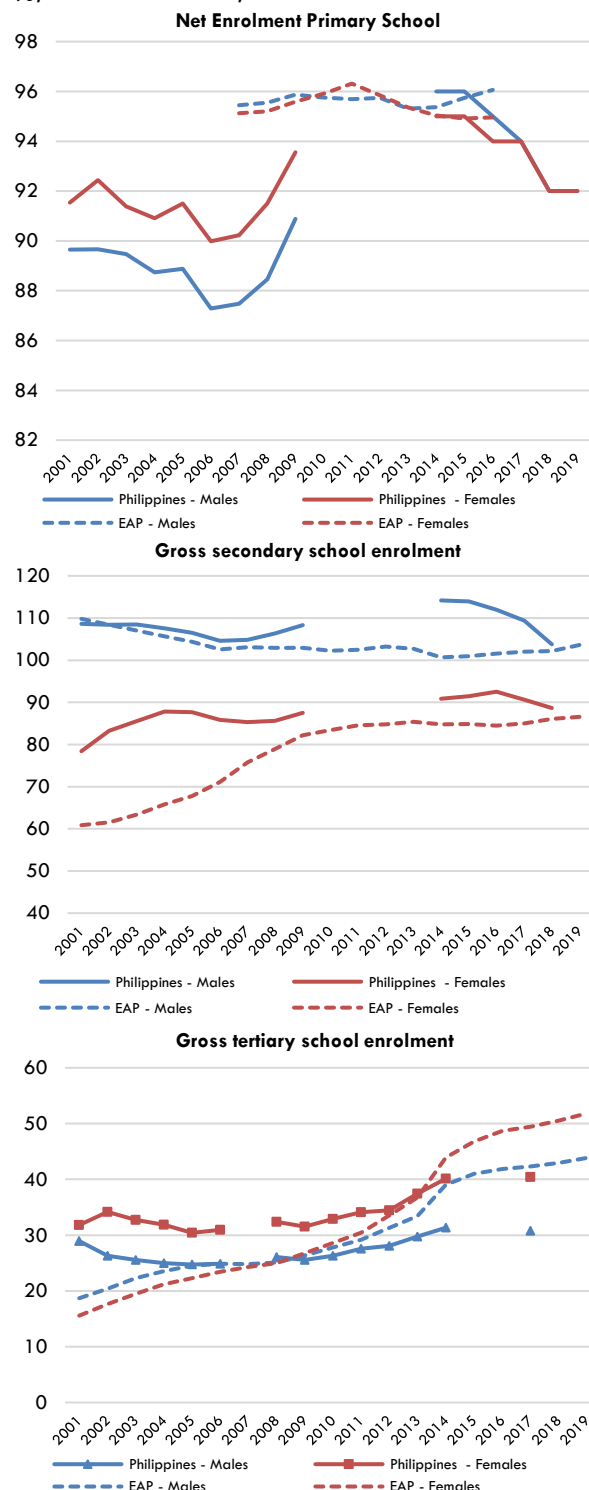
in pre-school education. After introducing one year of mandatory kindergarten education in 2012, the gross enrolment rate surged from 54% in 2009 to 100% since 2015.

The total net enrolment in lower secondary education peaked at 94% at the beginning of the 2010s, but it dropped slightly to 89% in 2018, with a slight gender gap favouring females. At this level, the Philippines rates stay in line with the regional average. At the broader gross secondary school enrolment rates, the country hovers above the regional averages but dropped in par at the end of the 2010s.

The country has one of the highest dropout rates among the ASEAN countries, with 6.4% of elementary students and 7.8% of secondary school students. Some of the reasons for these high rates concern that many students skip class to find some income to support their families; others in conflict zones like the southern regions in Mindanao disrupt families' lives. Currently, there are about 1.4 million children who are out of school in the Philippines. In addition, many schools lack supplies and teachers.

The gross enrolment in tertiary education rate has a more modest expansion for Filipino males than females, widening the gender gap in the margin. The country significantly lost the pace than the regional averages (Figure 14). The education reforms, including the Universal Access to Tertiary Education Act of 2017, increased focus on internationalisation and grant free tuition across all state universities and colleges. The higher education's quality has been a perennial issue, particularly challenging at a time of massification of higher education, with the expansion of both public and private higher education sectors and given the mismatch between graduate learning and the requirements of industry.<sup>84</sup>

**Figure 14: Enrolment in primary, secondary, and tertiary education in the Philippines and East Asia & Pacific (EAP), %, male and female, 2001-2019**



Note: Net enrolment is the ratio of children of official school age, who are enrolled in school to the population of the corresponding official school age. Gross enrolment is the ratio of total enrolment, regardless of age, to the population of the corresponding official school age. Gross enrolment could therefore be higher than 100%.

Source: World Bank, Education Statistics; UNESCO, Philippines.

The Covid-19 pandemic brought abrupt and created unforeseen encounters to follow the education plan. Students experienced distress and poor learning outcomes with the closure of schools and the adoption of remote learning. Policies adopted during Covid-19 provided for assistance to selected students through allowances and subsidies, investment in information and communication technology (ICT) infrastructure, and budget for the printing and delivery of modules.<sup>85</sup>

In October 2021, schools are cautiously opening on areas where there are low Covid-19 cases. Selected students are allowed limited face-to-face classes although majority of the students are still using alternative learning systems using printed modules, educational TV broadcasts and online using DepED Commons.

In the tertiary levels, limited face-to-face classes have been permitted by the government for areas of study to include medical sciences, engineering, and selected technical-vocational areas.

### Vocational Training

A broad legal framework covers the Philippines' TVET system. It includes the Enhanced Basic Education Act of 2013, providing senior high school students specialised tracks such as the Technical-Vocational-Livelihood (TVL). Also, the Ladderised Education Act of 2014 institutionalises a Ladderised Education Programme (LEP), which formalises a system of accreditation and interface between and among the country's technical-vocational institutions and higher educational institutions (see more in Appendix Table 25).

The Department of Education (DepEd), Commission on Higher Education (CHED), Technical Education and Skills Development Authority (TESDA) are the major agencies responsible for the implementation of public TVET programmes, in consultation with relevant stakeholders in the higher education and the technical vocational education sector.

The National Technical Education and Skills Development Plan (NTESDP) 2018-2022 aims to mobilise and encourage the full participation of



industries, the labour sector, government units, relevant educational institutions, and non-government organisations in the development of the Philippines' human capital resources. This plan's primary objective is to galvanise and strengthen the Technical and Vocational Education and Training (TVET) sector through two strategies: i) Global Competitiveness and Workforce Readiness; and ii) Social Equity for Workforce Inclusion and Poverty Reduction.

There has been a growth in TVET providers from 3,381 institutions in 2007 (2,520 private and 861 public institutions) to 3,966 in 2017 (3,625 private, 341 public). It shows TVET providers (registered by TESDA) are become gradually more dominated by private institutions. Technical Vocational Institutions (TVIs) account for 75% of all TVET providers, followed by Higher Education Institutions (HEIs) at 16%. TESDA Training Institutions, or those public institutions supervised by the agency, only comprise 3% of the total, and 'others' at 6%. The increase in private TVET providers could be attributed to the relatively low flow of government funding through TVET scholarship programmes implemented by both the public and private institutions.<sup>86</sup>

TVET enrollees were notably low at around 1.5 million students in 2010 because of the decrease in funds. It started progressively to increase, reaching 2.3 million in 2017, equalling a growth of 53%. The ratio of TVET graduates to enrollees was estimated at 92% on average in 2014-2017 (see more details in Table 17).

**Table 17: The Philippines' vocational training status**

Indicators	Value
Number of TVET enrollees (2017)	2,298,744
Ratio of TVET graduates to enrollees (2014-2017 average)	92%
Number of TVET trainers (2017)	4,168
Share of all students in secondary education enrolled in vocational programmes (2018)	9.7%
Share of all students in upper secondary education enrolled in vocational programmes (2018)	38%

Sources: Technical Education and Skills Development Authority; UNESCO, Philippines: TVET Country Profile, 2019; and World Bank, Education Statistics.

Some of the main challenges in the Philippines' TVET sector concern the rather low employability of graduates seeking specific occupations. Around 65% of Philippine graduates (job applicants seeking specific work positions) are not employable in their field of choice in the job economy. Moreover, the fast pace of technology development is challenging the future skills requirements and doing many obsolete jobs that would be automated, digitised, and robotised. 'Brain drain' for the very high propensity of skilled Philippine workers to seek employment abroad.

According to the Philippines' TVET providers, online courses were initially offered in the context of the Covid-19 pandemic in 2020. Still, they were discontinued owing to weak access to the internet and digital devices. In many countries around the world, certifying exams and assessments were postponed for TVET trainees and students and, in some cases, even cancelled due to the Covid-19 pandemic. Some Asian countries, like the Philippines, were exceptions to this trend.<sup>87</sup>

Other data show that the Philippines' firms offering formal training programmes were relatively high at 60% of their permanent, full-time employees in 2015. It was significantly higher than ASEAN countries latest data available, e.g., Cambodia (22%), Indonesia (7.7%), Laos (24%), Malaysia (19%), Myanmar (5.9%), and Vietnam (22%).<sup>88</sup> Formal firms continue being a small group compared to the widespread informal micro-and small enterprises. Likewise, TESDA found industry support and commitment was not fully achieved, particularly in industry involvement in labour market information, assessment, and certification, and TVET financing. Introducing mobile laboratories, which aims to increase training participation and gives opportunities for productivity, was also not sufficiently met as well.<sup>89</sup>

As indicated before, the Fourth Industrial Revolution (4IR) introduced disruptions in the labour market: job losses due to digitisation are becoming more urgent, upskilling and retooling is putting pressure on the TVET system. For example, business process outsourcing (BPO) companies have become a

central employer for new graduates of many TVET courses, and recently, even undergraduates who can pass accredited pre-employment training courses.

As part of the 4IR, the demand for digital services – such as mobile cellular, internet, and other digital payments – is increasing worldwide. Among Filipino students, employment in information and communication technology (ICT) services has become a top choice for both males and females at the education level. Data illustrate that the Philippines generally has experienced a growing application for these aspects during the last two decades. For example, individuals using the internet increased from 2.0% in 2000 to 43% of the population in 2019. In this internet-user indicator, the country's scope is quite low compared to the other ASEAN countries like Indonesia (48%), Malaysia (84%), Vietnam (69%) but higher than Cambodia (41%), Laos (26%), and Myanmar (24%). Filipinos' demands for mobile cellular subscriptions also soared from 15 in 2000 to 155 per 100 people in 2019, relatively high compared to other ASEAN countries.

In the Philippines, TVET has suffered from Covid-19 impact since education strategies in this sector relies heavily on face-to-face learning using equipment and other experiential learning strategies. It involves apprenticeship and actual involvement in industries which are abruptly closed due to the pandemic. These learning strategies do not lend itself easily to online interventions and as such, are affected by the school closures.

## **SOCIAL PROTECTION**

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The Philippines' cabinet-level interagency Social Development Committee (SDC) defines social protection as seeks to reduce poverty and vulnerability to risks and enhance the social status and rights of the marginalised by promoting and protecting livelihood and employment, protecting against hazards and sudden loss of income, and improving people's capacity to manage risks.

The country has ratified three ILO Social Security conventions (C118, C157, and C165), but five other up-to-date social security conventions are not endorsed (see Appendix Table 21). In 2012, the SDC outlined the Social Protection Operational Framework as its basis for implementing social protection programmes and other policies related to social protection. This structure is based on four main components: i) labour market interventions involving 22 programmes, ii) social insurance involving 12 programmes, iii) social welfare involving 17 programmes, and iv) social safety nets and others involving 14 programmes. It is further supported by a legal structure based on a collection of separate sector-specific and programme-specific laws. Poverty reduction and rural development strategies often include social protection as an essential pillar.<sup>90</sup>

Most programmes are designed to reach the poorest and vulnerable groups. Coverage of social protection and labour programmes reached 41% of the population, superseded by Indonesia (57%), Malaysia (77%), and Thailand (78%) but hovering above several other ASEAN countries. The Philippines' coverage of social safety net programmes achieved 34%. On the other hand, based on the latest available data, the social insurance programmes mainly reach the wealthiest quintile than the lowest quintile group, 18% and 3.3% of the population in 2015.

Although the Philippines broader poverty headcount ratio was significantly declining during the 2010s, the population covered by at least one social protection fell from 47% in 2016 to 37% in 2020, reaching close to ASEAN countries like Vietnam (39%) and Brunei Darussalam (34%), significantly higher than Cambodia (6.2%), Indonesia (28%), Laos (12%), Malaysia (27%), and Myanmar (6.2%) but lower than Singapore (100%) and Thailand (68%). The proportion of older Filipino persons receiving a pension also dropped from 40% to 21% in the same period. In contrast, vulnerable persons covered by social assistance increased from 7.8% to 22% from 2016 to 2020. See more proportions of population covered by social protection in other aspects in Table 18 below.

**Table 18: Proportion of population covered by social protection systems and health in the Philippines, %, 2020**

Indicator	Coverage
People covered by Health Social Protection, % of population	85%
Population covered by at least one social protection benefit	37%
Proportion of older persons receiving a pension	21%
Persons with severe disabilities collecting disability social protection benefits	3.3%
Unemployed receiving unemployment benefits	0%
Mothers with newborns receiving maternity benefits	12% *
Employed covered in the event of work injury	28%
Children/households receiving child/family cash benefits	31%
Poor persons covered by social protection systems	100% **
Vulnerable persons covered by social assistance	22%
Coverage of social insurance programmes, % of population	8.9% ***

\* Year: 2019. \*\* Year: 2018. \*\*\* Year: 2015.

Source: ILO, Key Indicators of the Labour Market (KILM); World Bank, World Development Indicators; DTDA, data collection tool 2020; Philippines.

Despite the implementation of the aggregated 65 social protection programmes, several continues being challenged by low penetration rate and leakage issues (i.e., programmes benefit the non-poor group).<sup>91</sup> They have a continuing question to financial sustainability because contributions and benefits are not strongly linked, particularly for the Social Security System (SSS). The funds are subjected to political pressure to finance social programmes of doubtful return and could not be in line with the long-term nature of the fund's obligations. There is further needed to improve the investment earnings of the reserve funds continuously.<sup>92</sup> For example, the main bulk of workers operating in the informal economy are often side-lined for the statutory coverage schemes: Although informal economy workers have legally access contributing to the SSS and Philippine Health Corporation (for health insurance), voluntary SSS members and self-employed members comprise around a quarter (24%) of the total 35 million members of the SSS. These factors expose the challenges to reach the SDG's social protection goal

concerning, by 2030, achieving substantial coverage of the poor and the vulnerable (see more in SDG Table, Indicator 1.3.1, Page iv).

The dwindling trade union density negatively affected the organised workers' bargaining power. It further weakened CBAs coverage because of the application of controversial "endo" contracts, leaving weaknesses in social protection schemes' leverage. By the same token, the social security systems struggle to expand membership among informal economy workers. In principle, this group has access to social protection through plenty of private social security schemes and mutual aid associations and cooperatives. For example, as of November 2016, voluntary SSS members numbered 3.8 million, while self-employed members totalled 4.5 million. These comprise around a quarter of the total 34.8 million membership of the SSS. However, in March 2021, SSS reported an estimated 3 million members who stopped paying their contributions in 2020 because of temporary or permanent loss of jobs due to business closure. In addition, the income of most informal economy workers is not enough to pay for the premiums of social safety net providers. Estimates suggest that this segment's coverage at around six to seven million contributors.<sup>93</sup> Many others lack awareness of these services.

The main social insurance scheme for public civil servants is managed by the Government Service Insurance System (GSIS) and workers from the private sector through SSS. Together with the Philippine Health Insurance Corporation (PhilHealth) they manage the major social insurance schemes in the country. It is worthwhile to mention that the GSIS has been quite active, even in 2020: 17 meetings, adopting 18 board resolutions and 5 issuances in 2020. In addition, workers' representatives sitting in social security system boards, including Employees' Compensation Commission (ECC) and Philippine Health Insurance Corporation, are not representing unions.

The Philippine pension system went through reforms, opening social pensioners to 2.8 million indigent senior citizens and experiencing a hike in SSS

pension coverage. However, approximately 40% of Filipino senior citizens have been left out with no pension.<sup>94</sup> The SSS Rationalisation Act from February 2019 aims at contributions gradually increase from the current 11% to 12% (employer: 8%, employee: 4%). It should further increase by 1% every year until it reaches 15% in 2025. This raise in SSS contribution was postponed in 2020 due to the Covid-19 pandemic, though. The law requires SSS coverage for overseas Filipino workers (OFWs). Currently, around 500,000 OFWs are covered. The new law may increase membership to at least two million. A member of the SSS may avail of the unemployment insurance once the person is displaced from work involuntarily. And this person may receive cash benefits amounting to 50% of his monthly salary credit for two months.

The PhilHealth coverage includes only members based on premium payments until the new Republic Act No. 11223 from 2019, also known as the Universal Health Care Act. This new act mandates the institutionalisation of health technology assessment (HTA) as a fair and transparent priority-setting mechanism that shall be recommendatory to the DOH and PhilHealth for the development of policies and programmes, regulation, and the determination of a range of entitlements such as drugs, medicines, pharmaceutical products, other devices, procedures, and services. All Filipinos are already automatically included under the National Health Insurance Programme (NHIP), making PhilHealth's entitlement accessible to all Filipinos. In 2020, the bipartite Leaders' Forum signed a letter to the PhilHealth concerning immediately response to allegations of corruption; exercising financial accountability and transparency; deferring an increase in PhilHealth premium contributions; constituting genuine sectoral representation in the PhilHealth Board.

The Philippines' health expenditures stood quite stable at around 4.3% of GDP on average during the 2010s. It was significantly lower than East Asia and the Pacific average by 2.3 percentage points. The Philippines' health expenditure per capita was on the rise from US\$ 92 in 2010 to US\$ 137 in 2018. The country reached the US\$44 per capita threshold since 2005 defined by the High-Level

Task Force on Innovative International Financing for Health Systems (HLTF) but far below the regional average (see more in Table 19).<sup>95</sup>

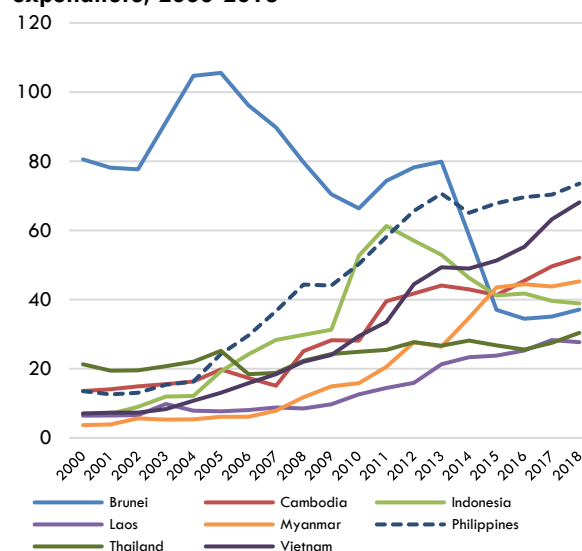
**Table 19: Status of expenditure on health and social contribution in the Philippines and East Asia and the Pacific, 2010-2018 average**

Service	Philippines	East Asia & Pacific
Total health expenditure, % of GDP	4.3%	6.6%
Current health expenditure per capita, US\$ current	US\$ 118	US\$ 614

Source: World Bank, World Development Indicators.

Figure 15 depicts the Philippines' share of healthcare expenditure financed by private households' out-of-pocket payments increased since 2004 but got stalled at the end of the 2010s, linked to growing health expenditure in the margin. The out-of-pocket health expenditure reached 74% of current health expenditure in 2018, which continued significantly higher than ASEAN countries, except Malaysia and Singapore that are above 100%.

**Figure 15: Out-of-pocket expenditure as a percentage of total expenditure on health in the Philippines and most ASEAN countries, % of current health expenditure, 2000-2018**



Note: Out of pocket expenditure is any direct outlay by households, including gratuities and in-kind payments, to health practitioners and suppliers of pharmaceuticals, therapeutic appliances, and other goods and services whose primary intent is to contribute to the restoration or enhancement of the health status of individuals or population groups. It is a part of private health expenditure. The figure excludes data from Malaysia and Singapore that have above 100%.

Source: World Bank, World Development Indicators.

Out-of-pocket health expenditure and health services have been on the rise in the Philippines, linked to some health improvements: The maternal mortality rate fell from 155 on average in the 2000s to 133 deaths per 100,000 live births on average in the 2010s, but it continued significantly higher than East Asia and the Pacific average at 77 on average in the 2010s. In the same two decades, the mortality rate under-5 dropped from 34 to 30 per 1,000 live births on average; again, it stood substantially higher than East Asia and the Pacific average at 18 on average in the 2010s.

The Expanded Maternity Leave Law from 2019 covers female workers in the public and private sectors, including the informal economy. It entitles them to 105 days of maternity leave paid at 100% of their average daily salary credit. The law even provides for an additional 15 days of paid leave if the female worker qualifies as a solo parent under the Solo Parent Welfare Act of 2000, with an option to extend for an additional 30 days without pay. However, mothers with new-borns receiving maternity benefits have still low coverage at 12% in 2019 (see Table 18 above). The Philippine Labour Code does not include paternity benefits. Still, the Paternity Leave Act of 1996 set the frame: Men private and government employees are entitled to seven days of paternity leave with full pay. They should receive their basic salary, allowances, and other monetary benefits for those days. However, paternity benefits differ from PhilHealth and SSS maternity benefits; these two government agencies do not provide benefits specifically for expectant fathers.

Only unemployment insurance schemes are available to workers enrolled in existing unemployment insurance schemes. GSIS offers a scheme for public sector employees. The unemployment benefit is paid when a permanent government employee who has paid the required 12 months of integrated contributions under the Republic Act 8291 is involuntarily separated from the service because of the abolition of office or position, usually resulting from reorganisation. The benefit is in monthly cash payments equivalent to 50% of the average monthly compensation (AMC).

The benefit duration depends on the length of service and ranges from two months to a maximum of six months. SSS also offers unemployment Insurance or Involuntary Separation Benefit. It is a cash benefit granted to covered employees, including domestic (*kasambahays*) and OFWs (sea-based and land-based) who are involuntarily separated from employment (e.g., due to retrenchment or downsizing, closure or cessation of operation, installation of labour-saving devices, redundancy). Members have paid at least 36 monthly contributions, 12 months of which should be 18 months immediately preceding the month of involuntary separation. Data was not available on the insurance schemes' coverage

The SSS has instituted a series of programmes for domestic workers to handle and streamline the registration process for household employers and domestic workers. As of December 2017, 181,210 domestic workers have been registered under SSS, representing a 58% increase from reported domestic workers in 2013. In addition, the total number of beneficiaries, both members and dependents of domestic workers, under PhilHealth amounts to 121,308 persons, an increase of 3.2% since 2016.<sup>96</sup>

In the outbreak of Covid-19, the Philippines' government introduced a series of containment policies, guidelines, department orders, and labour advisories.<sup>97</sup> Among others, in March 2020, they introduced a strict Enhanced Community Quarantine (ECQ) accompanied by a large-scale Social Amelioration Programme (SAP). The ECQ put a halt to the entire country's activities. The SAP provides cash transfers to 18 million low-income families (around 70% of the total) nationwide, ranging from PHP5,000–8,000 (US\$101–161) per family based on prevailing regional wages. It also delivers wage subsidies to displaced low-wage earners in the formal sector. The intended beneficiaries of the SAP are low-income families with people with disabilities, older people, pregnant mothers, solo parents, displaced informal workers and other vulnerable groups. Qualified beneficiaries received the cash transfers for April and May 2020. The government extended the pay-out up to November



2020 for the second tranche.<sup>98</sup> Studies found that the existence of the Philippines' well-established social protection system before the Covid-19 pandemic supported significantly to cushion the

shock to poor households. But some programmes were more successful than others.<sup>99</sup>

## APPENDIX: ADDITIONAL DATA

**Table 20: List of approved labour related legislation in the Philippines, 2014-2020**

Year / Theme	Law/debate
<b>2014</b>	
Employment policy, promotion of employment and employment services	Go Negosyo Act, 2014 (R.A. No. 10644).
Education, vocational guidance and training	Ladderized Education Act, 2014 (R.A. No. 10647).
Occupational safety and health	Guidelines for the Implementation of Globally Harmonized System (GHS) in Chemical Safety Program in the Workplace (D.O. No. 136-14).
<b>2015</b>	
General provisions	An Act repealing the Crime of Premature Marriage Under Article 351 of the Revised Penal Code (R.A. No. 10655).
Elimination of child labour, protection of children and young persons	Youth Entrepreneurship Act (R.A. No. 10679).
Employment policy, promotion of employment and employment services	An Act Defining the Role of the Department of Labor and Employment (DOLE), The Local Government Units (LGUs), and accredited Nongovernment Organizations (NGOs) in the Establishment and Operation of the Public Employment Service Office (PESO), and the Operation of Job Placement Offices in Educational Institutions (EIs), amending for the purpose Sections 3, 5, 6, 7 and 9 of Republic Act No. 8759, otherwise known as the "Public Employment Service Office Act, 1999".
Fishers	Republic Act No. 10654 amending R.A. No. 8550 otherwise known as the Philippine Fisheries Code of 1998.
Seafarers	Seafarers Protection Act, 2016 [R.A. No. 10706].
International agreements	Convention de sécurité sociale entre le Grand-Duché de Luxembourg et la République des Philippines, signée à Luxembourg, le 15 mai 2015.
<b>2016</b>	
Freedom of association, collective bargaining and industrial relations	Department Order No. 151-16 Implementing Rules and Regulations of RA No. 10396, or "An Act Strengthening Conciliation-Mediation as a Voluntary Mode of Dispute Settlement for All Labor Cases"
Employment policy, promotion of employment and employment services	Department Order No. 157-16 Implementing Rules and Regulations of RA 8759, otherwise known as the PESO Act of 1999, as amended by RA No. 10691
Conditions of employment	Labor Advisory No. 10-2016 Prohibition against Labor-Only Contracting
Occupational safety and health	Department Order No. 154-2016 Safety and Health Standards on the Use and Management of Asbestos in the Workplace. Labor Advisory No. 03-16 Safety and Health Measures to Prevent and Control Heat Stress at the Workplace.
Migrant workers	Department Order No. 159-16 Guidelines for the Employment of Migratory Sugarcane Workers (MSWs)
Seafarers	Department Order No. 153-16 Implementing Rules and Regulations of RA No. 10706 otherwise known as the "Seafarers Protection Act"
Fishers	Department Order No. 156-16 Rules and Regulations governing the Working and Living Conditions of Fishers on board Fishing Vessels engaged in Commercial Fishing Operation
Specific categories of workers	Department Order No. 159-16 Guidelines for the Employment of Migratory Sugarcane Workers (MSWs)
Elimination of child labour, protection of children and young persons	Department Order No. 149 of 2016 on the Guidelines on Assessing and Determining Hazardous Work in the Employment of Persons Below the Age of 18 Years.
Equality of opportunity and treatment	Anti-Age Discrimination in Employment Act (R.A. No. 10911, July 21, 2016).
<b>2017</b>	
Freedom of association, collective bargaining, and industrial relations	Labor Advisory No. 02-17 Right to Self-Organization Relative to the Implementation of K-12 Program.
Elimination of child labour, protection of children and young persons	Department Order No. 149-A of 2017 amending the Guidelines on Assessing and Determining Hazardous Work in the Employment of Persons Below the Age of 18 Years.
General provisions	Green Jobs Act of 2016 (RA 10771), 29 April 2016
<b>2018</b>	
-	-
<b>2019</b>	
Maternity protection	Expanded Maternity Leave Law.
Occupational safety and health	Strengthening Compliance with Occupational Safety and Health Standards Act.
General provisions	Safe Spaces Act. Telecommuting Act.
<b>2020</b>	
General provisions	Republic Act 11479 of 2020 (or the Anti-Terrorism Act)

Source: ILO, NATLEX, Philippines; DTDA SRO-Asia, Philippines: Data-collection tool, 2019/2020; ITUC, Survey of Violations of Trade Union Rights. Philippines.

**Table 21: Ratified ILO Conventions in the Philippines, August 2021**

Subject and/or right	Convention	Ratification date
<b>Fundamental Conventions</b>		
Freedom of association and collective bargaining	C087 - Freedom of Association and Protection of the Right to Organise, 1948	1953
	C098 - Right to Organise and Collective Bargaining Convention, 1949	1953
Elimination of all forms of forced labour	C029 - Forced Labour Convention, 1930	2005
	C105 - Abolition of Forced Labour Convention, 1957	1960
Effective abolition of child labour	C138 - Minimum Age Convention, 1973	1998
	C182 - Worst Forms of Child Labour Convention, 1999	2000
Elimination of discrimination in employment	C100 - Equal Remuneration Convention, 1951	1953
	C111 - Discrimination (Employment and Occupation) Convention, 1958	1960
<b>Governance Conventions</b>		
Labour inspection	C081 - Labour Inspection Convention, 1947	Not ratified
	C129 - Labour Inspection (Agriculture) Convention, 1969	Not ratified
Employment policy	C122 - Employment Policy Convention, 1964	1976
Tripartism	C144 - Tripartite Consultation (International Labour Standards) Convention, 1976	1991
<b>Technical Conventions (Up-to-date)</b>		
Children and young persons	C077 - Medical Examination of Young Persons (Industry) Convention, 1946	1960
Wages	C094 - Labour Clauses (Public Contracts) Convention, 1949	1953
	C095 - Protection of Wages Convention, 1949	1953
Migrant Workers	C097 - Migration for Employment Convention (Revised), 1949	2009
	C143 - Migrant Workers (Supplementary Provisions) Convention, 1975	2006
Specific categories of workers	C110 - Plantations Convention, 1958	1968
	C149 - Nursing Personnel Convention, 1977	1979
	C189 - Domestic Workers Convention, 2011	2012
Social Security	C118 - Equality of Treatment (Social Security) Convention, 1962	1994
	C157 - Maintenance of Social Security Rights Convention, 1982	1994
	C165 - Social Security (Seafarers) Convention (Revised), 1987 *	2004
Freedom of association, collective bargaining, and industrial relations	C141 - Rural Workers' Organisations Convention, 1975	1979
	C151 - Labour Relations (Public Service) Convention, 1978	2017
Employment policy and promotion	C159 - Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983	1991
Occupational safety and health	C176 - Safety and Health in Mines Convention, 1995	1998
	C187 - Promotional Framework for Occupational Safety and Health Convention, 2006	2019
Seafarers	C185 - Seafarers' Identity Documents Convention (Revised), 2003 **	2012
	MLC - Maritime Labour Convention, 2006 ***	2012

\* Automatic Denunciation on 20 Aug 2013 by convention MLC, 2006.

\*\* Amendments of 2016 to the Annexes of the Convention No. 185.

\*\*\* Amendments of 2014, 2016 and 2018 to the MLC, 2006 are in force; the latter was ratified in December 2020.

Source: ILO, NORMLEX, the Philippines.

**Table 22: Trend in tripartism in the Philippines, 2008-2017**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Tripartite Industrial Peace Councils created/reactivated	1	5	11	9	7	6	0	1	1	0
Industry Tripartite Councils created/reactivated	5	26	15	71	62	18	43	24	10	1
Existing Industry Tripartite Councils	-	-	70	141	203	221	264	288	294	298
Voluntary Codes of Good Practices adopted	-	-	8	33	45	35	37	21	8	0

Source: Philippines Statistics Authority, Decent Work Statistics, Summary Tables, 1995-2017

**Table 23: Workers covered by existing labour organisations, workers' associations, and Collective Bargaining Agreements (CBAs), 2017-2021**

	2017	2018	2019	2020	2021 *	Growth, 2017-2021	Growth, 2019-2021
<b>Labour organisations</b>	<b>5,027,874</b>	<b>4,689,058</b>	<b>4,739,994</b>	<b>4,777,988</b>	<b>4,795,409</b>	<b>-4.6%</b>	<b>1.2%</b>
<b>Public sector</b>	<b>450,686</b>	<b>469,020</b>	<b>490,696</b>	<b>495,678</b>	<b>499,841</b>	<b>11%</b>	<b>1.9%</b>
National Government Agencies	277,775	278,966	286,002	284,903	285,187	2.7%	-0.3%
Local Government Units	88,520	98,797	112,121	115,871	118,734	34%	5.9%
State Universities & Colleges	40,407	42,085	43,208	44,196	45,153	12%	4.5%
Government Owned & Controlled Corporations	43,984	49,172	49,365	50,708	50,767	15%	2.8%
<b>Private sector - Enterprise Based Unions</b>	<b>1,543,514</b>	<b>1,543,185</b>	<b>1,566,173</b>	<b>1,596,576</b>	<b>1,609,749</b>	<b>4.3%</b>	<b>2.8%</b>
Affiliates	160,281	160,366	160,484	161,584	162,877	1.6%	1.5%
Chartered locals	596,591	592,358	608,673	625,933	634,473	6.3%	4.2%
Independent unions	786,642	790,461	797,016	809,059	812,399	3.3%	1.9%
<b>Workers Associations</b>	<b>3,033,674</b>	<b>2,676,853</b>	<b>2,683,125</b>	<b>2,685,734</b>	<b>2,685,819</b>	<b>-12%</b>	<b>0.1%</b>
Operating in one region	2,910,787	2,548,638	2,548,845	2,551,438	2,551,416	-12%	0.1%
Operating in more than one region	122,887	12,8215	134,280	134,296	134,403	9.4%	0.1%
<b>Collective Bargaining Agreements</b>	<b>220,905</b>	<b>186,892</b>	<b>203,229</b>	<b>182,030</b>	<b>195,572</b>	<b>-12%</b>	<b>-3.8%</b>
Independent Unions	102,750	94,231	88,135	85,575	91,148	-11%	3.4%
Federated Unions	118,155	92,661	115,094	96,455	104,424	-12%	-9.3%

\* As of 3rd Quarter 2021.

Source: Philippines Bureau of Labour Relations, Statistical Reports.

**Table 24: Number of organisations among existing labour organisations, workers' associations, and Collective Bargaining Agreements (CBAs) in the Philippines, 2017-2021**

	2017	2018	2019	2020	2021 *	Growth, 2017-2021	Growth, 2019-2021
<b>Labour organisations</b>	<b>77,704</b>	<b>84,278</b>	<b>90,427</b>	<b>99,070</b>	<b>109,115</b>	<b>40%</b>	<b>21%</b>
<b>Public sector</b>	<b>1,465</b>	<b>1,630</b>	<b>1,769</b>	<b>1,819</b>	<b>1,849</b>	<b>26%</b>	<b>4.5%</b>
National Government Agencies	522	555	563	568	570	9.2%	1.2%
Local Government Units	670	705	814	850	874	30%	7.4%
State Universities & Colleges	212	220	226	231	233	9.9%	3.1%
Government Owned & Controlled Corporations	62	150	166	170	172	177%	3.6%
<b>Private sector - Enterprise Based Unions</b>	<b>17,424</b>	<b>17,562</b>	<b>17,694</b>	<b>17,820</b>	<b>17,993</b>	<b>3.3%</b>	<b>1.7%</b>
Affiliates	628	630	632	637	640	1.9%	1.3%
Chartered locals	9,258	9355	9,443	9,532	9670	4.5%	2.4%
Independent unions	7,538	7577	7,619	7,651	7683	1.9%	0.8%
<b>Workers Associations</b>	<b>58,662</b>	<b>64,933</b>	<b>70,808</b>	<b>79,275</b>	<b>89,117</b>	<b>52%</b>	<b>26%</b>
Operating in one region	58,613	64,876	70,750	79,216	89,057	52%	26%
Operating in more than one region	49	57	58	59	60	22%	3.4%
<b>Collective Bargaining Agreements</b>	<b>1,159</b>	<b>995</b>	<b>939</b>	<b>800</b>	<b>834</b>	<b>-28%</b>	<b>-11%</b>
Independent Unions	493	412	386	334	355	-28%	-8.0%
Federated Unions	666	583	553	466	479	-28%	-13%

\* As of 3rd Quarter 2021.

Source: Philippines Bureau of Labour Relations, Statistical Reports.



**Table 25: Central education laws/acts in the Philippines**

Laws	Issues
Anti-Bullying Act of 2013	This act encompasses all public and private basic-education schools are mandated to adopt anti-bullying policies and establish intervention programmes for both the child victim and the child bully.
Fast-Tracked Science and Technology Scholarship Act of 2013	This act promotes the hiring of teachers from among the graduates of science, technology, engineering, and mathematics courses as well as enhances the current science and technology scholarships offered by the Department of Science and Technology;
Rural Farm Schools Act	This act aims to provide alternative mode of secondary education in rural areas with the establishment of rural farm schools in the country (and shall follow the general secondary education curriculum with additional courses focused on agri-fishery arts.
Iskolar ng Bayan Act of 2014	This act mandates all state universities and colleges to admit and provide scholarship grants to the top 10 public high-school graduates subject to some requirements and conditions provided by said law and the implementing rules and regulations to be formulated by the Commission on Higher Education (CHED) and the DepEd.
Palarong Pambansa Act of 2013	This act institutionalised the conduct of the Palarong Pambansa every year, making the event the “primary avenue for providing in-school sports opportunities to improve the physical, intellectual and social well-being of the youth.”
<b>TVET</b>	
Universal Access to Quality Tertiary Education Act	This act has four components: free higher education, free TVET, tertiary-education subsidy and the student loan program.
Unified Student Financial Assistance System for Tertiary Education Act of 2015	This act unifies all modalities of publicly funded Student Financial Assistance Programs (StuFAPs) Scholarships, Grants-in-Aid and Student Loans for Tertiary Education. The UniFAST Act rationalises the allocation, utilization and client-targeting of government resources and improves access to quality higher and technical education for the beneficiaries.
Republic Act No. 10650 (“Open Distance Learning Act” of 2014).	expands and further democratizes access to quality tertiary education through the promotion and application of open learning as a philosophy of access to educational services.
• Republic Act No. 10771 (Philippine Green Jobs Act of 2016)	encourages the creation of green jobs that produce goods and services that benefit and preserve the environment or conserve natural resources. The law defines “green jobs” as decent work that contributes to preserving or restoring the quality of the environment, be it in the agriculture, industry, or services sectors.
JobStart Philippines Act	This act promotes a program of the Department of Labour and Employment which shortens the youth’s school-to-work transition by enhancing the job seekers’ knowledge and skills acquired in the formal education or technical training, for them to become more responsive to the demands of the labor market. With the participation of the private sector and other stakeholders, the program will also help develop the life skills of the youth, including those relevant to the values of professionalism and work appreciation, and provide trainees with a conducive and safe work environment or an avenue where they can apply relevant theories and code of ethics.
National TechVoc Day Act	The act is an advocacy campaign through lead agencies TESDA and DepEd, which aims to provide opportunities for all government entities to engage in activities in celebration of National TechVoc Day. Through this Act, relevance of technical-vocational education in the country’s economy is better appreciated and supported.
Agri-Fishery Mechanization Law	The law firms up the policy of modernizing Philippine agriculture through agricultural mechanization. Industrialization for economic development is recommended as strategy to support agricultural development. The law aims for increased production of farmers and fisherfolk while boosting the interest of the youth, undergraduates and graduates on agricultural engineering courses and technical vocational programs on agricultural and fisheries mechanisation.
Sec. 24 of the Magna Carta for Women or the Right to Education and Training	The magna mandates the State to ensure the following: “(a) Women migrant workers have the opportunity to undergo skills training, if they so desire, before taking on a foreign job, and possible retraining upon return to the country; (b) Gender-sensitive training and seminars; and (c) Equal opportunities in scholarships based on merit and fitness especially to those interested in research and development aimed towards women-friendly farm technology.”

Source: Technical Education and Skills Development Authority.

**Table 26: Ease of Doing Business in the Philippines, 2020**

Topics	Value
Overall	95
Starting a Business	171
Dealing with Construction Permits	85
Getting Electricity	32
Registering Property	120
Getting Credit	132
Protecting Minority Investors	72
Paying Taxes	95
Trading Across Borders	113
Enforcing Contracts	152
Resolving Insolvency	65

*Note: Doing Business 2020 indicators are ranking from 1 (top) to 190 (bottom) among countries.*

*Source: World Bank, Ease of Doing Business 2020 in the Philippines.*

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