Impacts of COVID-19 on Households in the Philippines

Results from the Philippines COVID-19 Firm Survey

Round 3 – May 2021

THE WORLD BANK
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DEPARTMENT OF FINANCE
REPUBLIC OF THE PHILIPPINES

PAMBANSANG PANGASIWAAN SA KABUHAYAN AT PAGPAPAUNLAD
REPUBLIKA NG PILIPINAS

Australian Aid

Country context

The Philippines experienced the second surge of COVID-19 cases in April 2021. The government imposed stringent restrictions anew until mid-May in selected areas, including Metro Manila and adjacent provinces to mitigate the health risks brought by the resurgence.

- The economy improved in the first quarter of 2021 with a smaller contraction of 4.2% from a decline of 9.6% in 2020. The recovery was driven by government consumption, which grew by 16.1%. Private consumption still posted a contraction of 4.8% but an improvement from 7.9% in 2020.
- Labor and employment experienced recovery during the first five months of 2021. Labor force participation rate increased from 60.5% in January to 64.6% in May, driven by more women joining the labor force. Over the same period, unemployment rate dropped from 8.7% to 7.7%.

Country context

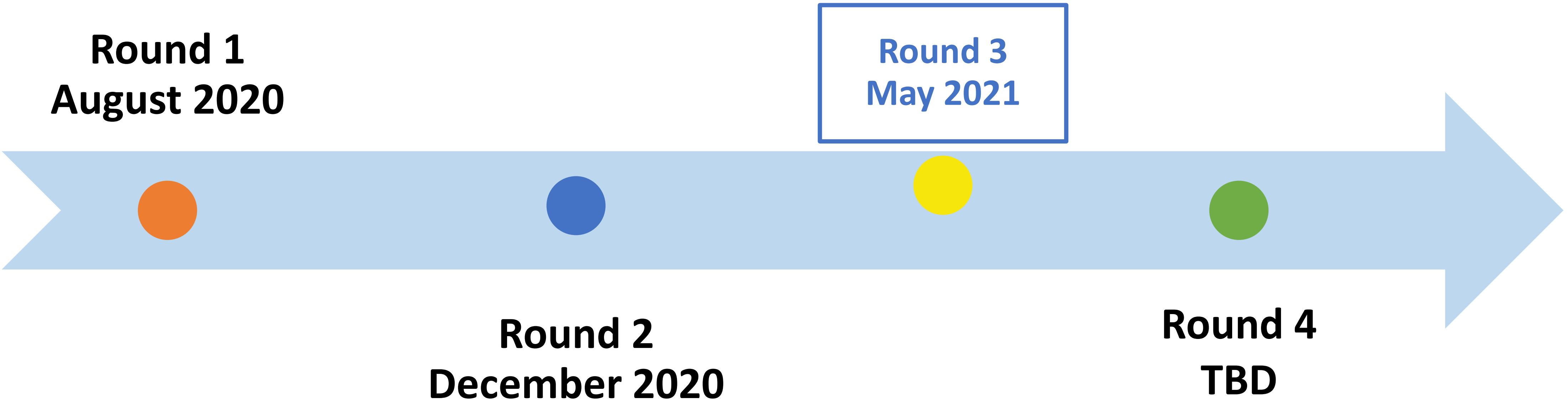
- The government started rolling out its vaccination program against COVID-19. About 2.4 million doses have been administered to priority groups by early May 2021.
- Schools remained closed and classes continue to be held through distance learning.

Round 3 household survey results aim to help assess the pandemic's impact on households' well-being after the resurgence of COVID-19 cases in early second quarter of 2021 and to inform policies for protecting vulnerable populations.

1

Survey Overview

Implementation



Round 3 - Philippines COVID-19 Household Survey

Fieldwork

- May 7 – June 11, 2021

Implementation

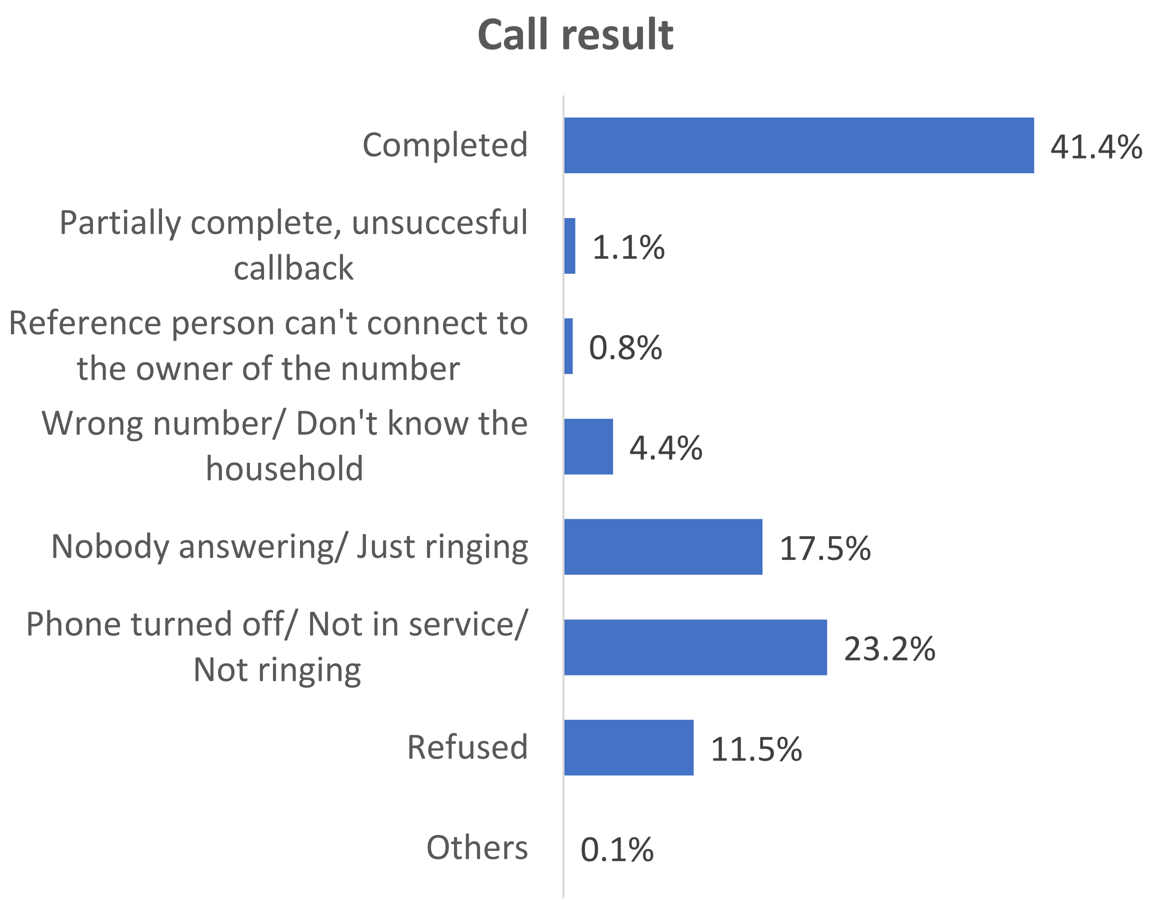
- Phone survey – respondents from round 1 panel who agreed to participate in succeeding rounds and provided contact details.
- 2,122 respondents completed the survey
  - 998 were respondents to all 3 rounds

Questionnaire

- Government action
- Access to food
- Access to health services – expanded module including a section on COVID-19 vaccines
- Access to education
- Access to finance – for households operating businesses
- Employment (respondent and household head)
- Household income sources
- Coping mechanisms and safety nets

Sample and response rate

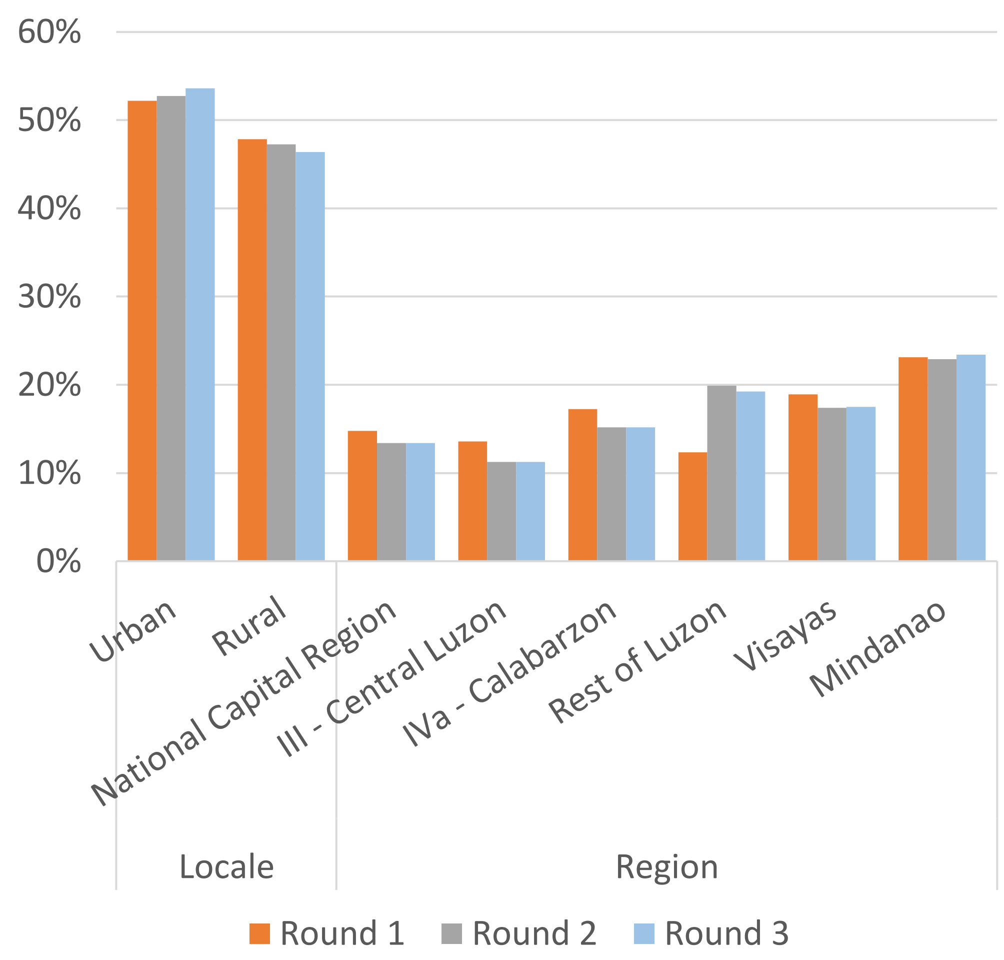
- 4,223 individuals from R1 respondents contacted. Of these, 1,805 were also respondents from R2
- Fairly robust sample size of about 50% successfully interviewed and provided **2,122** observations
- Attrition was mainly due to unreachable numbers, unanswered calls and refusals



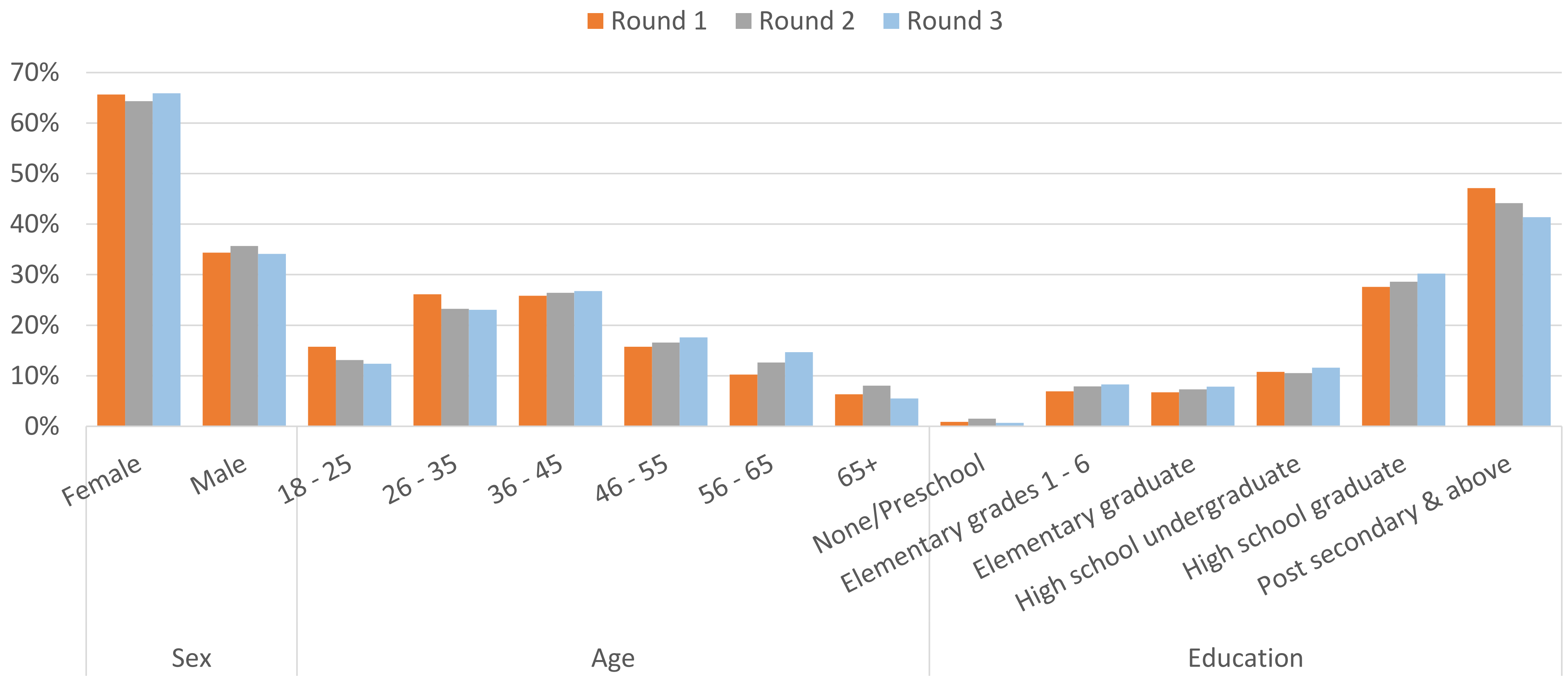
Sample distribution is similar in the three rounds

To place each household in the income distribution that matches the 2018 Family Income and Expenditure Survey, which is nationally representative…

- Sample was weighted using the Survey of Wellbeing via Instant and Frequent Tracking (SWIFT) tool
- Weights ensure that sample is nationally representative



Characteristics of respondents are also similar



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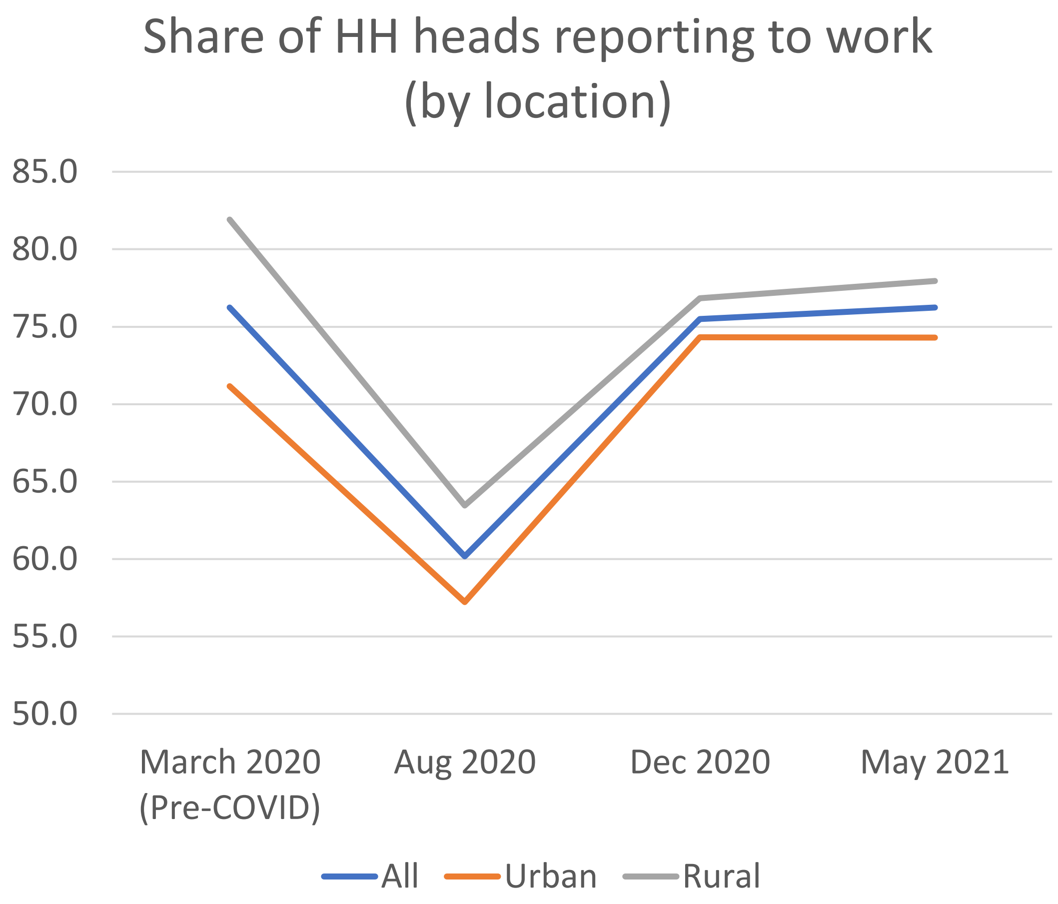
Employment and Income

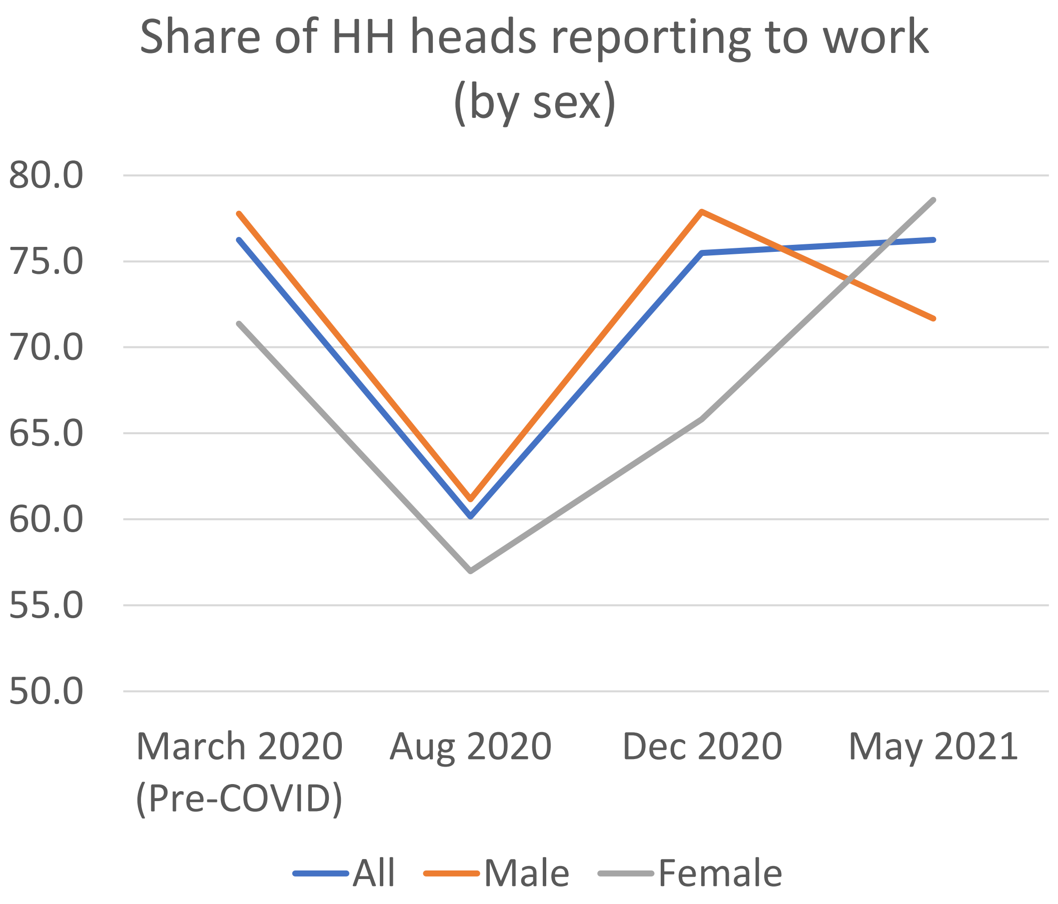
Household heads were back to work in both urban and rural areas

- About 3 in 4 household heads reported working in May 2021, slightly higher than in December 2020.
- This is in line with the picture painted by the Firms survey, which shows continued improvement in firm operations over the same period.
- This is also consistent with the Labor Force Survey results, which suggest robust rebound in employment close to the pre-crisis level (LFS collected monthly since January 2021).
- Level of employment was sustained in May 2021 despite newly imposed quarantine measures.



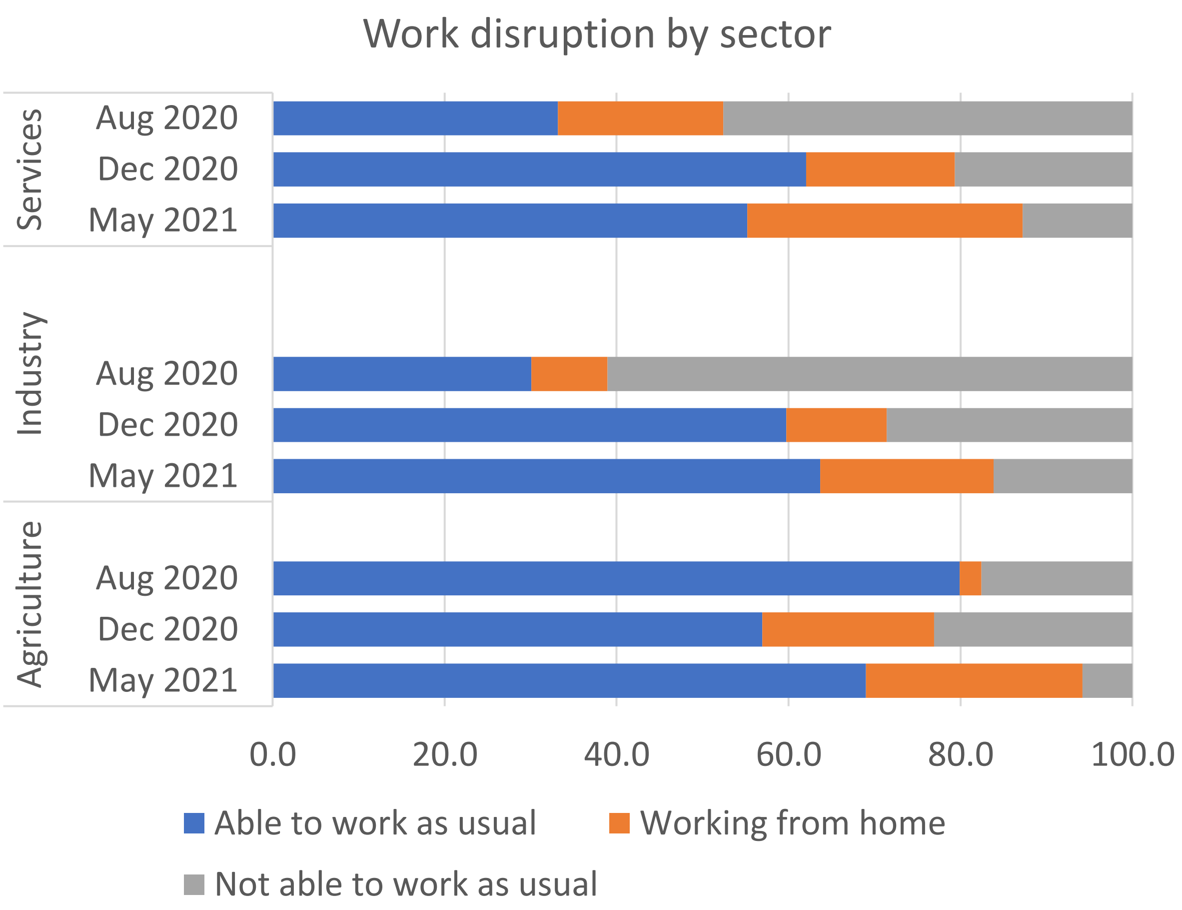
Significant gendered impacts are observed as more female household heads seek employment

- About 79 percent female household heads reported working in May 2021, about 13 ppts higher than in Dec 2020 and also higher than pre-pandemic level of employment.
- The gender gap in employment became wider during the pandemic but appears to be narrowing during the first half of 2021.
- The LFS reported higher LFPR during the first half of 2021 and this was driven by more women joining the labor force at levels even higher than pre-pandemic.



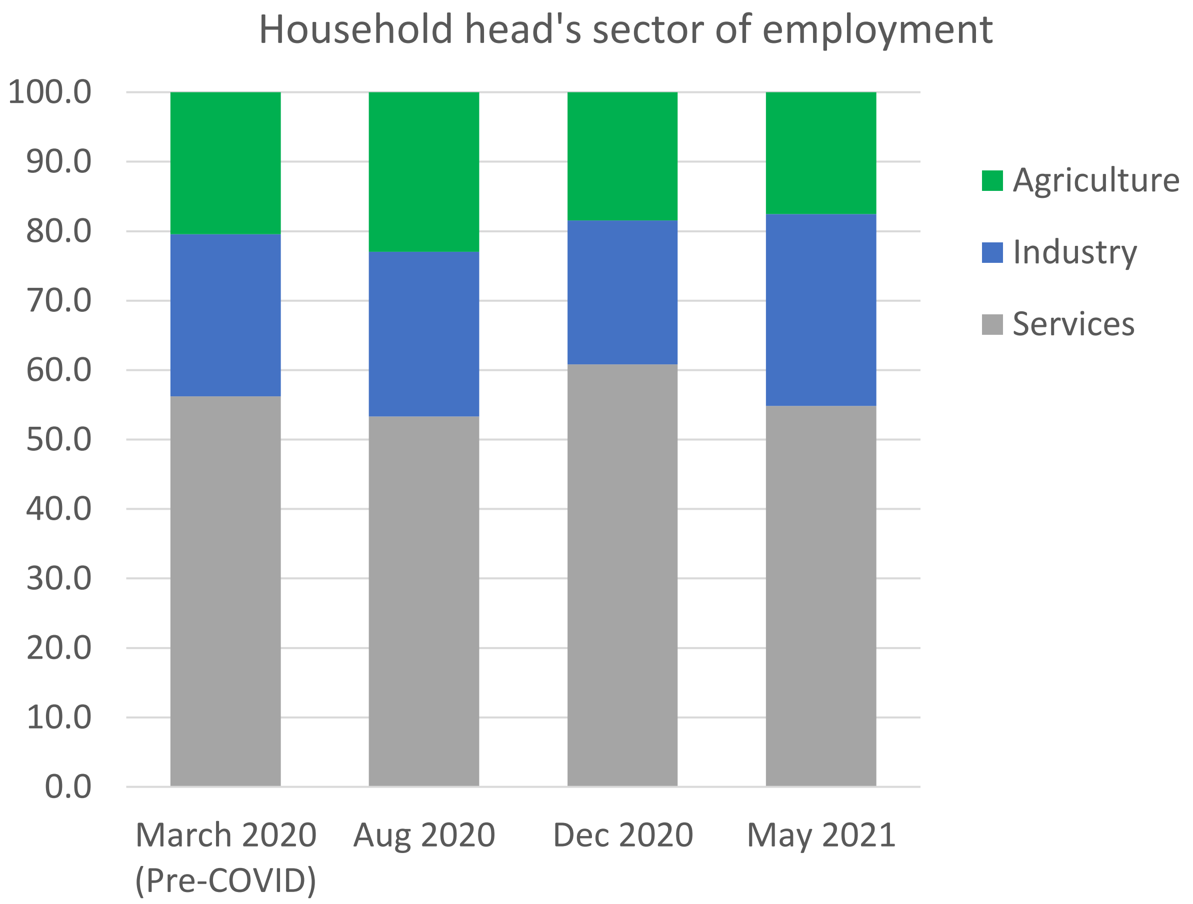
Working conditions continue to be disrupted and more are working from home

- More household heads with non-agriculture jobs have been working from home in May 2021 compared to previous rounds: about 1 in 3 among those in the services sector while 1 in 5 among those in industry.
- More workers (about 3 in 5) from the industry sector were able to work as usual in May.

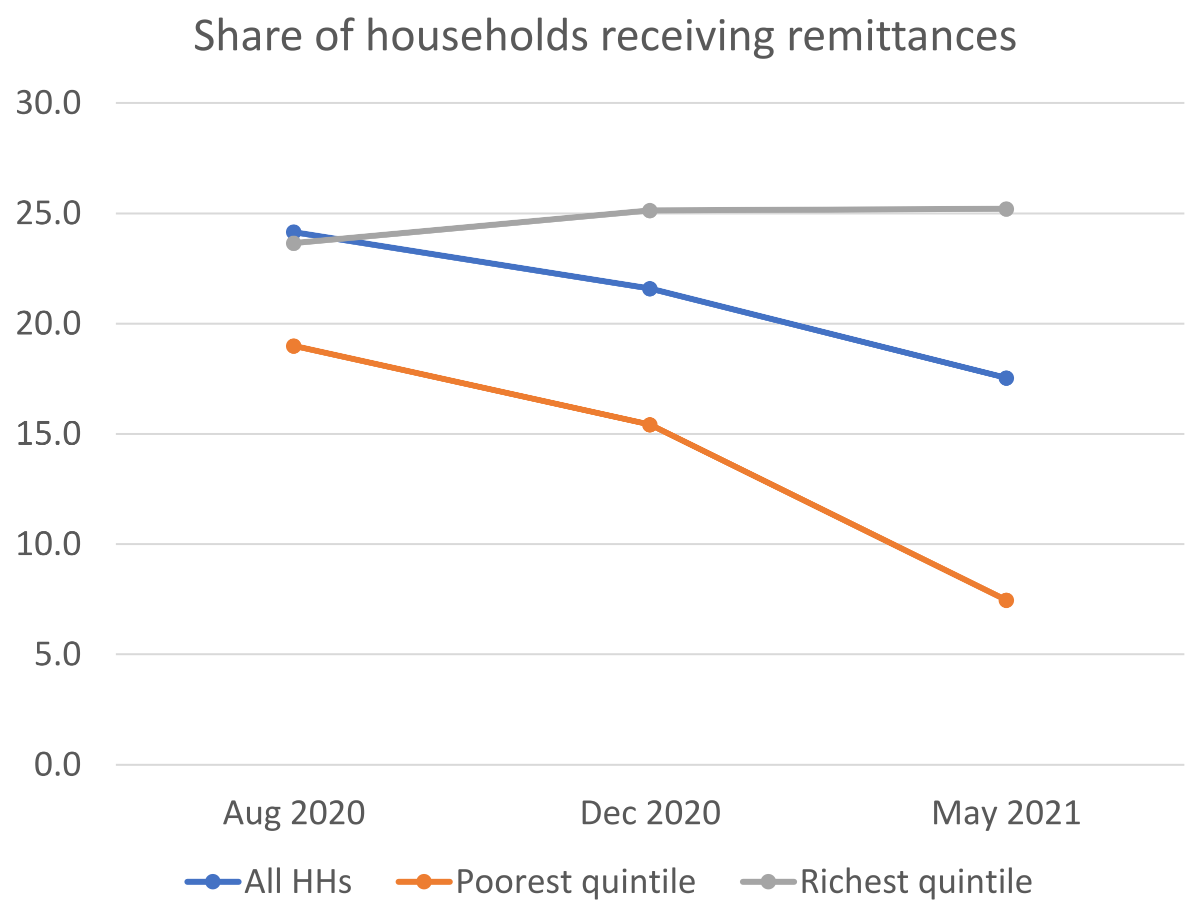


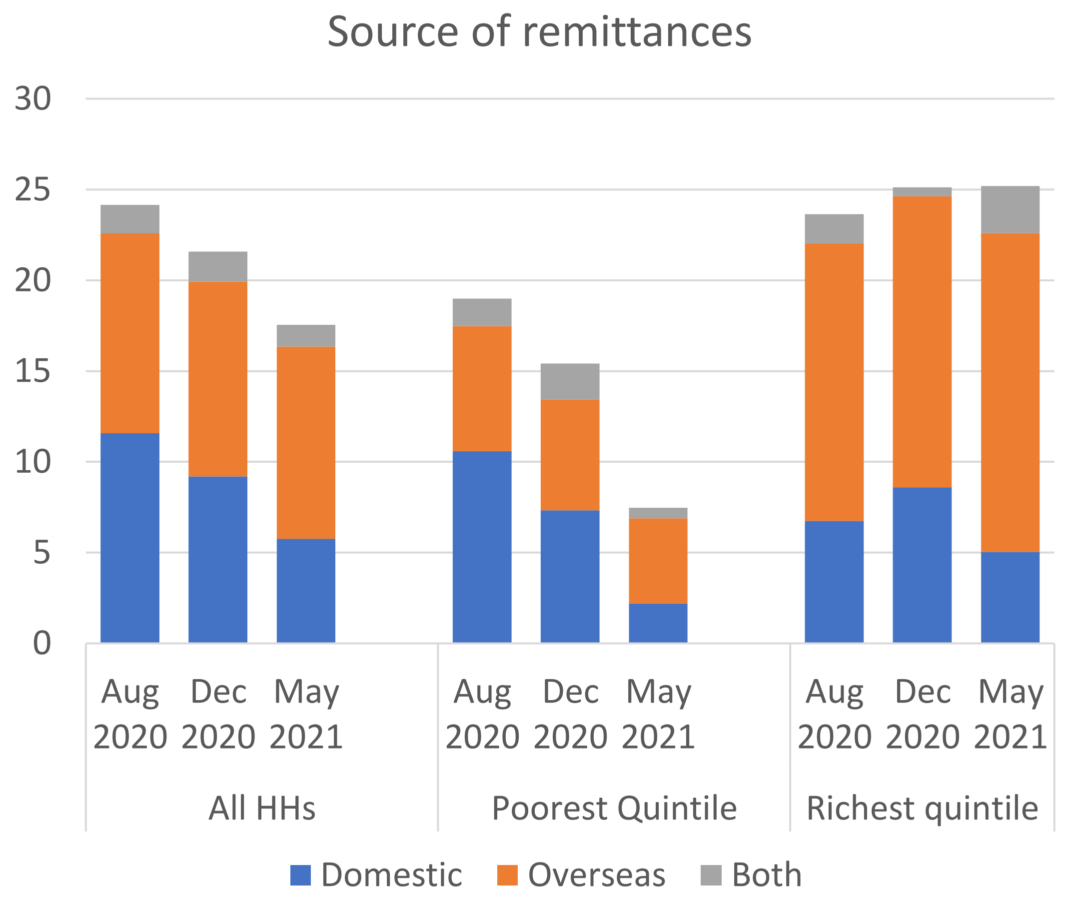
The share of employment in the industry sector has slightly increased

- The share of household heads employed in the industry sector increased by 7 ppts from the last round (20.7 to 27.6), even higher than pre-COVID level – mostly driven by construction.
- Share of services in employment has declined to 55% in May 2021 from 61% in December 2020.



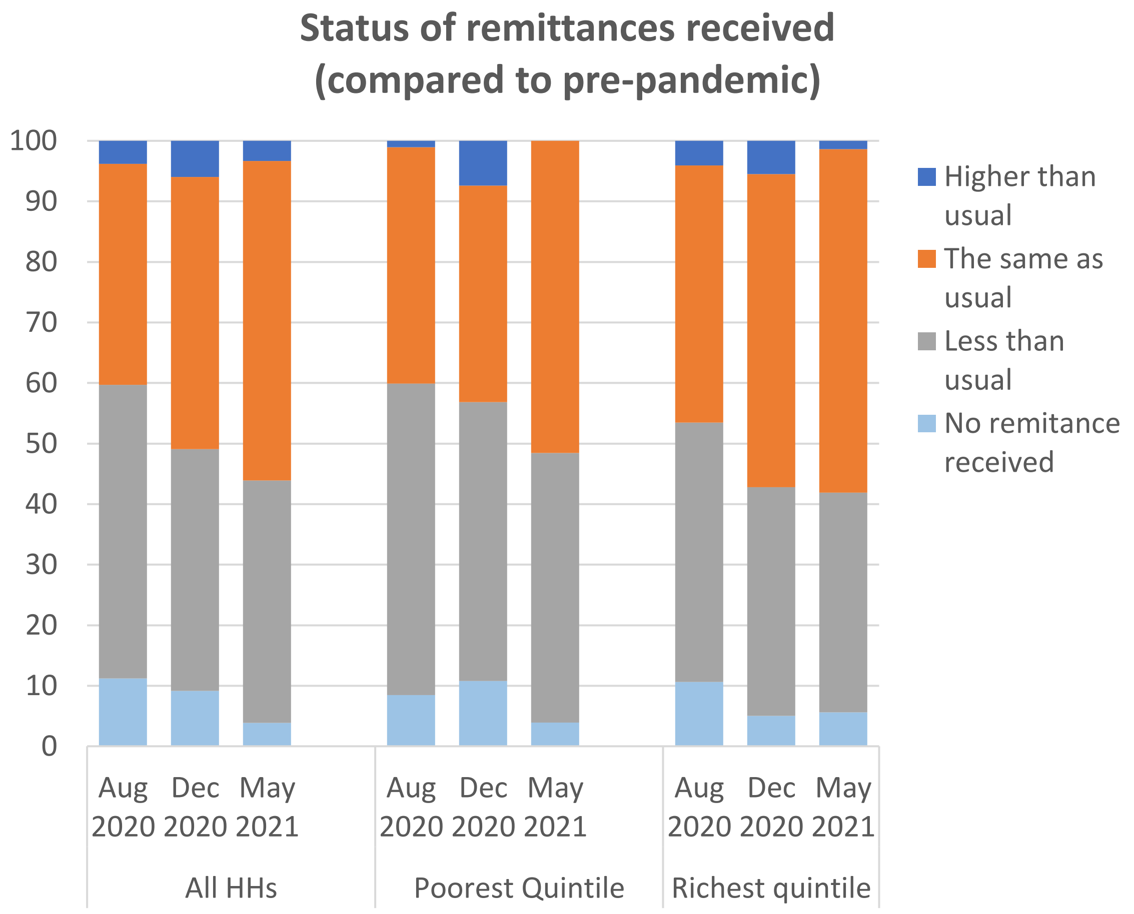
Share of households receiving remittances continues to decline, more significantly among the poorest, mainly due to large reductions in domestic remittances





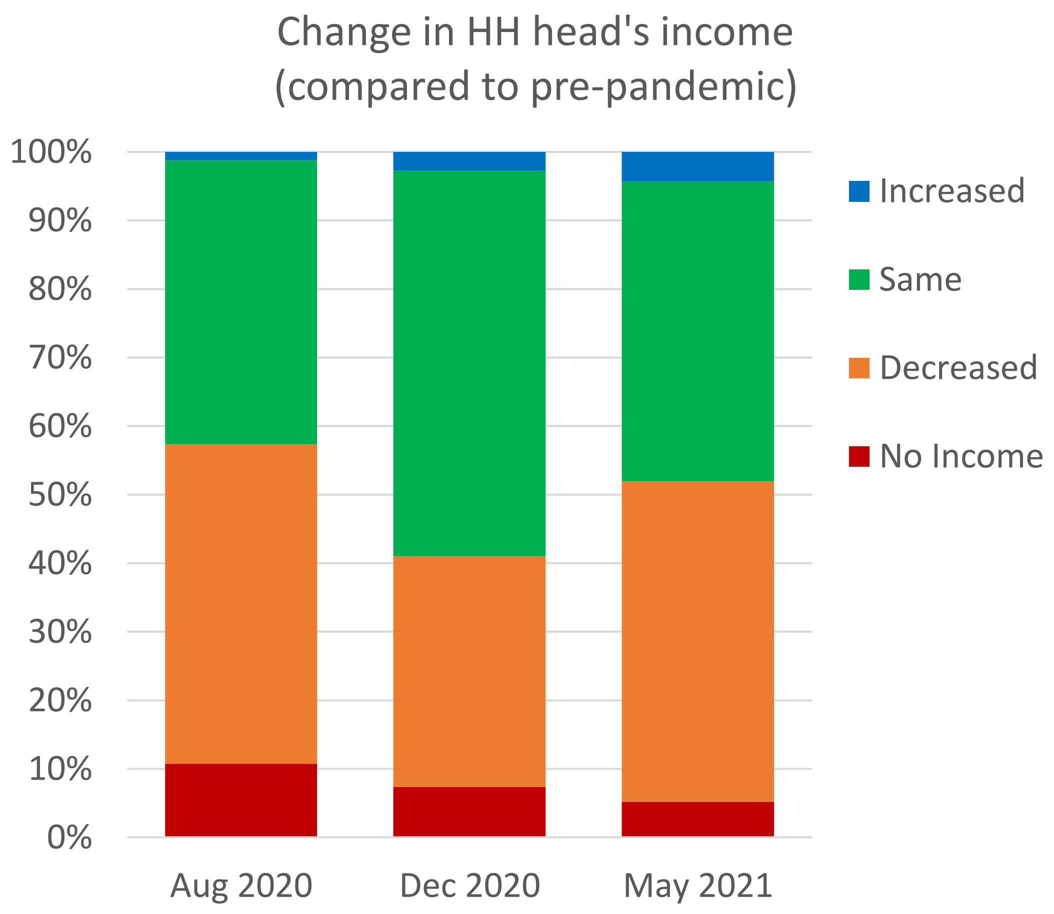
But the amount appeared to recover for those receiving them

- Households receiving remittances declined from 22% in December 2020 to 18% in May 2021.
- Among those that used to receive remittances, fewer households reported reduced or no amount.
- Share of such households decreased from 60% in August, 49% in December, to 44% in May.



Households continued to experience income losses despite recovery of employment

- Despite employment recovery, income recovery is still lagging: 52% of households reported income losses (decreased or no income) in May 2021 compared to their pre-pandemic income.
- The share of households reporting income losses increased by 11 ppts from 34% in December 2020, reflecting the impact of the renewed quarantine measures in April 2021.



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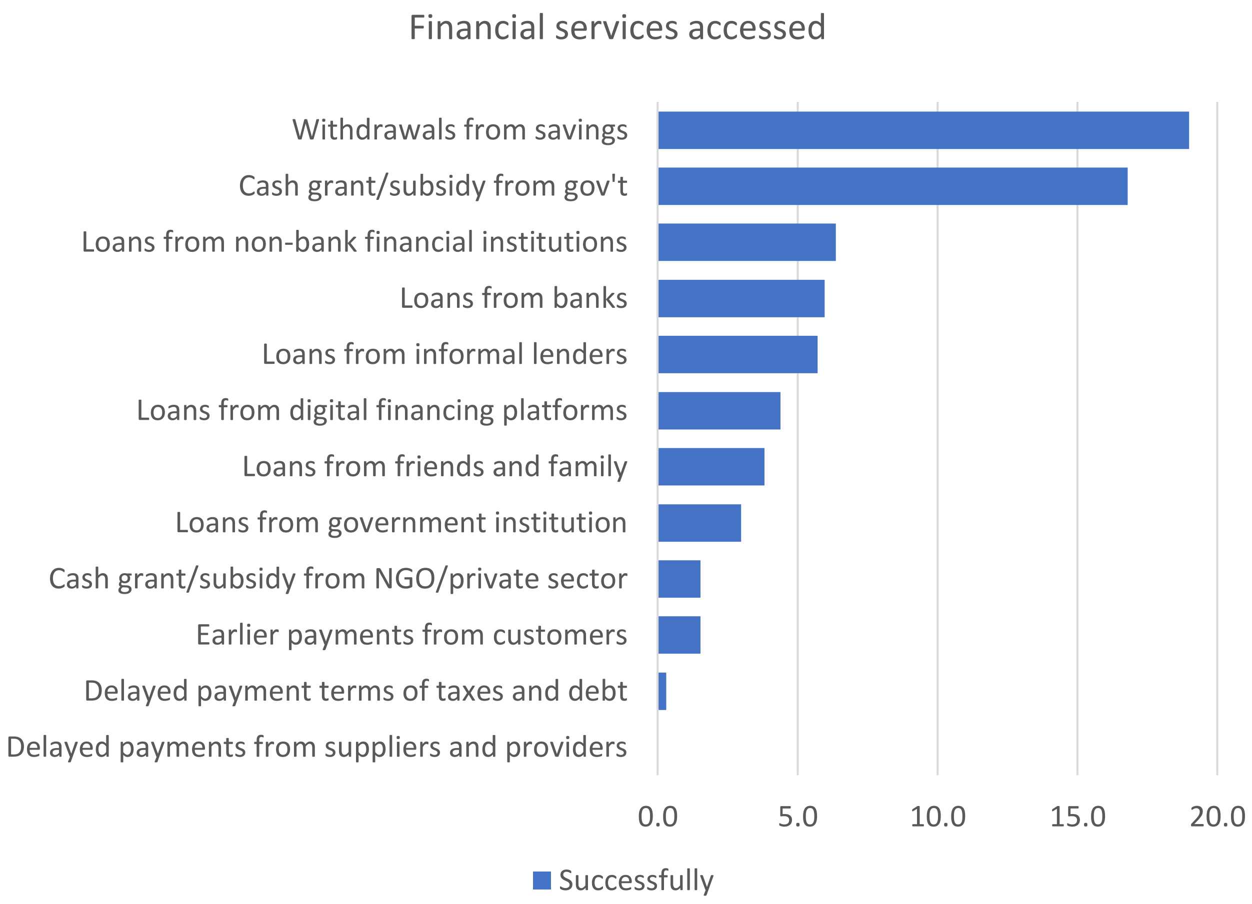
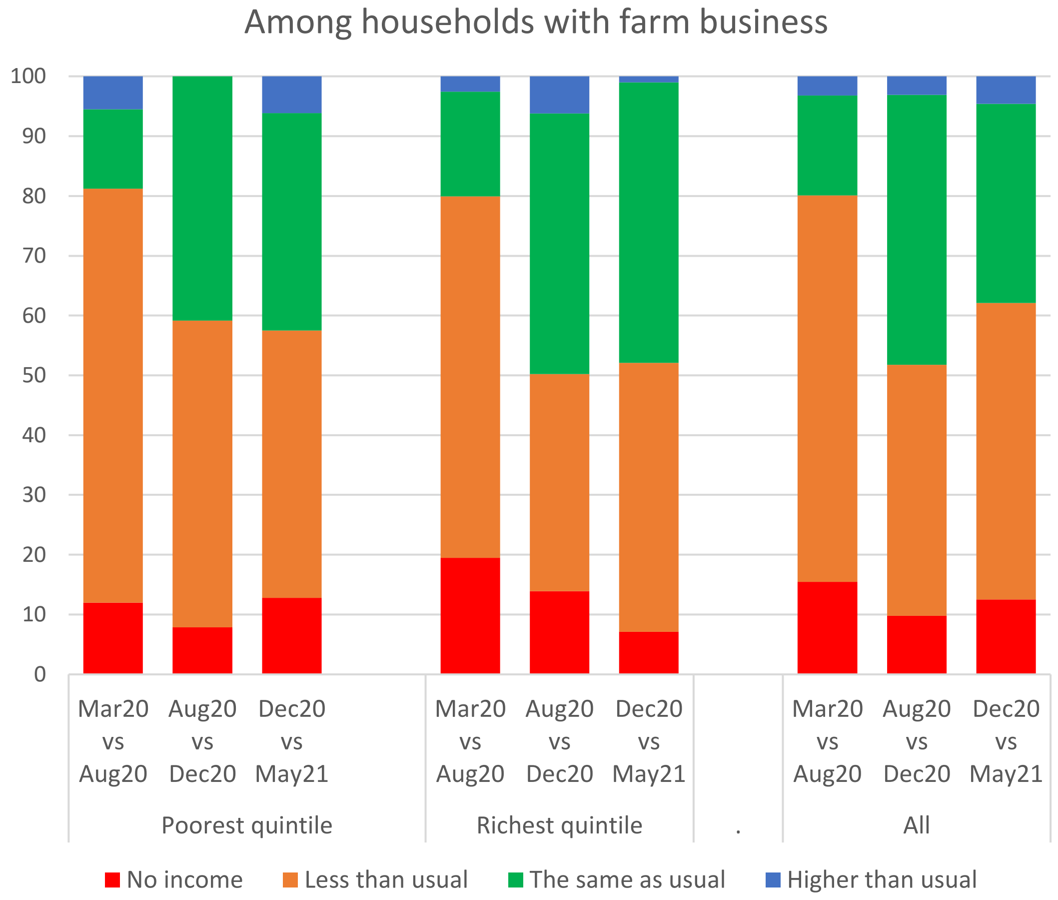
Access to Finance

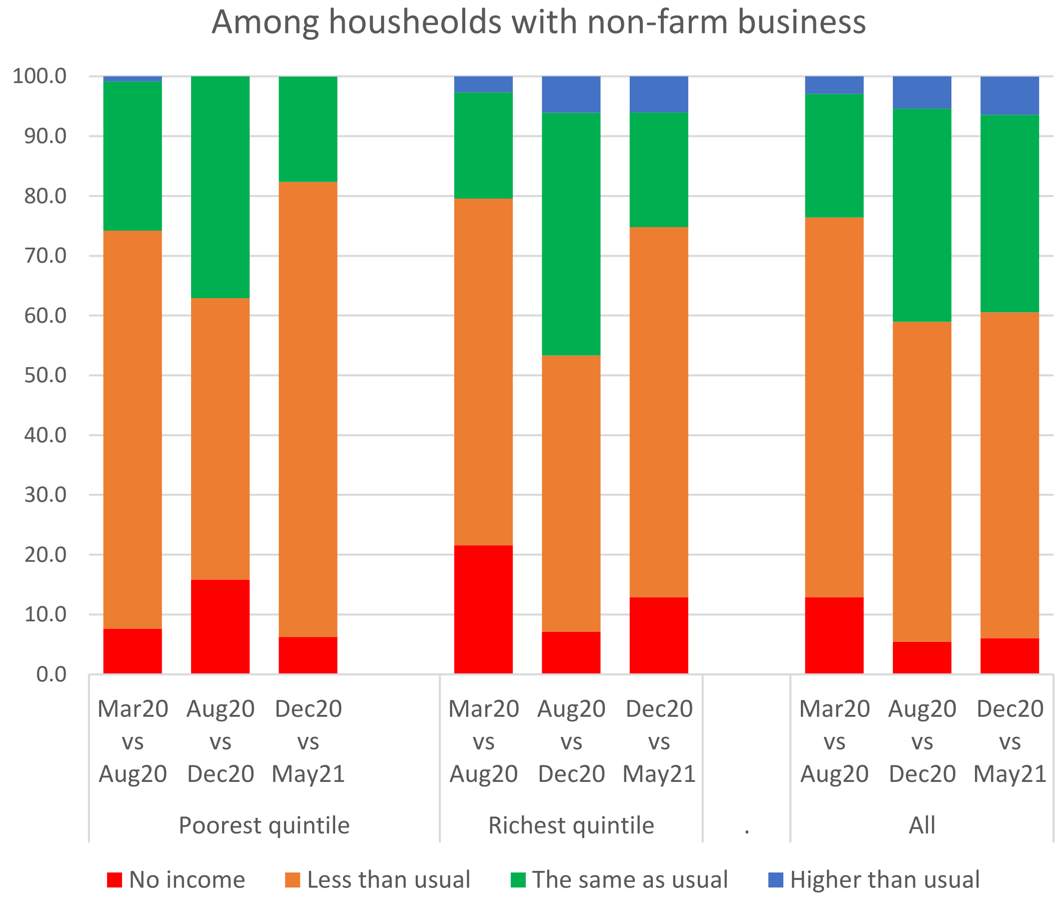
Households had poor access to financial services for business continuity

- Accessing services from financial institutions remains low.
    - Only 1 out of 10 households that operated a business or a farm accessed financial services; even among the richest 20% households, only 14% were accessing.
- Of those that were able to access, mostly reported withdrawals from savings and receiving cash grants/subsidy from government.
    - The share of households that received grants is higher among poor households, with 21% accessing.



Among households with businesses, the poorest households have not recovered from business losses





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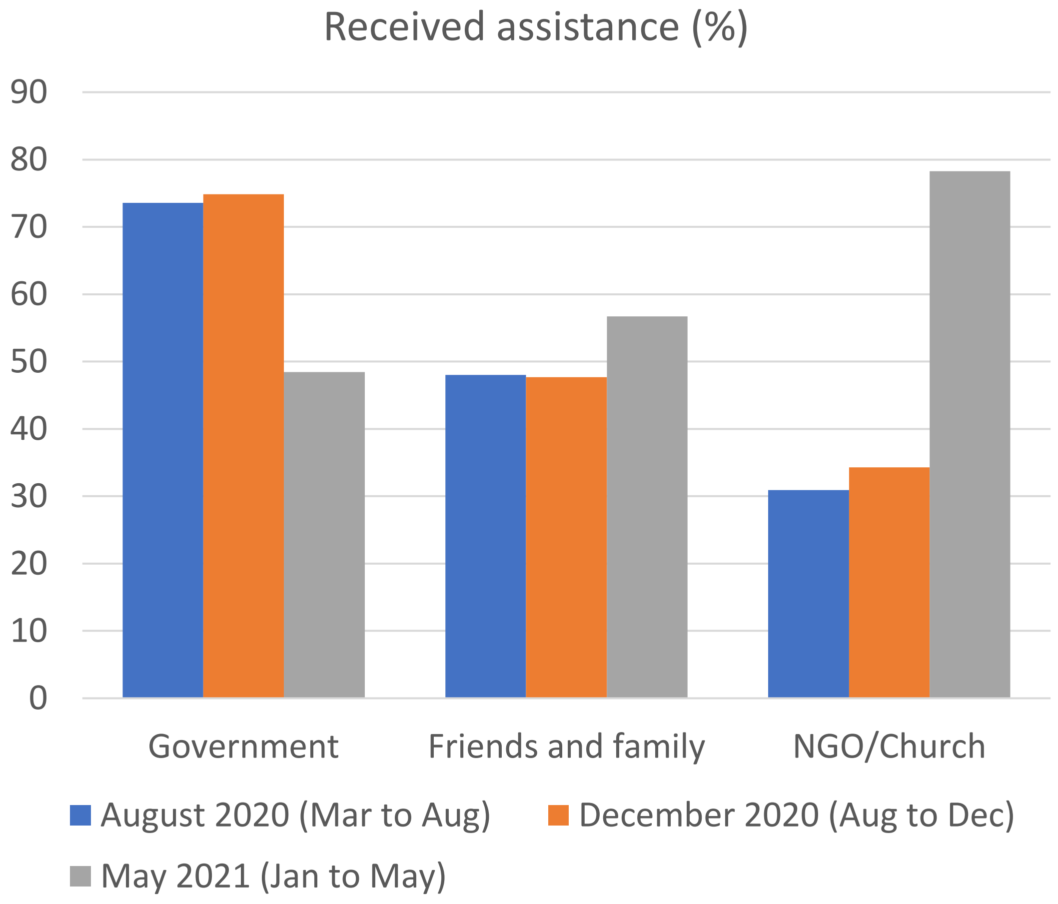
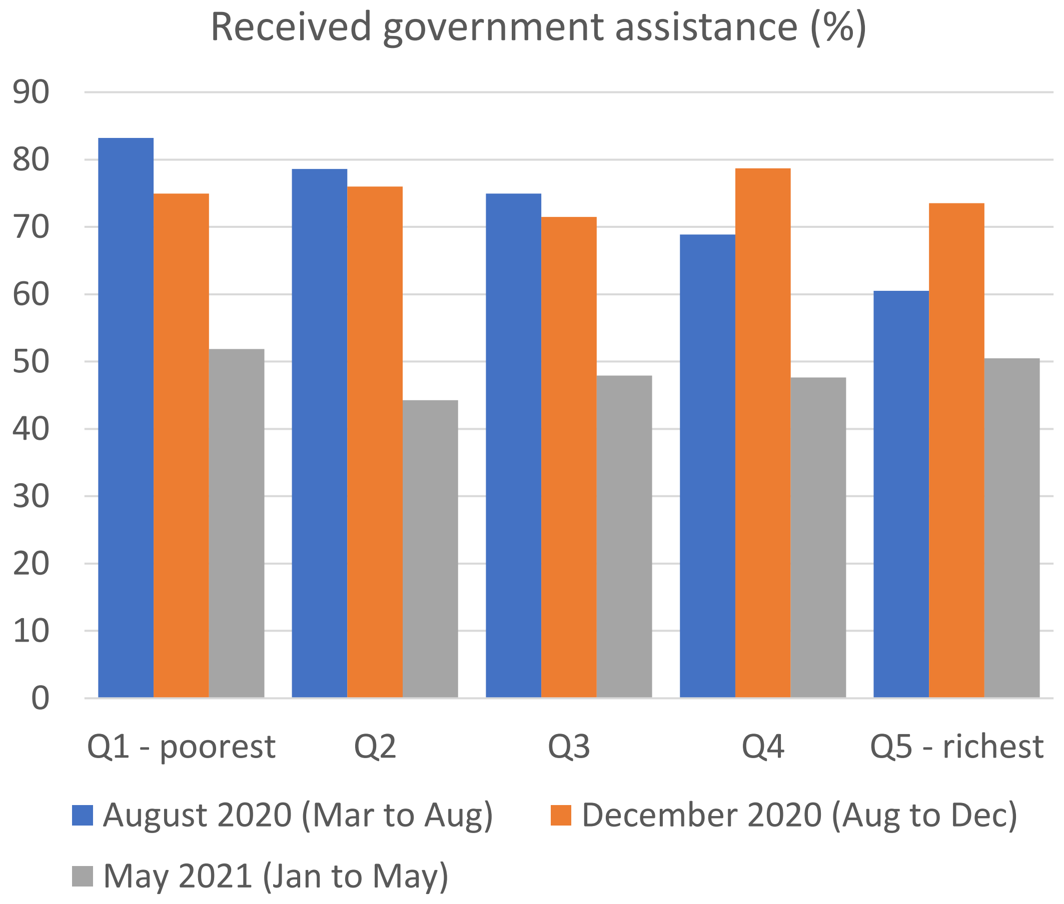
Safety Nets & Coping Mechanisms

Social safety nets have waned

- While government's assistance was at a massive scale in 2020, significantly fewer households reported receiving assistance from January to May 2021.
    - This is likely capturing the limited coverage of financial assistance distributed in April targeted to households affected by the enhanced community quarantine in selected areas.
- Only 1 in 2 households reported to have received assistance from government (in the form of cash grants, food and non-food items) in round 3 of the survey compared to nearly 4 in 5 households in previous rounds.
- On the other hand, more households reported receiving assistance from non-government organizations and from family and friends. Around this time, community pantries proliferated. Makeshift pantries stocked with groceries and essentials were set up by private individuals and residents were encouraged to take only what they needed and contributed what they could.
- Cash (81%) and food assistance (79%) was most common among those who received assistance.

Fewer households accessed safety nets

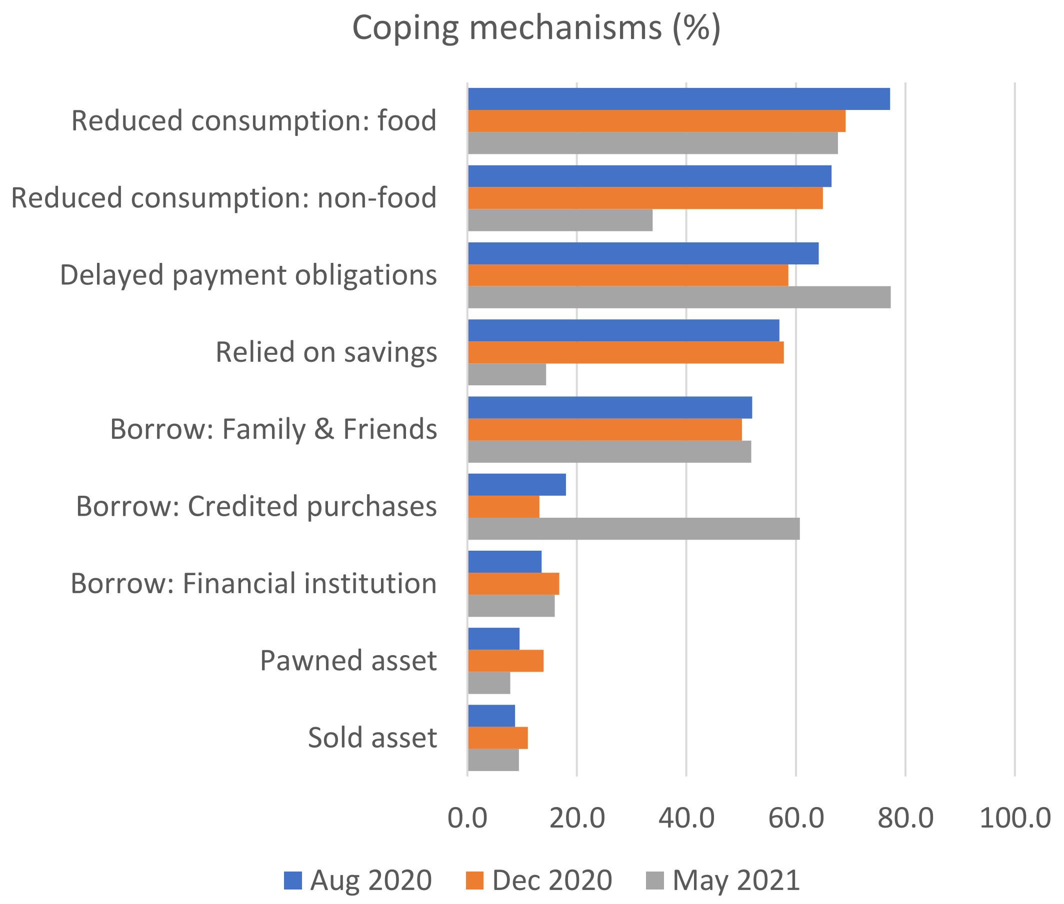




More households resorted to delaying payment obligations and borrowing as a coping mechanism

- Credit purchases* increased from 13% in December 2020 to 61% in May 2021.
- The share of households that reduced consumption, particularly on non-food items, dropped.
- Poor households resorted more to borrowing, parting with their assets (selling or pawning) in order to cope.

*either directly from the merchant/store or used credit card for purchase



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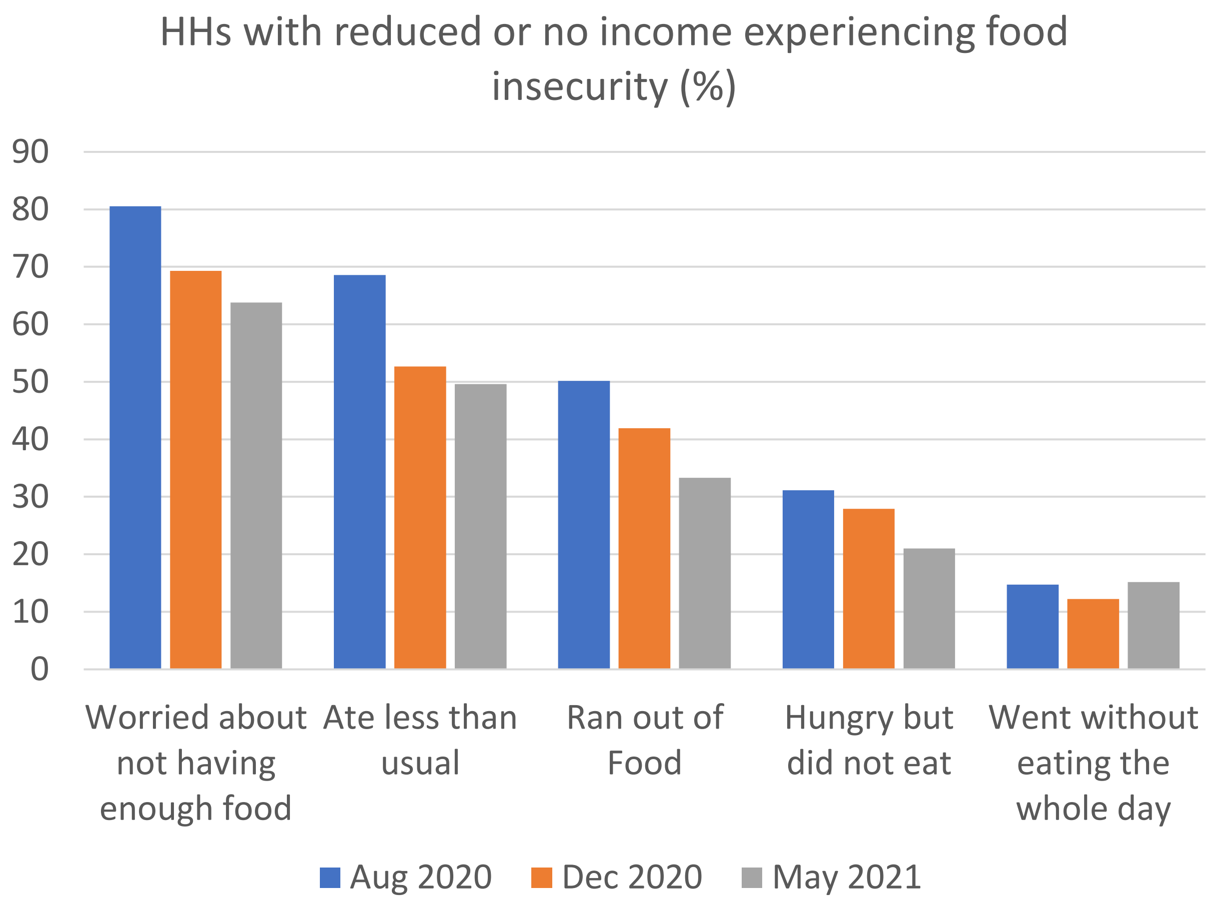
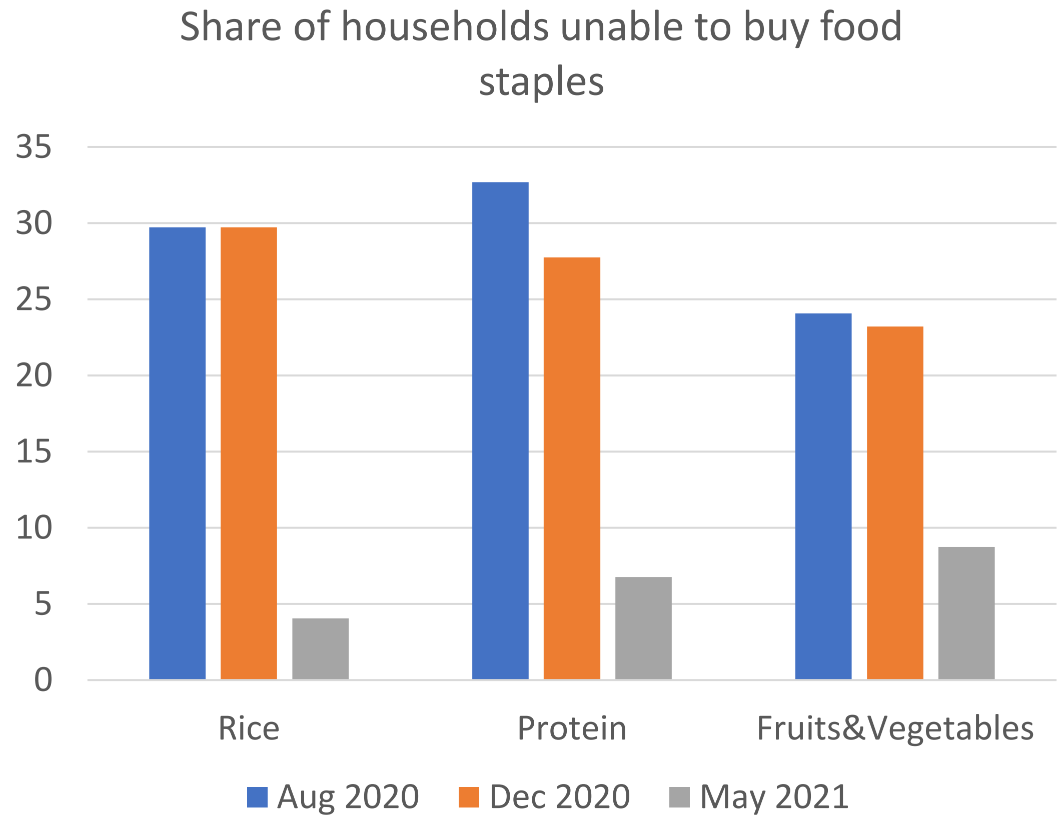
Food Security

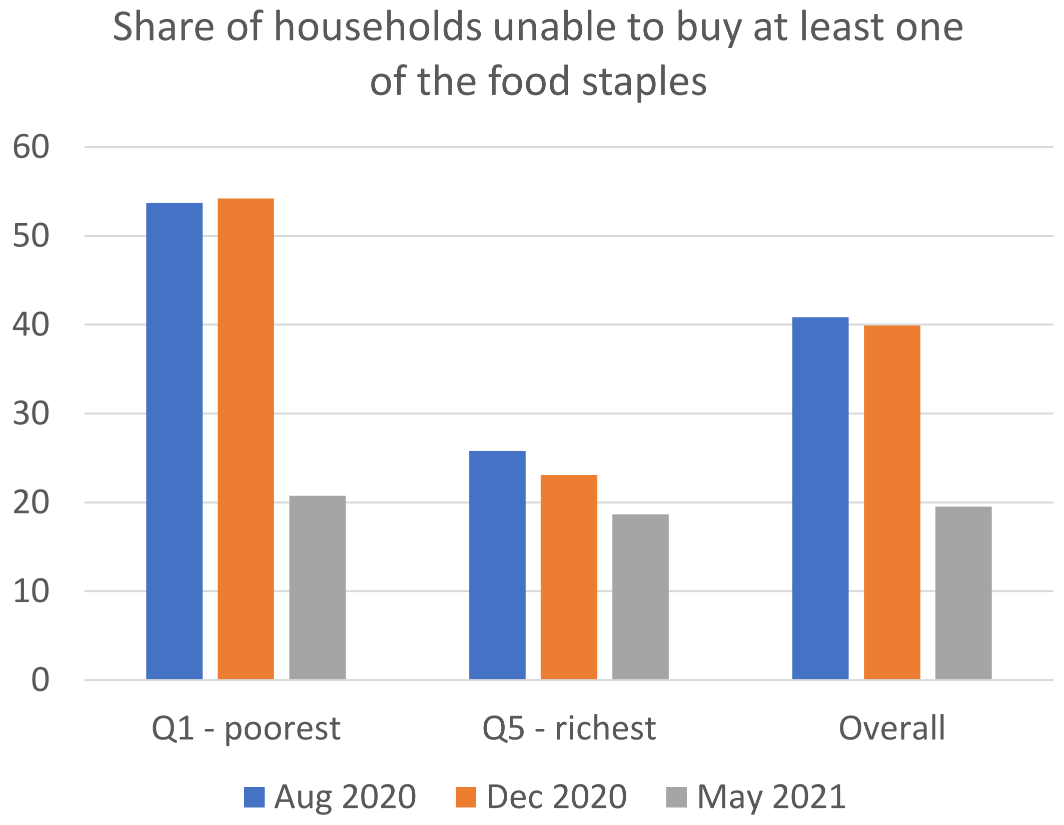
Food security continues to improve

- **The share of households, particularly among those with reduced or no income, experiencing food insecurity is declining.**
  - 1 in 3 households reported they ran out of food in R3 compared to 1 in 2 in R1.
  - 3 in 5 households said they are worried about not having enough food in R3, down from 4 in 5 households in R1.

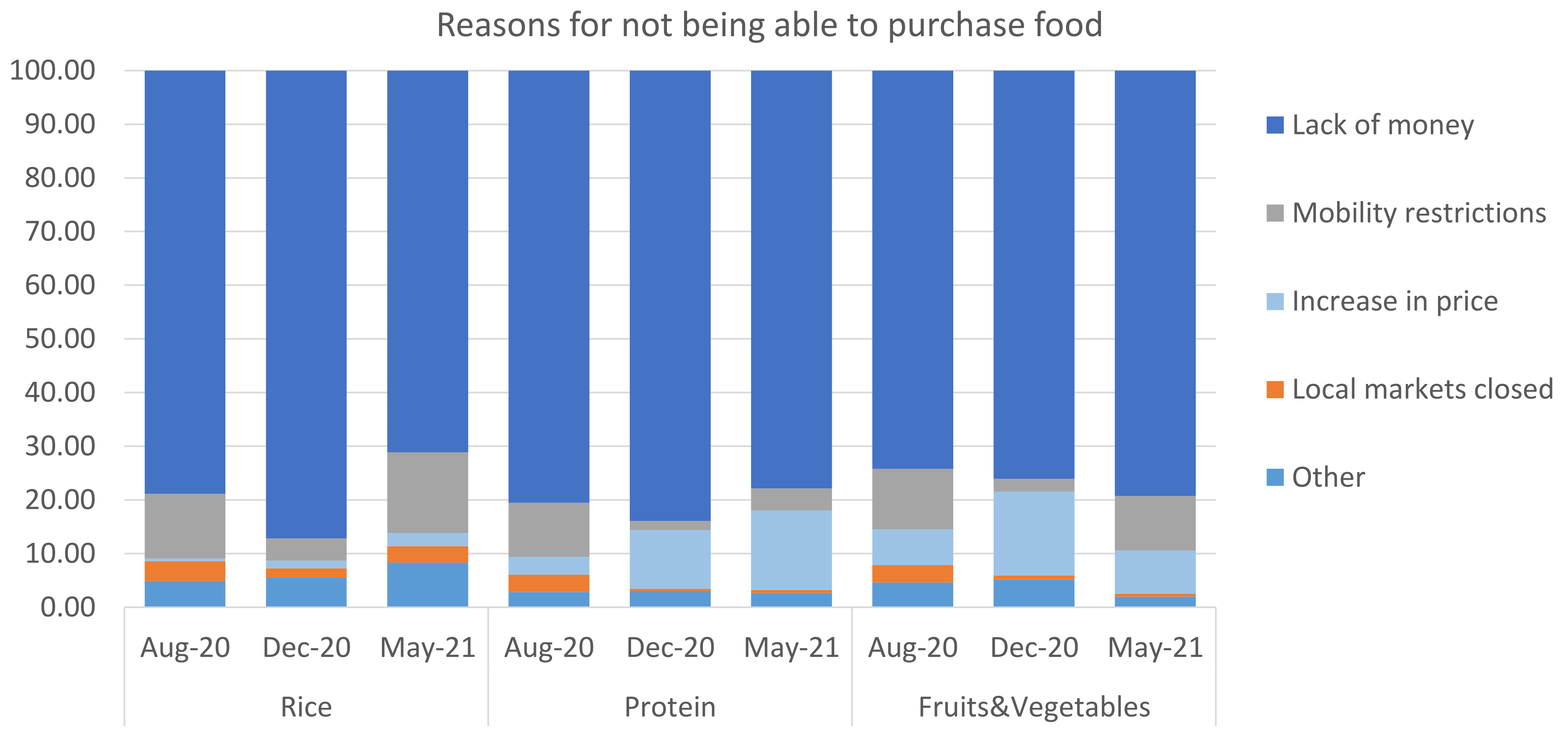


Compared to previous survey rounds, more households were able to purchase food





Lack of financial resources and rising prices remain as top reasons for not being able to purchase food



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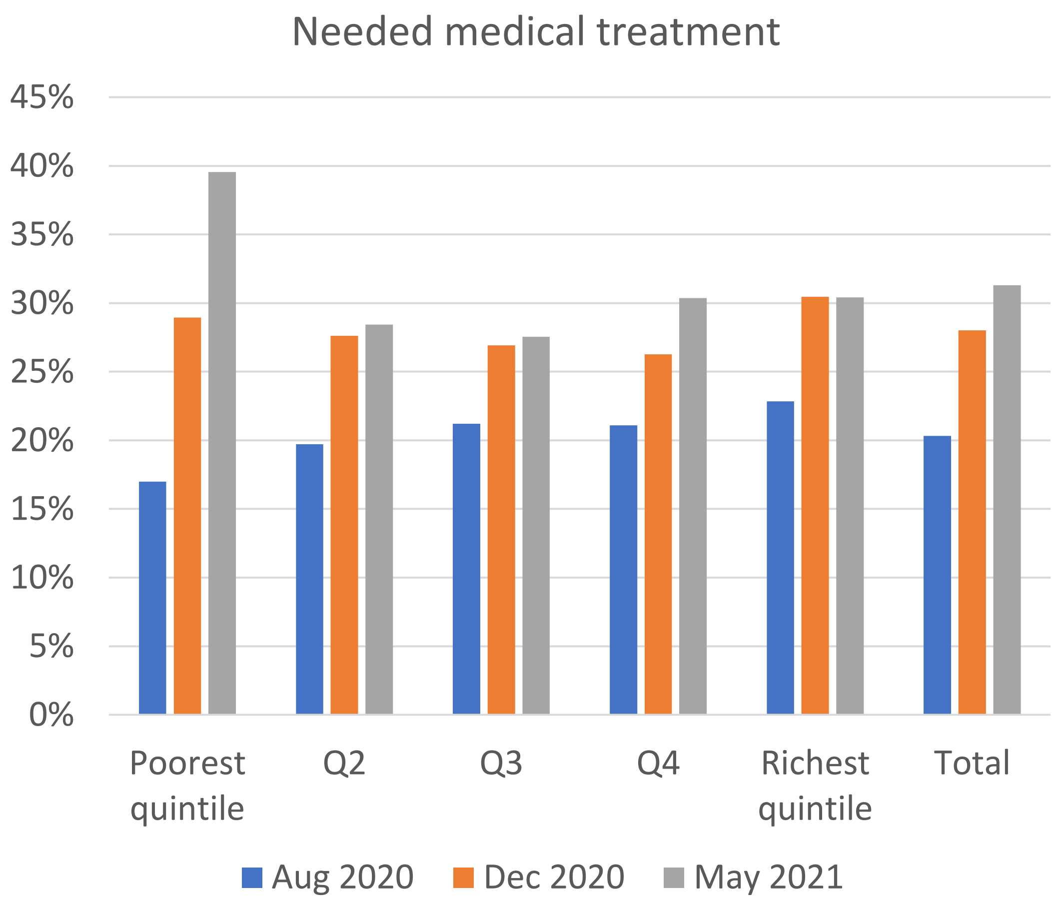
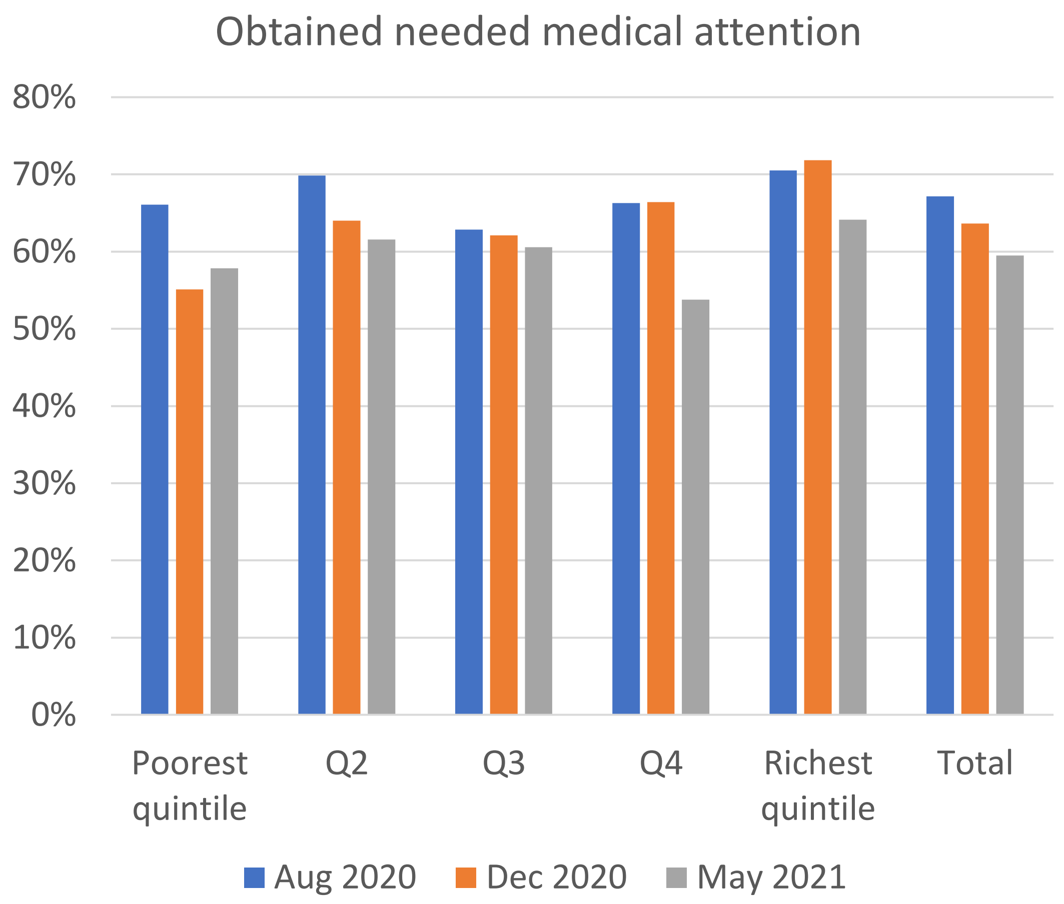
Access to Health

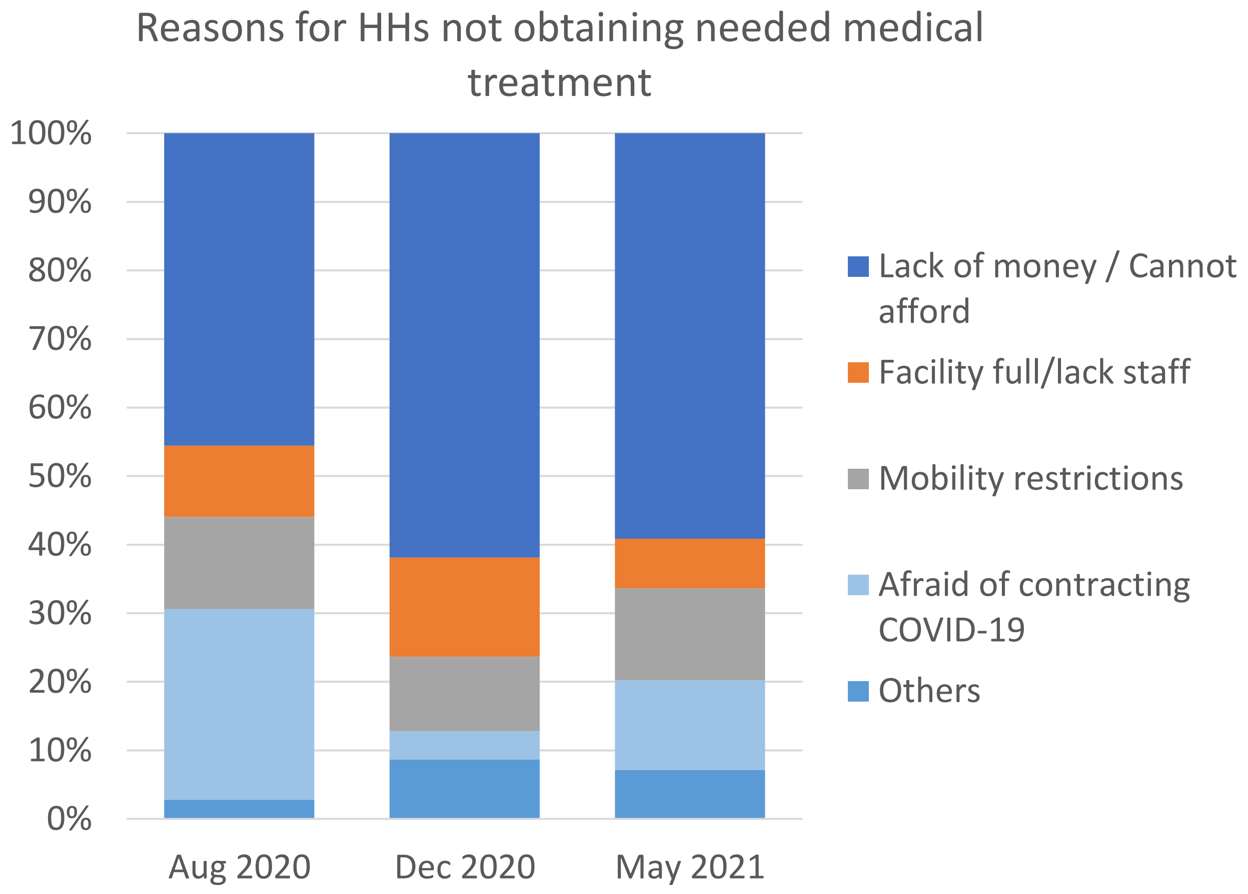
Access to needed medical treatment especially among poor households worsened





Lack of resources remain as top reason for not having accessed needed health services

- About 3 in 5 households cited this reason, same as last round.
- Reasons related to the surge in cases – afraid of contracting COVID-19 and mobility restrictions, increased significantly in May 2021.



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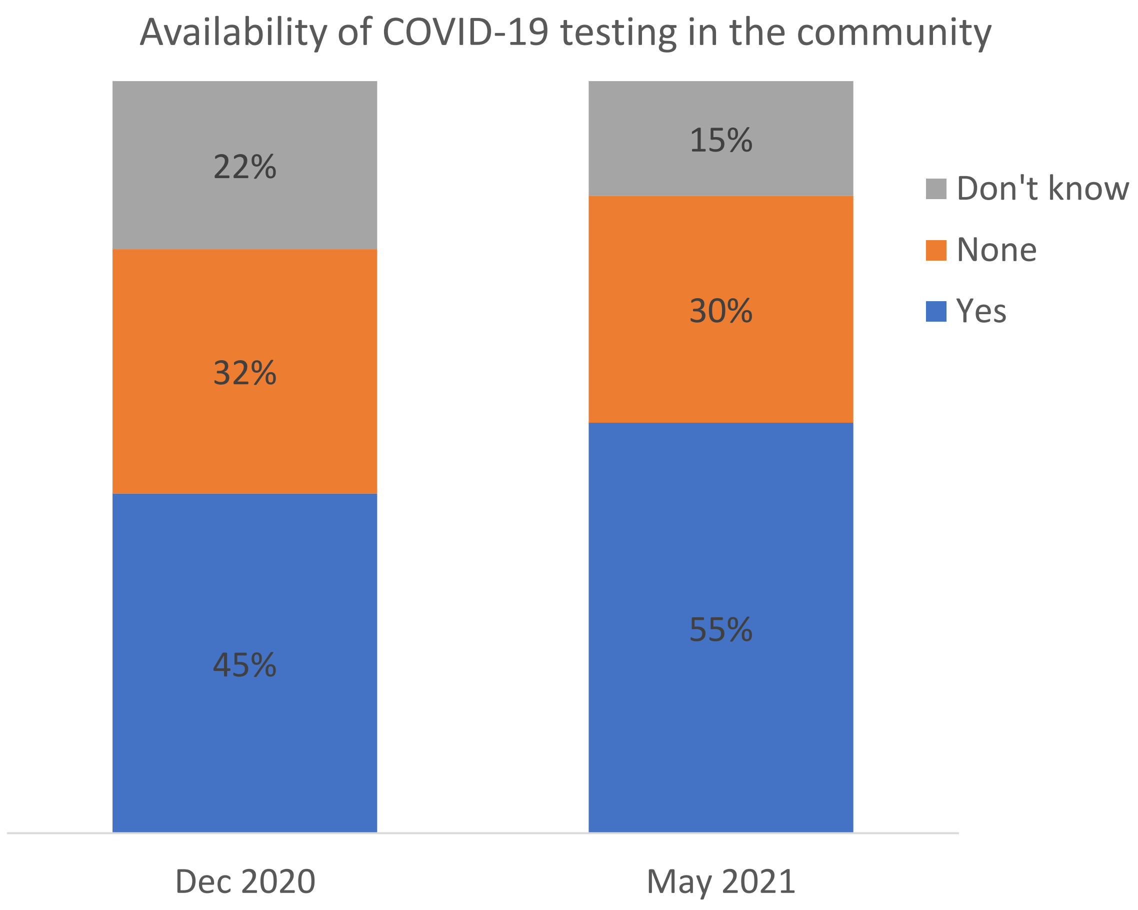
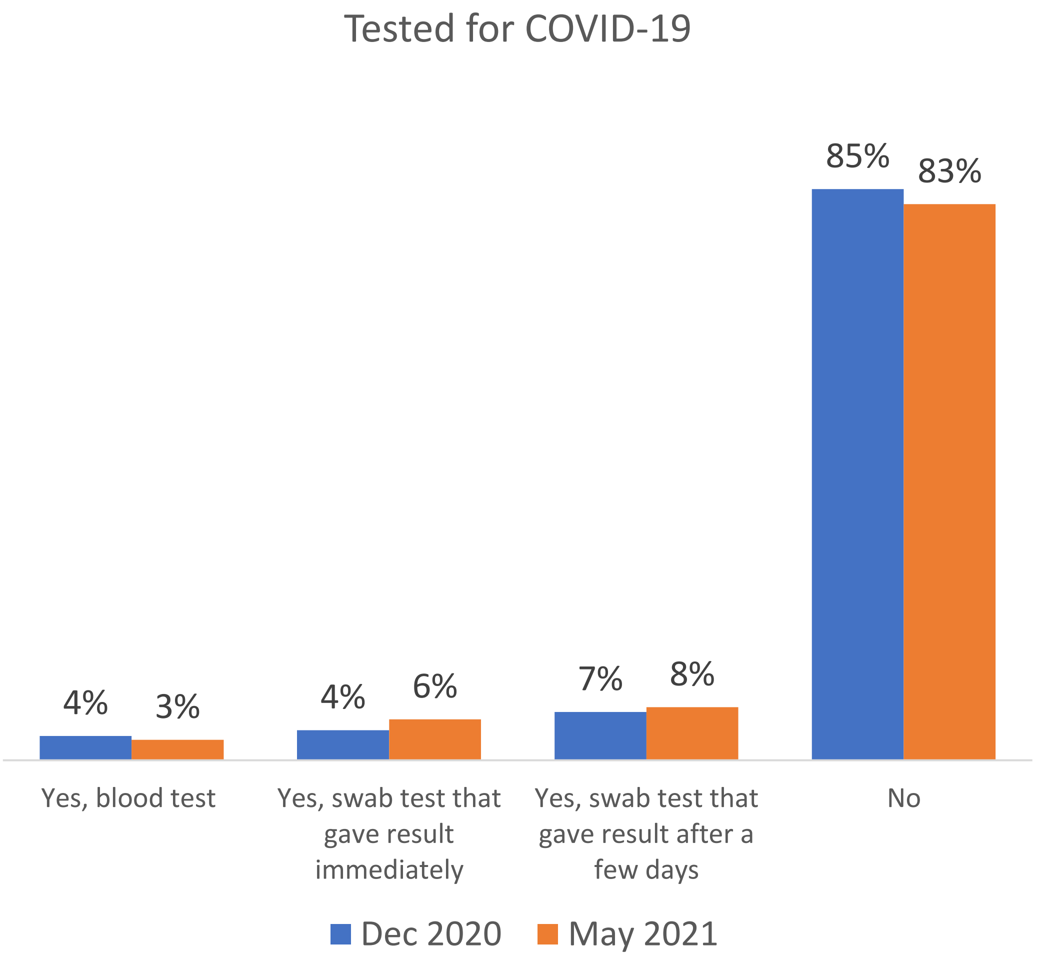
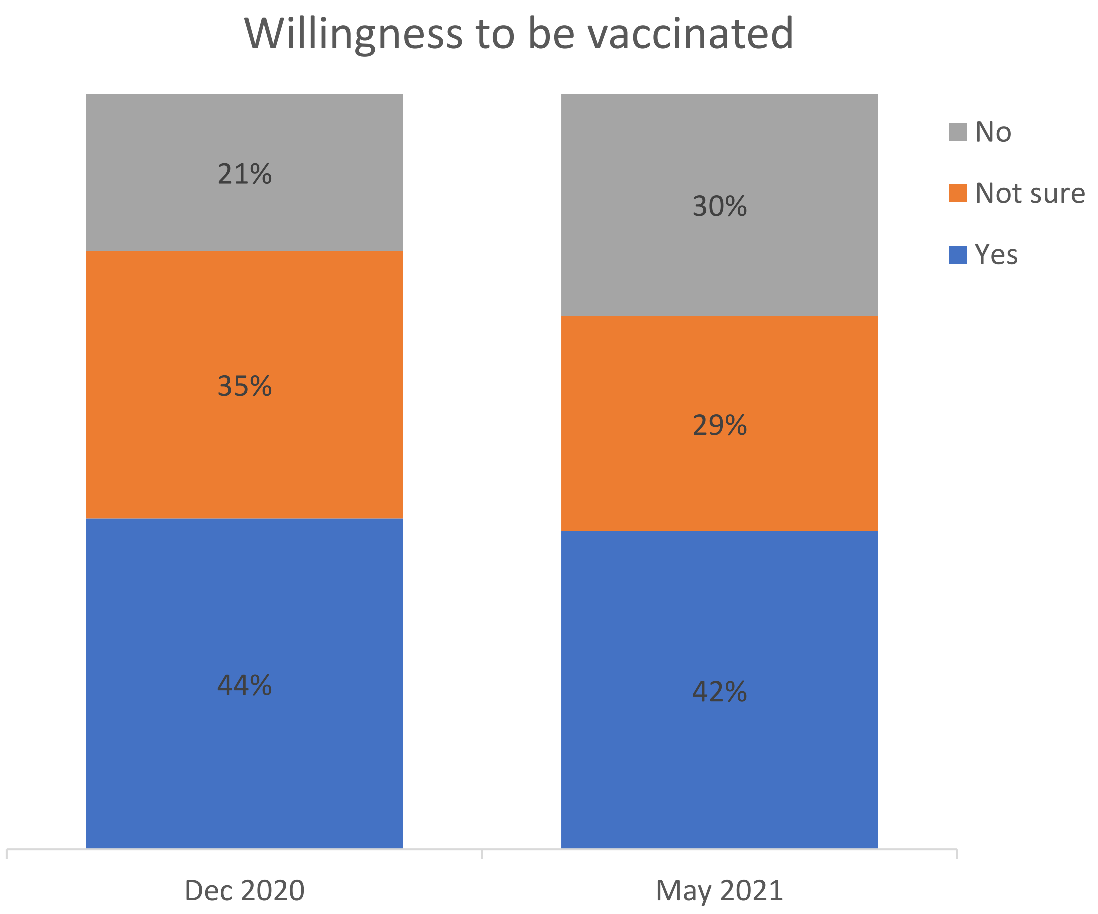
COVID-19 Vaccination

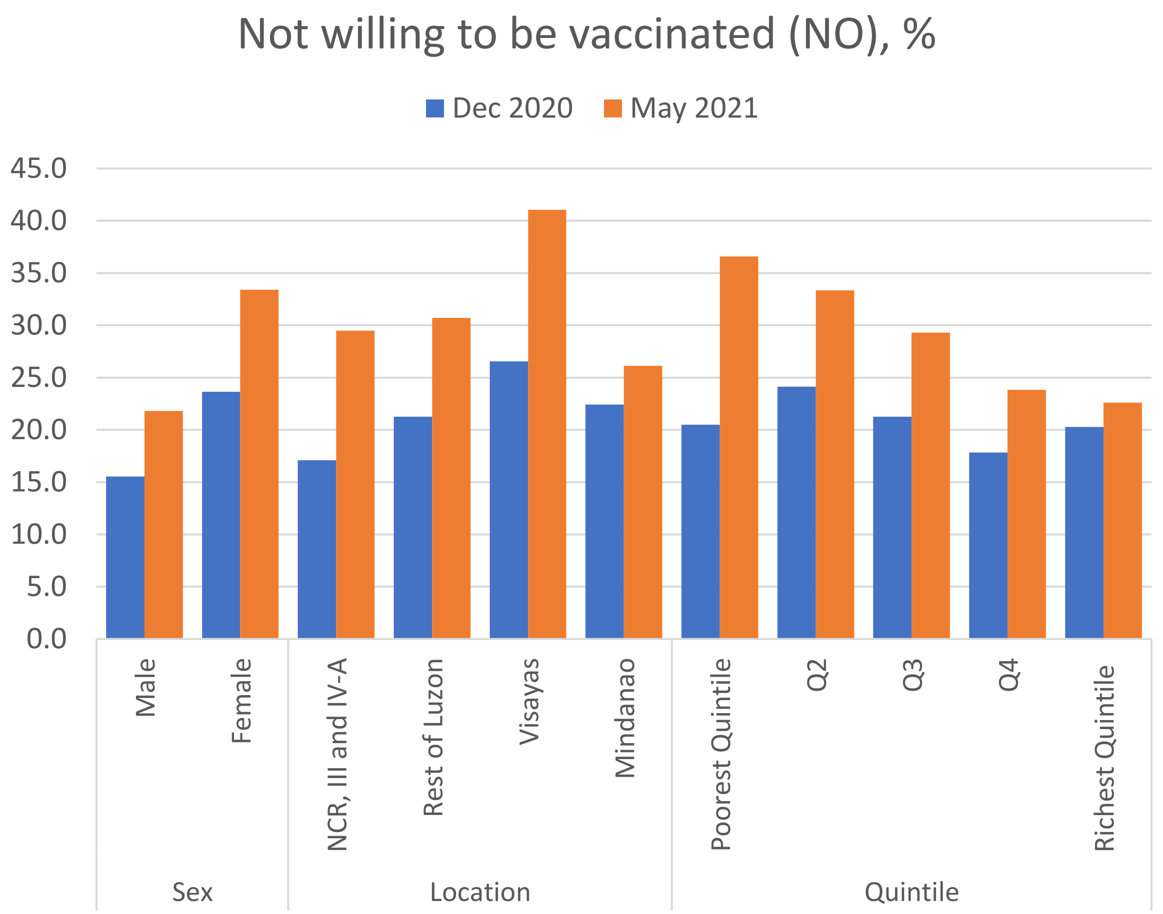
Availability of COVID-19 testing increased but still few got tested despite the surge in cases





Vaccine hesitancy among Filipinos remains high



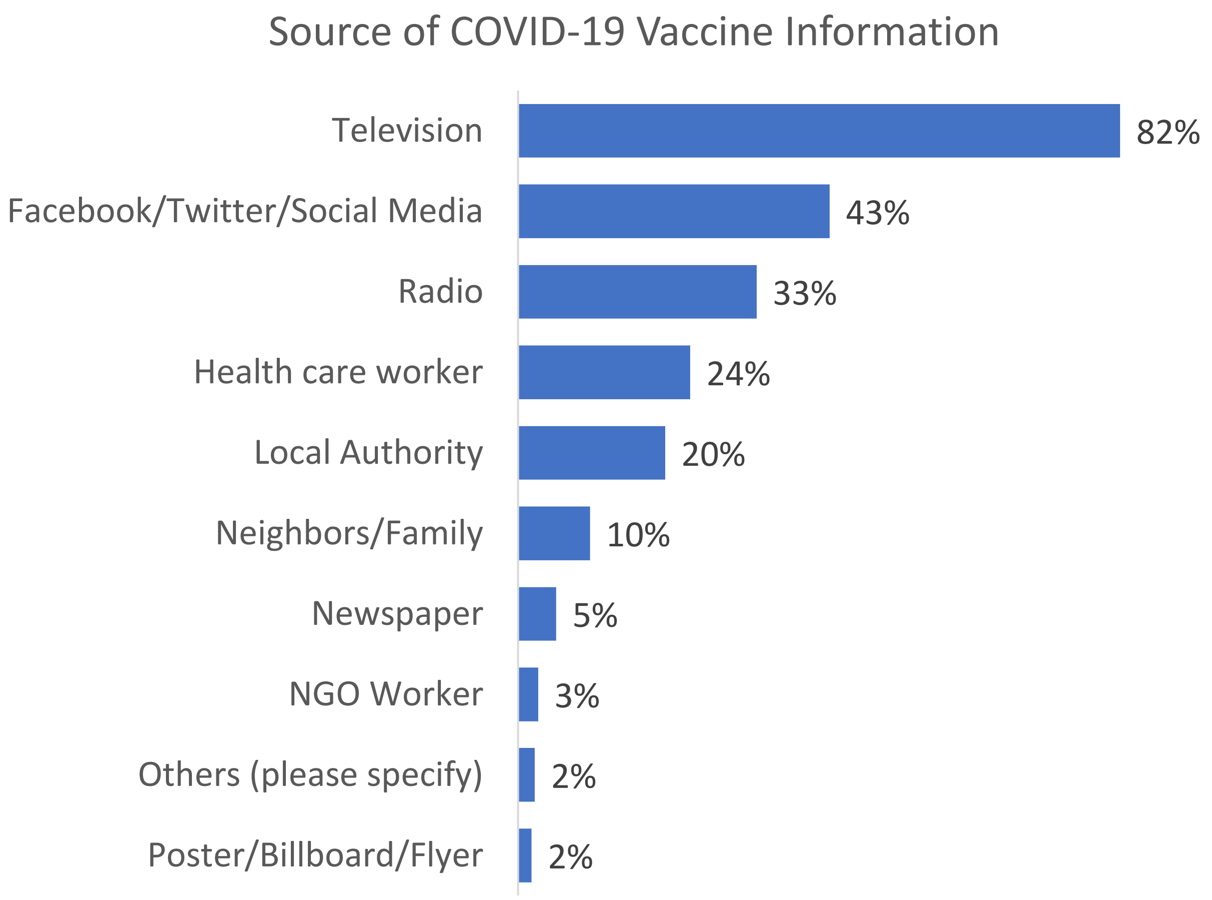


Vaccine hesitancy varies by respondents' characteristics

- Those who are not willing to be vaccinated increased by 9 ppts.
- Females are more hesitant to take the vaccine – increased by 10 ppts from previous round.
- Visayas residents had the highest proportion that didn't want to be vaccinated.
- Hesitancy is more extensive among poorer households.
- Conversely, those with more education, with internet access, living with elderly relatives and those with relatives who have already been vaccinated are more likely to say they want to be vaccinated.
- Of those not willing or not sure to be vaccinated, about 85% said they were worried about the possible side effects or the safety of the vaccine .

Television and social media are top sources of information on COVID-19 vaccines

- About 95% of the respondents are aware of the availability of COVID-19 vaccines.
- 4 in 5 mentioned television as main source of information.
- On vaccine registration awareness (among the 10% that were already vaccinated), health care workers, and television were the most cited source of information.

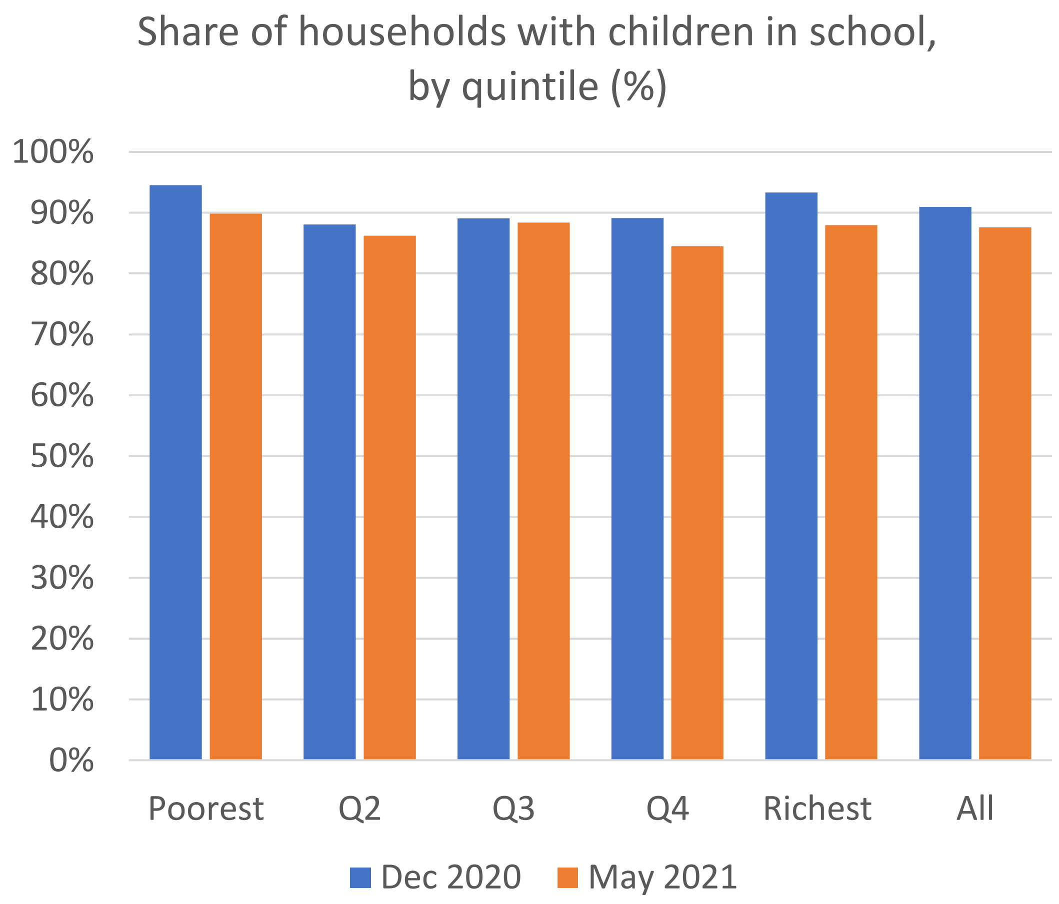


8

Access to Education

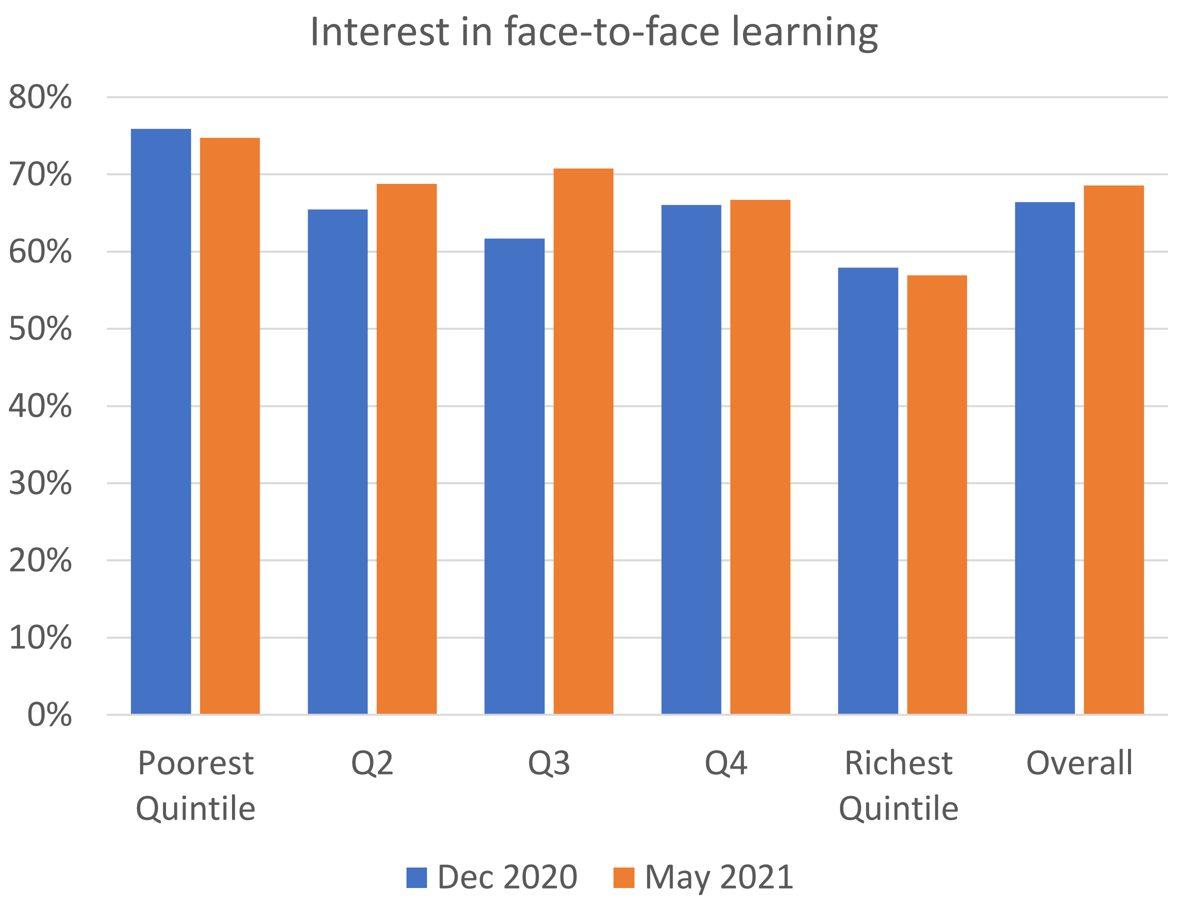
Share of households reporting children being enrolled in school remains high

- In May 2021, 88% of households reported that their children remain to be enrolled in school – slightly lower than 91% reported in December 2020.
- Poorest households as well as households in the upper quintiles reported about 5 ppts lower that their children remain in school.



Interest in face-to-face learning was strongest among poor households

- More households are willing to send children to school should face-to-face classes resume.
- The willingness to do face-to-face learning was most pronounced among households in the lower quintiles.
- Of those who were still against face-to-face learning, 95 percent said they were worried of their children contracting the virus.



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