Productivity *Analysis*

Economic, Gender, and Digital Divides: Impact of the COVID-19 Pandemic in the Philippines

Dr. Ronahlee A. Asuncion

Asian Productivity Organization

The Asian Productivity Organization (APO) is an intergovernmental organization committed to improving productivity in the Asia-Pacific region. Established in 1961, the APO contributes to the sustainable socioeconomic development of the region through policy advisory services, acting as a think tank, and undertaking smart initiatives in the industry, agriculture, service, and public sectors. The APO is shaping the future of the region by assisting member economies in formulating national strategies for enhanced productivity and through a range of institutional capacity-building efforts, including research and centers of excellence in member countries.

APO members
Bangladesh, Cambodia, Republic of China, Fiji, Hong Kong, India, Indonesia, Islamic Republic of Iran, Japan, Republic of Korea, Lao PDR, Malaysia, Mongolia, Nepal, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, Turkey, and Vietnam.

ECONOMIC, GENDER, AND DIGITAL DIVIDES: IMPACT OF THE COVID-19 PANDEMIC IN THE PHILIPPINES

JULY 2021 | ASIAN PRODUCTIVITY ORGANIZATION

PRODUCTIVITY ANALYSIS
Economic, Gender, and Digital Divides:
Impact of the COVID-19 Pandemic in the Philippines

Dr. Ronahlee A. Asuncion wrote this publication.

First edition published in Japan
by the Asian Productivity Organization
1-24-1 Hongo, Bunkyo-ku
Tokyo 113-0033, Japan
www.apo-tokyo.org

Designed by Convert To Curves Media

CONTENTS

AUTHORSHIP

Dr. Ronahlee A. Asuncion
Dean
School of Labor and Industrial Relations
University of the Philippines Diliman
Philippines

EXCUTIVE SUMMARY

This paper describes the impact of COVID-19 in the Philippines, which further widened the gap on the three interrelated issues of economic, gender, and digital divides.

The Philippine economy has seen positive growth in past years but it is beset with the problem of growth inclusivity. This uneven distribution of wealth has been made worse by the COVID-19 pandemic. The implementation of quarantine or lockdown in the country disrupted economic activities and affected the precariat class who are more vulnerable to economic shocks.

Millions of Filipinos who work in the informal sector have no social protection. With a huge share of the total labor force of the country of 15 million, or more than 38.3% of workers, who are either self-employed or unpaid family workers, this translates to thousands of households drawn into more poverty, making it impossible to improve their quality of life. Instability and insecurity at work are also on the rise for workers who are engaged in nonstandard forms of employment, i.e., under project, seasonal, casual, and fixed-period arrangements whose employment is contingent on a contract and thus are also at high risk of losing their jobs.

In the case of overseas Filipino workers (OFWs), a serious decline in their remittances is expected as thousands of OFWs were either unable to return to work to their host countries or their contracts have been ended. This is a major setback to the Philippine economy, but at the same time the government needs to extend financial help to them.

The widening of the economic divide because of the COVID-19 pandemic has tremendous consequences for a developing country like the Philippines. However, it also exposed the inequalities between men and women in society considering that women's vulnerability during this time is multidimensional.

The COVID-19 pandemic intensified the digital divide in the country. Access to the Internet at this time is critical. People rely on the Internet for vital information on the coronavirus, employment with work-from-home arrangements, education, streaming services, and information on financial, health, and other services from the government. Considering this situation and the uncertainty of time, the use of the Internet is heightened. However, in a country where basic needs are a major problem for thousands of families, having an Internet connection is not a priority.

With this situation, it is very clear that those at the bottom of the economic pyramid will surely be left behind. Recommendations and suggestions to mitigate the adverse effects during and after the COVID-19 pandemic are provided in the last section of this paper.

INTRODUCTION

Life around the world changed and ground to a halt. Since the outbreak of the coronavirus disease in Wuhan, PR China, in December 2019, it has continued to wreak havoc on almost all nations. It became so widespread that the World Health Organization (WHO) declared a pandemic. As the spread of the infection continues to increase every day, it seems that the disease is gaining more momentum and strength. There are no signs at present that this will be over in a few days or even weeks to come.

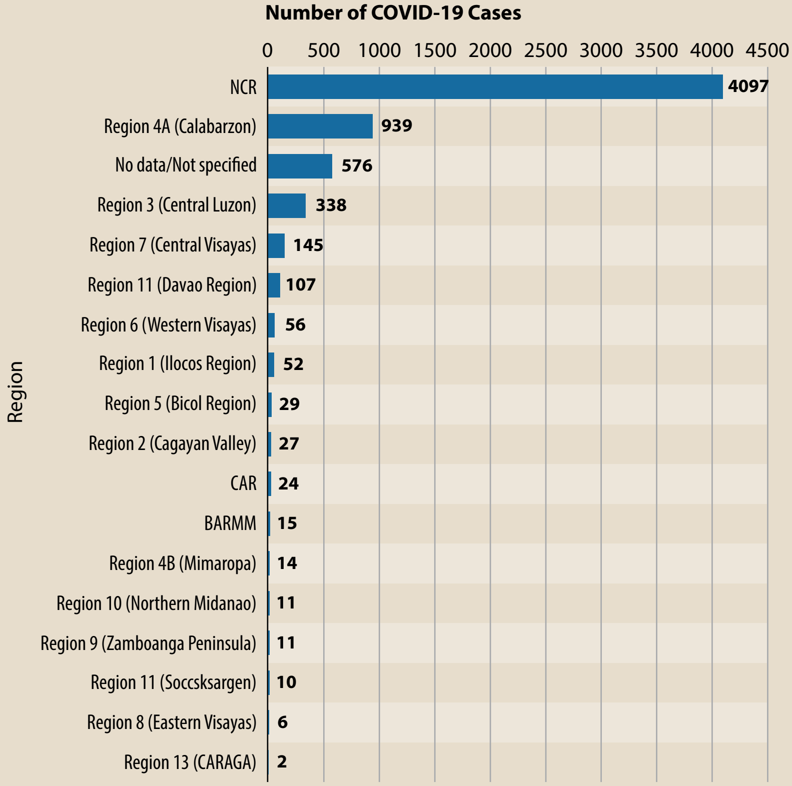
According to the WHO, as of 20 April 2020, there were 2,314,621 confirmed cases and 157,847 deaths globally [1]. In the Philippines, the Department of Health (DOH) recorded its first COVID-19 case on 30 January 2020 in a 38-year-old woman who arrived from Wuhan. Her travel companion, a male Chinese national, later tested positive for the virus and died on 1 February 2020. That was the first recorded death from the disease outside PR China [2]. As of 14 May 2020, the DOH reported that the total number of COVID-19 cases in the country had reached 11,876, with 2,337 recoveries and 790 deaths [3]. These numbers continue to rise every day.

Figure 1 shows that the National Capital Region (NCR) has the highest number of COVID-19 cases. The NCR is composed of 17 local government units (LGUs). Sixteen are cities composed of Caloocan, Malabon, Navotas, Valenzuela, Quezon City, Marikina, Pasig, Taguig, Makati, Manila, Mandaluyong, San Juan, Pasay, Parañaque, Las Piñas, and Muntinlupa and the lone municipality is Pateros.

On 16 March 2020, President Rodrigo Roa Duterte signed Proclamation No. 929 declaring a state of calamity in the whole country due to COVID-19. Together with this proclamation was the imposition of the Enhanced Community Quarantine (ECQ) throughout Luzon from 12:00 on 17 March 2020 to 12:00 on 13 April 2020 [4]. This was extended until 30 April 2020. Other LGUs from

FIGURE 1

NUMBER OF CONFIRMED COVID-19 CASES BY REGION AS OF 20 APRIL 2020.



Source: [3].

Visayas and Mindanao followed suit by declaring a curfew and community quarantine in their respective localities. These measures were deemed necessary to flatten the curve or prevent the further spread of the coronavirus. However, with the imposition of the ECQ came unimaginable unintended consequences.

Purpose of This Study

This study looks into the impact of COVID-19 in the Philippines in general. Specifically, it aims to determine the economic implications of further widening of the gap between the rich and those who are at the base of the economic pyramid. In addition, the effect of the pandemic on the gender divide and digital divide is examined. Finally, this report provides recommendations/suggestions to mitigate the adverse effects during and after the COVID-19 pandemic.

Available online materials were used. To enrich that data, key informants were identified and contacted through email correspondence or mail messenger services.

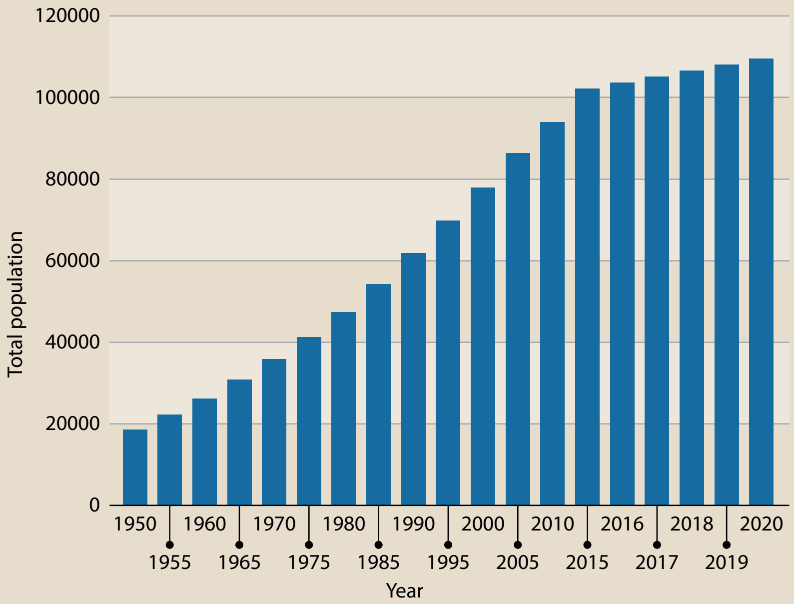
PROFILE OF THE PHILIPPINES

Population

The current population of the Philippines is almost 110 million. In 2030, it is projected to be 125 million and in about 40 years, there will be more than 200 million Filipinos. Although Figure 2 shows the decreasing growth rate of the country since 1950, at its current rank of 13th globally, it can still be considered high [5].

FIGURE 2

TOTAL POPULATION OF THE PHILIPPINES, 1950–2020.



Source: [5].

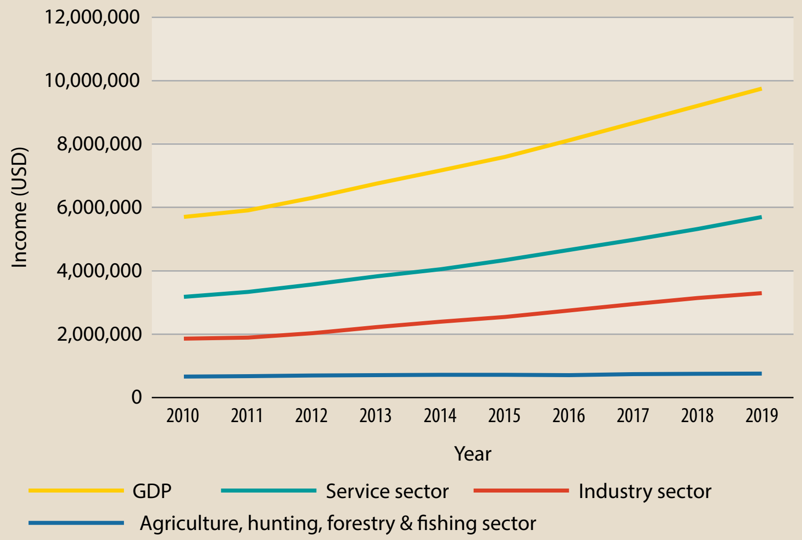
According to Worldometer, the median age of Filipinos is 25.7 years and 47.5% of the total population lives in urban areas. Quezon City leads as the most populous city in the country [6].

Economic Growth

The Philippine economy experienced positive growth in past years (Figure 3) [7]. It is described as robust, dynamic, and vibrant in the region. The World Bank reported that the country was able to maintain its average annual growth of 6.4% from 2010 to 2019 and would become an upper middle-income country from being a lower middle-income country at present. In 2018, its GNI per capita was USD3,830 and was projected to reach USD3,956–12,235 [8]. The 2020 Index of Economic Freedom ranked the country at 70 with a score of 64.5, making it fall under the category of countries with moderate economic freedom. In the Asia-Pacific region, it lands at 14th out of 42 countries and is described as exceeding the regional and world averages [9].

FIGURE 3

GNI AND GDP BY INDUSTRIAL ORIGIN, 2010–2019.



Source: [7].

The service sector has made significant contributions to GDP. It is the largest and strongest economic sector and a major employer. During 2010–2014, it grew at an average of 6.4% and in 2018 had the fastest growth rate at 6.8%. It is engaged in three types of services: services that facilitate change such as wholesale and retail, information and communication, financial and insurance, and real estate activities; services that change the condition of a good or product such as repair of motor vehicles and motorcycles, professional, scientific, and technical activities, and transportation and storage; and services that change the physical or mental condition of people such as accommodation and food service activities, administrative and support service activities, public administration and defense, education, human health and social work activities, arts, entertainment, recreation, activities of extraterritorial organizations and bodies, and activities of households as employers [7].

In 2019, the government was able to hit its inflation rate target of 2% to 4%. The Philippines Statistics Authority (PSA) reported that the average headline inflation rate decreased in 2019 to 2.5% from 5.2% in the previous year. Inflation in some food indexes slowed down like rice, vegetables, sugar, etc.

The US dollar exchange rate to the peso increased in 2018 at an average of 52.66 from 50.4 in 2017 [7]. However, the peso is still considered firm and stable as the exchange rate did not reach the 58 level. This is because the Bangko Sentral ng Pilipinas (BSP) does not interfere in the exchange rate of the peso except when there is a huge short-term imbalance between peso buyers and sellers [10].

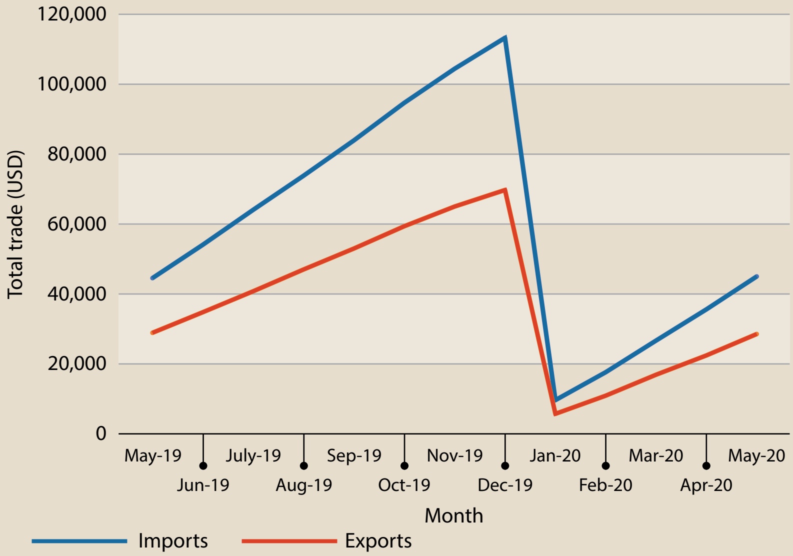
A 3.0% decrease was posted in the total external trade in goods in May 2019 at USD15.58 billion as compared with USD16.06 billion in the same month of 2018. From May 2018 to May 2019, a decrease in the balance of trade in goods was reported by the PSA from a deficit of USD3.88 billion to USD3.28 billion (Figure 4).

At USD6.16 billion total export sales, a 1.0% increase was recorded in May 2019. Electronic products remained the top export of the Philippines which posted total earnings of USD3.45 billion, in which components/devices (semiconductors) had the largest share at 40.5%.

In terms of total imported goods, there was a decrease in six of the top 10 major import products. This resulted in a 5.4% drop in May 2019 to USD9.43 billion as against USD9.97 billion in the same month of 2018 [7].

FIGURE 4

TOTAL TRADE IN IMPORTS AND EXPORTS, MAY 2018–MAY 2019.



Source: [7].

Labor Situation

With a young population, the country has a rich source of labor. The population of those who are 15 years and older increases constantly. Its employment rate remained steady at more than 90% from 2008 to 2017, with a very small increase in the unemployment rate from 2016 to 2017, but a reduction in the underemployment rate in the same period was posted, from 18.3% to 16.1% (Table 1).

In 2019, a very slight increase in the employment rate was reported by the PSA from 94.7% in 2018 to 94.9%. This translates to 42,429 million employed Filipinos in 2019 from 41,157 million in the previous year. A slight decrease was recorded in both the unemployment and underemployment rates. The figures in Table 2 are preliminary results based on the average of the estimates of Labor Force Surveys conducted in January, April, July, and October 2019 [7].

Most workers are in the service sector. They comprised 58% of the total employed in 2019. The agriculture sector came in second at 22.9%, and the

TABLE 1

LABOR AND EMPLOYMENT STATISTICS FOR THE POPULATION AGED 15 YEARS AND OLDER, 2008–2017.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Population 15 years and over (thousands)	57,848	59,237	60,717	61,882	62,985	61,176	62,189	64,939	68,125	69,891
Labor force participation rate (%)	63.6	64	64.1	64.6	64.2	63.9	64.4	63.7	63.4	61.2
Employment rate (%)	92.6	92.5	92.7	93.0	93.0	92.8	93.2	93.7	94.5	94.3
Unemployment rate (%)	7.4	7.5	7.3	7.0	7.0	7.2	6.8	6.3	5.5	5.7
Underemployment rate (%)	19.3	19.1	18.7	19.13	20	19	18.4	18.5	18.3	16.1

Source: [7].

TABLE 2

ANNUAL LABOR AND EMPLOYMENT ESTIMATES FOR 2018 AND 2019.

	2018	2019
Population 15 years & over (thousands)	71,339	72,931
Labor force participation rate (%)	60.9	61.3
Employment rate (%)	94.7	94.9
Unemployment rate (%)	5.3	5.1
Underemployment rate (%)	16.4	14.0

Note: Based on average estimates of four quarterly Labor Force Survey rounds.
Source: [7].

industry sector had the smallest group of workers at 19.1% in the same year, as broken down in Table 3 [7].

At 26.7%, Filipinos engaged in elementary occupations led among all occupational groups in 2019. These are workers who perform simple, routine tasks that require substantial physical effort and may involve the use of hand-held tools [7]. Service and sales workers were the second-largest group at 18.4%. According to the PSA [7], these workers are engaged in providing personal and protective services related to travel, housekeeping, catering, personal care, or protection against fire and unlawful acts, or demonstrate and sell goods in wholesale or retail shops and similar establishments, as well as at stalls and in markets.

TABLE 3

DISTRIBUTION (%) OF EMPLOYMENT BY INDUSTRY GROUP, 2019.

Major sector and subsectors	2019
Agriculture	**22.9**
Agriculture, hunting, and forestry	19.8
Fishing and aquaculture	3.1
Industry	**19.1**
Mining and quarrying	0.4
Manufacturing	8.5
Electricity, gas, steam, and air-conditioning supply	0.2
Water supply, sewerage, waste management, and remediation activities	0.2
Construction	9.8
Service	**58.0**
Wholesale and retail trade, repair of motor vehicles and motorcycles	19.9
Transportation and storage	8.1
Accommodation and food service	4.5
Information and communication	1.0
Financial and insurance	1.4
Real estate	0.5
Professional, scientific, and technical	0.7
Administrative and support service	3.9
Public administration and defense, compulsory social security	6.6
Education	3.0
Human health and social work	1.3
Arts, entertainment, and recreation	0.9
Other service	6.1
Activities of extraterritorial organizations and bodies	0.0

Note: Annual estimates based on the average of the four quarterly rounds of the 2019 Labor Force Surveys.
Source: [7].

Table 4 shows that in 2019, skilled agricultural, forestry, and fishery workers were the third-largest occupational group at 11.8%, while managers ranked fourth at 11.4%.

As shown in Table 5, at 64.2% wage and salary workers comprised a huge chunk of those employed in 2019. Under this category, those employed in

TABLE 4

DISTRIBUTION (%) OF EMPLOYMENT BY MAJOR OCCUPATIONAL GROUP, 2019.

Major occupational group	2019
Managers	11.4
Professionals	5.6
Technicians and associate professionals	4.2
Clerical support workers	6.1
Service and sales workers	18.4
Skilled agricultural, forestry, and fishery workers	11.8
Craft and related trade workers	7.9
Plant and machine operators and assemblers	7.7
Elementary occupations	26.7
Armed forces	0.2

Note: Annual estimates based on the average of the four quarterly rounds of the 2019 Labor Force Survey.
Source: [7].

private establishments comprised the largest number at 50.4%. Those who were self-employed without any paid employees accounted for 27.1%, making them the second-largest class of workers [7].

TABLE 5

DISTRIBUTION (%) OF EMPLOYMENT BY CLASS OF WORKER, 2019.

Class of worker	2019
Wage and salaried workers	**64.2**
In private household	4.3
In private establishment	50.4
In government or government corporation	9.1
For pay in own family-operated farm or business	0.3
Self-employed without any paid employees	**27.1**
Employer in own family-operated farm or business	**2.9**
Without pay in own family-operated farm or business (unpaid family worker)	5.8

Note: Annual estimates based on the average of the four quarterly rounds of the 2019 Labor Force Survey.
Source: [7].

In 2019, the average number of hours worked on a weekly basis was 42.1 (Table 6). People working that number of hours can be considered full-time workers, who comprised a significantly higher 68.8% compared with part-time workers who comprised 30.3% of the total. Based on the definition of the PSA, workers who work 40 hours or more in a week are considered full-time employees, while those who work less are classified as part-time employees [7].

TABLE 6

DISTRIBUTION (%) OF EMPLOYMENT BY HOURS WORKED PER WEEK, 2019.

Hours worked per week	2019
At work	**99.2**
Less than 40 hours	30.3
40 hours or more	68.8
Did not work	**0.8**
Mean number of hours worked per week	**42.1**

Note: Annual estimates based on the average of the four quarterly rounds of the 2019 Labor Force Survey.
Source: [7].

The number of underemployed Filipinos was estimated at 5.933 million in 2019. That was less by a few hundred than the estimate in 2018 of 6.734 million. Based on the definition of the PSA, underemployed persons are those who want to work for more hours than in their current jobs, want to have additional jobs, or want to have new jobs that will give them the opportunity to work for longer hours [7]. There were more visibly underemployed persons at 57.9% of the total underemployed persons in 2019. Visibly underemployed persons are those who work less than 40 hours per week. Those who worked 40 hours or more per week were estimated at 40.7%. Table 7 shows that the service sector had more underemployed persons in 2019 (46.8%) than the agriculture and industry sectors.

With regard to unemployment, 2.263 million Filipinos were unemployed in 2019 and most of them belonged to the 15–24-year-old age-group (Table 8). More males were in the unemployed group (62.3%) than females (37.7%). In terms of educational attainment, those who graduated from junior high school had the highest unemployment rate (26.5%), followed closely by college graduates (25.7%) [7].

TABLE 7

DISTRIBUTION (%) OF UNDEREMPLOYED PERSONS BY HOURS WORKED PER WEEK AND SECTOR, 2019.

Selected indicator	2019
Underemployed persons	
Number (thousands)	5,933
Percent	100.0
Hours worked per week	
At work	98.6
Less than 40 hours	57.9
40 hours or more	40.7
Did not work	1.4
Sector	
Agriculture	34.5
Industry	18.7
Service	46.8

Note: Annual estimates based on the average of the four quarterly rounds of the 2019 Labor Force Survey.
Source: [7].

TABLE 8

DISTRIBUTION (%) OF UNEMPLOYED PERSONS BY AGE-GROUP, GENDER, AND HIGHEST EDUCATION COMPLETED, 2019.

Selected indicator	2019
Unemployed persons	
Number (thousands)	2,263
Percent	100.0
Age-group (years)	
15–24	44.8
25–34	31.1
35–44	11.9
45–54	7.3
55–64	4.1
65 and older	0.9

Continued on next page

Continued from previous page

Selected indicator	2019
Gender	
Male	62.3
Female	37.7
Highest education completed	
None	0.5
Elementary	14.1
Undergraduate	6.9
Graduate	7.1
Junior high school	37.4
Undergraduate	10.8
Graduate	26.5
Senior high school	4.8
Undergraduate	1.2
Graduate	3.6
Postsecondary	8.4
Undergraduate	2.1
Graduate	6.3
College	34.9
Undergraduate	9.2
Graduate	25.7

Note: Annual estimates based on the average of the four quarterly rounds of the 2019 Labor Force Survey.
Source: [7].

In terms of the labor force participation rates shown in Table 9, Region IV-A or Calabarzon had the highest rate at 64.1%. The Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) had the lowest labor force participation rate at 52.4% and consequently had the highest unemployment rate at 6.6%. The employment rate percentages did not vary significantly among regions. The Cordillera Administrative Region (CAR) and Region II (Cagayan Valley) both had the highest employment rate at 96.5%. At 27.3%, Region V (Bicol Region) had the highest underemployment rate in 2019, while the NCR including the mega-city of Manila had the lowest underemployment rate at 5.4% [7].

TABLE 9

LABOR FORCE PARTICIPATION, EMPLOYMENT, UNEMPLOYMENT, AND UNDEREMPLOYMENT RATES (%) BY REGION, 2019.

Region	Total population 15 years of age and older (thousands)	Labor force participation rate	Employment rate	Unemployment rate	Underemployment rate
Philippines	**72,931**	**61.3**	**94.9**	**5.1**	**14.0**
National Capital Region (NCR)	9,359	60.8	94.2	5.8	5.4
Cordillera Administrative Region (CAR)	1,298	62.1	96.5	3.5	12.2
Region I (Ilocos Region)	3,570	61.8	94.7	5.3	16.9
Region II (Cagayan Valley)	2,443	63.1	96.5	3.5	16.1
Region III (Central Luzon)	8,086	60.0	94.9	5.1	10.2
Region IV-A (Calabarzon)	10,300	64.1	93.9	6.1	11.8
MIMAROPA Region	2,148	60.3	95.6	4.4	19.6
Region V (Bicol Region)	4,220	60.1	94.8	5.2	27.3
Region VI (Western Visayas)	5,568	59.1	95.3	4.7	11.2
Region VII (Central Visayas)	5,426	62.3	94.8	5.2	14.9
Region VIII (Eastern Visayas)	3,233	60.0	95.5	4.5	20.2
Region IX (Zamboanga Peninsula)	2,682	56.4	96.3	3.7	16.5
Region X (Northern Mindanao)	3,388	68.8	95.6	4.4	21.8
Region XI (Davao Region)	3,584	59.8	96.2	3.8	11.0
Region XII (SOCCSKSARGEN)	3,222	64.1	95.6	4.4	19.7
Region XIII (Caraga)	1,936	62.3	95.2	4.8	18.5
Bangsamoro Autonomous Region, Muslim Mindanao (BARMM)	2,469	52.4	93.4	6.6	8.4

Note: Annual estimates based on the average of the four quarterly rounds of the 2019 Labor Force Survey.
Source: [7].

Growth Inclusivity

The Philippines may have had some economic gains in past years, but it is still faced with the problem of growth inclusivity. Poverty remains high, and growth is slower and less inclusive than in other high-performing countries such as Indonesia and Vietnam. The World Bank reported that the Philippines is one of the countries with highest wealth inequality [11]. With a Gini index of 0.837, the country ranked 8th globally with the highest amount of income inequality in 2019 [12]. A clear manifestation of its highly uneven wealth distribution is that the top 1% owns more than half of the country's wealth based on the 2019 Credit Suisse Wealth Report [13]. The country's wealth is estimated to be worth USD764 billion and only 43 Filipinos have a net worth more than USD500 million (PHP25.57 billion) [13].

TABLE 10

INDICATIVE RANGE OF MONTHLY FAMILY INCOME FOR A FAMILY OF FIVE, 2017.

Income cluster	Definition: Per capita income	Indicative range (PHP at 2017 prices)
Poor	Less than the official poverty threshold	Less than 9,520
Low-income class (but not poor)	Between the poverty line and twice the poverty line	Between 9,520 and 19,040
Lower middle- income class	Between two and four times the poverty line	Between 19,040 and 38,080
Middle middle-income class	Between four and seven times the poverty line	Between 38,080 and 66,640
Upper middle-income class	Between 7 and 12 times the poverty line	Between 66,640 and 114,240
Upper-income class (but not rich)	Between 12 and 20 times the poverty line	Between 114,240 and 190,400
Rich	At least equal to 20 times the poverty line	At least 190,400

Source: [14] and 2017 Family Income and Expenditure Survey.

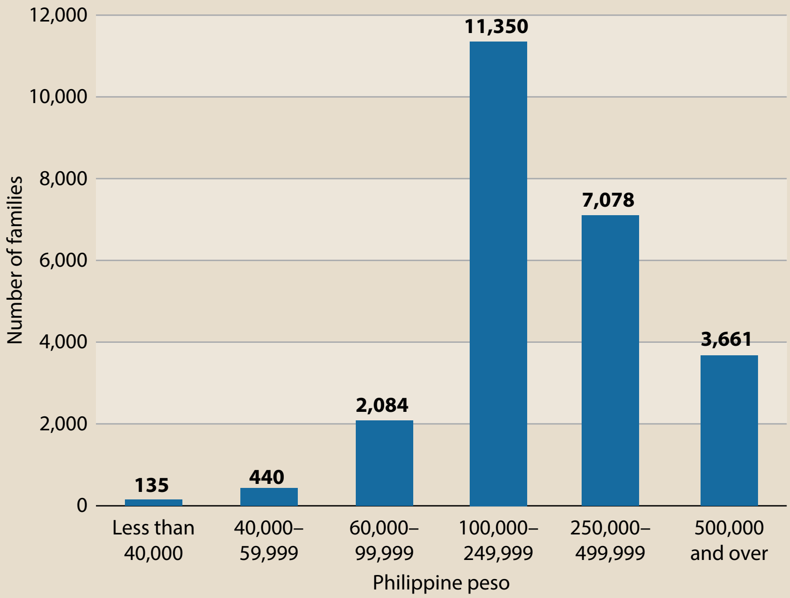
The country has many income categories. Table 10 shows the various income groups based on their per capita income and the indicative range at 2017 prices. Using the data from the PSA, the Philippine Institute for Development Studies reported that in 2015, 58.4% belonged to the low-income class, while only 1.4% were in the high-income class [14].

In the first semester of 2018, the PSA reported that the proportion of poor Filipinos was 21.0%. The food threshold for a family of five is PHP7,337 to meet monthly basic food needs. The food threshold is deemed to be the minimum income needed to meet the nutritional requirements set by the Food and Nutrition Research Institute for families to be economically and socially productive. The poverty threshold for a family of five that will enable them to meet both basic food and nonfood needs in a month is PHP10,481 on average. Nonfood necessities include light, water, clothing, housing, health, education, and transportation expenses [7].

In the same 2018 period, Filipino families whose income was below the poverty line of PHP10,481 made up 16.1%, while those whose income fell below the food threshold of PHP7,337 was estimated at 6.2%. In terms of the income gap, 26.9% of poor families were unable to meet the average income to be considered above poverty. The poverty gap was at 4.3%, while the severity of poverty was at 1.8% according to the PSA.

FIGURE 5

DISTRIBUTION OF FAMILIES BY INCOME CLASS, 2018.

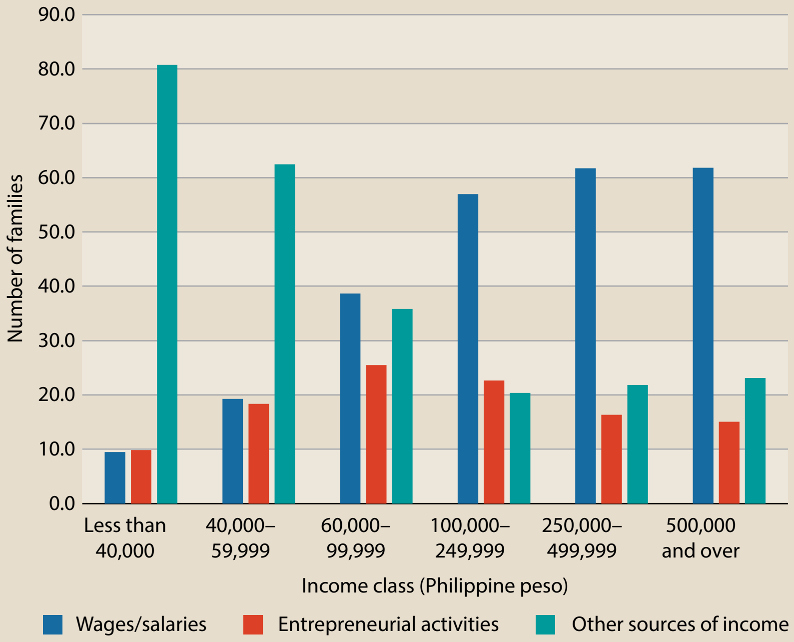


Source: [7].

The PSA reported that in 2018, of 24,748 families surveyed, a significant number belonged to the PHP100,000–249,999 income class and only 135 families to the less than PHP40,000 income group (Figure 5). For most families in the PHP100,000 and over income group, their main source of income was wages/salaries, while those with income of less than PHP40,000 earned from other sources of income (Figure 6). The PSA defines "other sources of income" as from house rentals, interest, rentals from landowners' share of agricultural products, pensions, support, the value of food and nonfood items received as gifts, and the value of services rendered free of charge to the family [7].

FIGURE 6

DISTRIBUTION OF FAMILIES BY SOURCE OF INCOME, 2018.



Source: [7].

In a self-rated poverty survey conducted by the Social Weather Stations in December 2019, 54% or 13.1 million families considered themselves poor [15]. A 12% increase was noted from September that same year with 42% or 10.3 million families who rated themselves as poor. In self-rated food poverty, an increase of 6% was recorded from 29% in September 2019, but it rose to 35% in December 2019. Further, the same survey found that of the 54% self-rated poor families, 7% or 1.6 million were newly poor compared with 1–4 years previously, 1.8 million considered themselves as usually poor, and 9.7 million believed that they were always poor [15].

Wide disparities in economic growth are evident among provinces. Lanao del Sur, Sulu, Davao Occidental, Saranggani, Zamboanga del Norte, Bukidnon, Northern Samar, and Siquijor were at the bottom or the poorest in the first semester of 2018, while Cavite, Laguna, Rizal, and Bulacan were the least poor provinces. At PHP460,000, families in the NCR have the highest average annual family incomes. But at PHP161,000, families in the BARMM have the lowest average annual income. The nationwide Gini coefficient in the same period was 0.4267, and across regions it ranged from 0.2819 to 0.4457. When it comes to income spent on food, the bottom 30% of families spent 58.2% on food, while the upper 70% spent 39.5% on it [7].

Many believe that a family of five would find it very difficult to survive and live a decent quality of life with the poverty line of PHP10,481 set by the government in 2018 [13]. The World Bank reported that poor households have more family members and high dependency ratios where the head of the family is a young male with low educational attainment who works in the agriculture sector [11]. Based on a simulation study, it would take 18 years on average for a low-income family to become middle class if real income per capita increased by 2.4% every year. By 2023, the low-income but not the poor could move to the middle-income class, while the poor on average could reach it by 2051. For the poor to become middle-income class by 2040, it is estimated that their income should increase by 3.4% every year. This is 42% more than the benchmark of 2.4%, which is considered impossible given that the income distribution in the country remains highly uneven [14].

The Human Development Index (HDI) measures inequality beyond income such as long-term progress in terms of a long, healthy life, access to knowledge, and a decent standard of living. Based on the UNDP Human Development Report 2019 [16], the Philippines had a high HDI score in 2018. With an HDI score of 0.712, it ranked 106th out of 189 countries and territories. The national HDI score increased from 0.590 to 0.712 from 1990 to 2018. However, when the inequalities in life expectancy, education, and income are taken into account, the HDI score drops to 0.582 points. There is an 18.2% loss from the inequality in the distribution of the HDI dimensions. This loss is higher than those in Indonesia, Thailand, and East Asia and the Pacific [16].

Improving the quality of life of most Filipinos seems to be a perennial major challenge as the problem of inequality is not just limited to economic aspects. It also extends to access to basic services such as safe water, electricity, the Internet, and sanitation among others. Considering all of these, what are the effects of the COVID-19 pandemic on the Philippines?

EFFECTS OF THE COVID-19 PANDEMIC

Widening of the Economic Divide

As of 15 May 2020, 4,525,420 cases of COVID-19 had been diagnosed worldwide, with 303,372 deaths, and 1,703,808 patients who had recovered. The COVID-19 pandemic has become a global crisis affecting 212 countries and territories and two international conveyances [17]. As the number of cases continues to rise every day globally, stress rises and anxiety, uncertainty, fear, hopelessness, and depression set in.

With the imposition of quarantine or lockdown in affected areas, businesses have ground to a halt. Restrictions in movement have disrupted economic activities, resulting in an increasing revenue loss for every single day businesses are temporarily closed. Stock index values fell worldwide. For example, as shown in Table 11, between 6 and 18 March 2020, Italy suffered the highest loss at –27.3% followed by France (–26.7%) and Germany (–26.4%), while the USA lost 12.4%. In Asia, the narrative was the same. PR China, Hong Kong, Japan, the Republic of Korea, and Singapore suffered losses in the same short period of time [18].

IMF Managing Director Kristalina Georgieva explained that because of the COVID-19 pandemic, nations would experience negative per capita income growth this year, an event the world experienced during the Great Depression in the 1930s [19]. She added that emerging markets and developing countries in Africa, Asia, and Latin America would bear the brunt and would need trillions of dollars to fight the pandemic and salvage their economies [19].

On 9 March 2020, the Philippine Stock Exchange (PSE) suffered its worst loss since the 2008 global financial crisis [20]. This negative performance came amid the increasing number of COVID-19 infections in the country. This was considered the highest one-day point loss since August 2015 and the worst

TABLE 11

STOCK MARKET INDICES OF SELECTED COUNTRIES, 6–18 MARCH 2020.

Country index	Stock index value (%)
CSI 300 (PR China)	−12.1
Nasdaq 100 (USA)	−12.4
Hang Seng (Hong Kong)	−14.7
STI (Singapore)	−18.1
KOSPI (Republic of Korea)	−22.0
Nikkei 22 (Japan)	−19.4
AEX (Netherlands)	−23.7
FTSE 100 (UK)	−21.4
IBEX 35 (Spain)	−25.1
SMI (Switzerland)	−14.4
FTSE MIB (Italy)	−27.3
DAX 30 (Germany)	−26.4
CAC 40 (France)	−26.7

Source: [18].

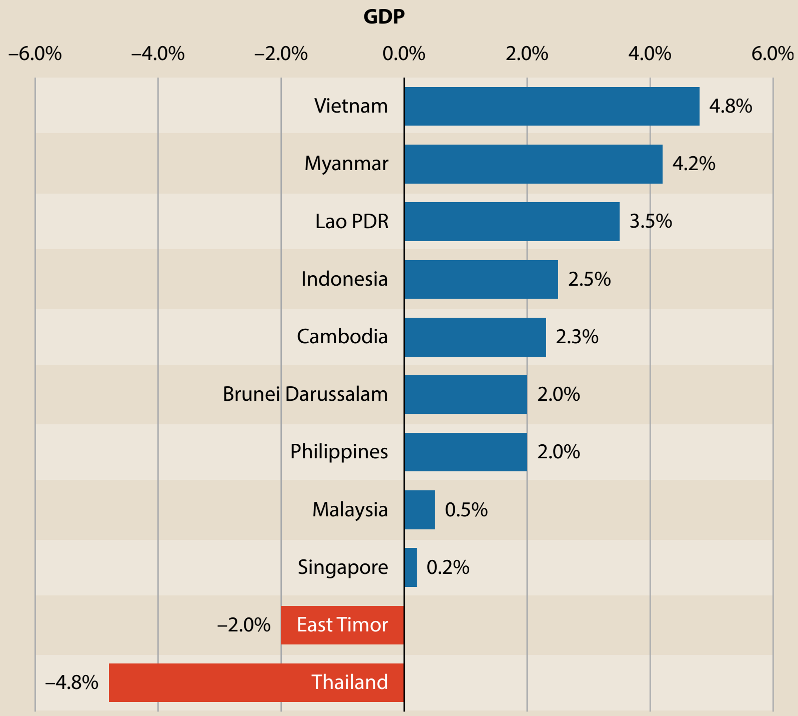
performance in 12 years. There were 204 companies that suffered losses while only 30 gained, and no change was recorded for 23 [20].

Following the decision of the national government to put the NCR in a month-long lockdown, the PSE closed its operations on 17 March 2020. The PSE was the first bourse to stop operations due to COVID-19 [21]. Two days after it resumed operations, the PSE suffered a nearly 25% drop, just a few seconds after it opened. It was the biggest fall on record for the benchmark [22]. The PSE lost PHP1.16 trillion in market value. It is estimated that in 2020, the PSE was already down by almost 41% at the time of writing [23].

The Philippines, which is set to become an upper middle-income country from its current standing as a lower middle-income country, stands to lose its good economic performance. The economic forecast for the Philippines is bleak as its average annual growth of 6.4% from 2010–2019 will no longer be maintained. According to the economic forecast of the Asian Development Bank (ADB), the economic growth of the country will fall by 2.0% (Figure 7) [24]. Fitch Solutions projected a wider current account deficit with a current

FIGURE 7

COMPARATIVE GDP GROWTH FORECAST IN SOUTHEAST ASIA, 2020.



Source: [24].

account balance of –2.6% of 2020 GDP as compared with a previous forecast of –1.2% [25]. Considering the dismal performance of most economies in the world, developing countries like the Philippines will find it more difficult to recover from this economic crisis. Whatever gains the country has reaped in past years will be wiped out in a short period.

Effects on Labor

The temporary stoppage of business operations during the COVID-19 pandemic has had a lasting impact on both business owners and workers, but workers are the hardest hit. The ILO noted that lockdown measures were affecting almost

2.7 billion workers, equivalent to 81% of the global workforce [26]. This means that four out of five workers are affected by either full or partial closures of their workplaces [26]. In the Philippines, the Department of Labor and Employment (DOLE) reported that a total of 2,073,362 workers had been affected as of 24 April 2020 because of the quarantine measures imposed by the government [27]. This is based on the report of 79,271 affected establishments to the field and regional offices of DOLE. More than 687,000 workers experienced a reduction in income as businesses implemented fewer workdays, rotations, forced leave, and telecommuting as alternative work arrangements. In addition, almost 1.4 million workers were displaced nationwide, with the highest number of 687,634 in the NCR, as shown in Table 12, while Region 12 had the lowest number of displaced workers at 27,643 [27]. As the lockdown was extended in the NCR and in some regions, these numbers would most likely increase. Hence, the longer the lockdown is implemented, the more workers will be negatively affected and consequently the wider the economic divide will be.

TABLE 12

NUMBER OF DISPLACED WORKERS PER REGION, 24 APRIL 2020.

Region	No. of displaced workers
NCR	687,634
Central Luzon	281,278
Davao	207,789
Calabarzon	158,646
Region 10	106,162
Region 2	88,531
Central Visayas	86,767
MIMAROPA	74,533
Region 6	65,892
Bicol	65,757
CAR	63,957
Region 8	49,362
CARAGA	39,711
Region 9	37,683
Region 1	32,017
Region 12	27,643

Source: [27].

Ramon Certeza, National Coordinator of the IndustriALL Global Union–Philippines, said that in the first week of lockdown, many workers in the Export Processing Zones in Cavite lost their income because they were out of work. Many of them are unorganized and have no collective bargaining agreement where they can negotiate their no-work, no-pay policy. He added that the situation was more disadvantageous to contractual workers whose contracts were ended. With the lifting of the Philippine Economic Zone Authority memorandum on stoppage of business operations, some firms were allowed to open. Their workers reported for work and some were under flexible work arrangements. Despite the risk to their health, they were left with no choice as they needed to earn a living. In an interview on 23 April 2020 via messenger with Atty. Nicholas Barriatos, labor professor and lawyer, he explained that on the part of employers, they had to adopt austerity measures in order for their companies to survive. That could mean job losses for their workers. He said that while employers would likewise sacrifice and suffer, it was the workers who would sacrifice the most and bear most of the suffering.

Effects on Overseas Filipino Workers

A major component of labor in the Philippines is the overseas Filipino workers (OFWs), not only because of their number but also because of their remittances that help keep the Philippine economy afloat.

In 2018, a total of 2.3 million Filipinos were OFWs [28]. At 55.8%, female OFWs outnumbered males. For land-based OFWs, 37.1% were engaged in elementary occupations, 18.8% in service and sales, and 13.8% as plant and machine operators and assemblers. An estimated 58.7% of female OFWs are in elementary occupations, while 27.8% of males work as plant and machine operators and assemblers. Saudi Arabia remains the top destination of OFWs (24.3%), followed by United Arab Emirates (15.7%), Hong Kong (6.3%), Kuwait (5.7%), the PR China (5.5%), and Qatar (5.2%) [28].

In 2016, there were 442,820 sea-based OFWs [29]. The country has the largest share of labor in the global shipping industry. Although the number is dwindling because of stiff competition from PR China, Russia, and Vietnam, there were 378,072 Filipino seafarers in 2017 and 330,859 in 2018. Filipino seafarers are still nonetheless known the world over [29].

Based on a report of the BSP, the total remittances of OFWs in 2019 amounted to more than USD30 billion and the growth rate was 6.6%. More than USD23 billion came from land-based OFWs, while more than USD6 billion were sent by seafarers. Figure 8 shows a steady increase in remittances every year [30]. In fact, OFW remittances accounted for 10.22% of GDP in 2018 [31].

However, the steady increase in remittances from OFWs is under threat amid the COVID-19 pandemic. Thousands of OFWs were stranded in the Philippines as they were unable to leave the country due to travel bans imposed by the country as well as by the receiving countries. Unable to return to work, this left OFWs anxious and uncertain if their employers would wait for them or still employ them. Added to this are the OFWs who were displaced. As of April 2020, 89,436 OFWs were either replaced or on a no-work, no-pay status because of lockdowns in host countries [32]. With regard to sea-based OFWs, the decrease in deployed seafarers will surely continue. In 2017, a total of 64,748 Filipino seafarers lost their jobs. Foreign shipowners prefer to hire other nationalities because Filipino seafarers are more expensive. For example, a Filipino skilled seafarer is paid USD1,000 per month while Indonesian seafarers are paid USD600–800 per month [32].

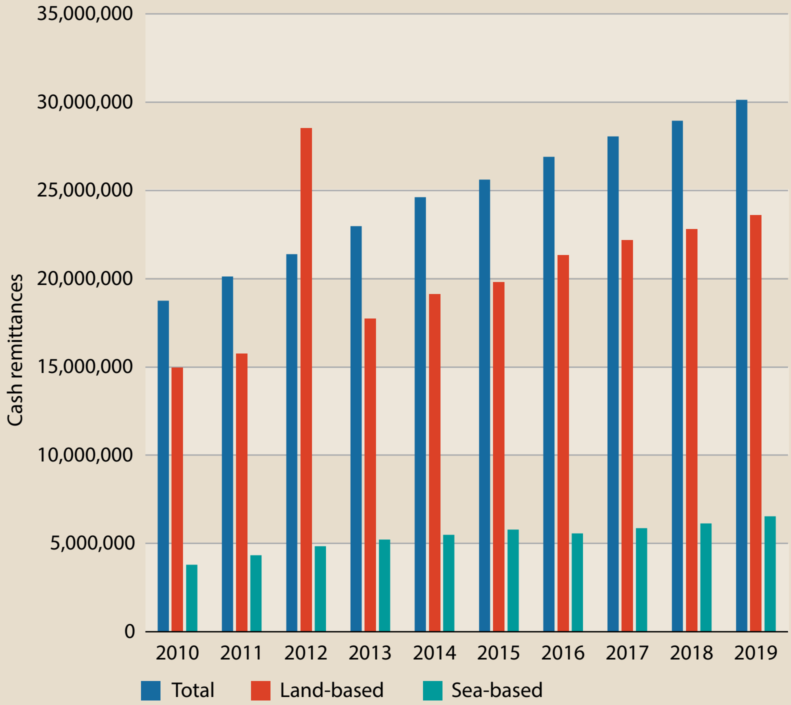
With thousands of OFWs out of work, it becomes much worse if the OFW is the sole breadwinner in the family. Whatever savings those families have may soon be depleted. As of 26 April 2020, there were already more than 230,000 OFWs affected by the COVID-19 pandemic who sought cash assistance from the government. This is more than the 150,000 estimate of government beneficiaries of its aid fund [33]. Considering that government funds are very limited, not every OFW who needs cash assistance will be extended help. This means that thousands of families will starve. They may not die of the coronavirus, but they will die of hunger. Hence, with nothing to cushion the economic impact of the COVID-19 pandemic, the domino effect of this situation on their quality of life is therefore inevitable.

Effects on the Informal Economy and Informal Workers

While the COVID-19 pandemic has affected all workers, the effects have not been the same for all. Vulnerable groups such as those engaged in the informal economy are hit the hardest. The ILO reported that globally, more than six in

FIGURE 8

OFW CASH REMITTANCES (IN THOUSAND USD).



Source: [30].

every 10 workers and four of every five enterprises were in the informal economy [34]. It estimated that, excluding those engaged in the agriculture sector, more than half of the global workforce or around 2 billion workers were in the informal economy. At 93%, the majority of those in informal employment come from emerging and developing countries. According to the ILO, 85.8% were from Africa, 68.2% Asia and the Pacific, 68.6% the Arab states, 40.0% the Americas, and 25.1% Europe and Central Asia [35].

The ILO defines the informal economy as: "a) all economic activities by workers and economic units that are, in law or in practice, not covered or insufficiently covered by formal arrangements; and (b) does not cover illicit activities, in particular the provision of services or the production, sale, possession or use of goods forbidden by law, including the illicit production and trafficking of drugs, the illicit manufacturing of and trafficking in firearms, trafficking in persons, and money laundering, as defined in the relevant international treaties." Further, the ILO identifies the economic units in the informal economy as including: "a) units that employ hired labour; b) units that are owned by individuals working on their own account, either alone or with the help of contributing family workers; and c) cooperatives and social and solidarity economy units [36]."

Workers in the informal sector are in a highly disadvantageous position. Due to the lockdown, their movements are limited or they cannot work, according to National Coordinator Ramon Certeza of the IndustriALL Global Union–Philippines. As their only source of income, this has a big implication on their quality of life. They will go hungry and be deeper in debt the poorer they become. This point was also raised by Atty. Nicholas Barriatos, labor professor and lawyer, who explained that families of informal workers are usually those who are eking out a hand-to-mouth existence. If they have savings, they will only support them for a few days. Any extension of lockdowns would be very difficult for them.

The vulnerability of this group is very high in this time of the pandemic. These are the unprotected workers. They have no social protection, rights at work, or decent working conditions. These workers lack economic security, so naturally poverty is high among informal workers. The informality of their work can be considered both a cause and effect of their poverty. Financially, it would be most difficult for them to cope as they have lower or at worst no savings at all that would tide them over during this time.

An increase in the poverty rate from 0.3% to 9% in 2020 was projected, with 40 to 60 million people falling into extreme poverty or those earning below USD1.90 per day. The World Bank estimated that those living on less than USD3.20 a day could soar by 0.3% to 23% or higher which translates into 40–150 million people, while those who live on less than USD5.50 a day could climb from 0.4% to 42% or around 70–180 million people. These projections vary across countries depending on the extent of the economic shock caused by the COVID-19 pandemic [37].

The PSA reported that a third of the GDP of the Philippines could be attributed to the informal sector. In 2016, it contributed PHP5.013 trillion to the economy of the country. In the same year, the service sector contributed the most to GDP at PHP2.28 trillion, followed by industry at PHP1.4 trillion and then by agriculture, hunting, fishery, and forestry at PHP1.35 trillion [38]. The informal sector also had a major share of the total labor force of the country, with 15 million or more than 38.3% of workers who were either self-employed or unpaid family workers [39]. Those informal workers are street vendors selling various goods and services, jeepney drivers, tricycle drivers, home-based workers, small farmers and fisherfolk, and unpaid family workers, among others. They are independent and self-employed and so are not covered by labor laws and standards. In a country where unemployment is a perennial problem, people engage in all sorts of activities to earn a living. With no regular earnings and exposed to various hazards while at work, the accepted view is that it is better to have some way to earn, no matter how little, than to have nothing at all.

Effects on Those in Nonstandard Employment

Aside from informal workers, another vulnerable group of workers in the Philippines are those in nonstandard forms of employment or those on temporary work arrangements. They are, for example, project, seasonal, casual, and fixed-period workers whose employment is contingent on a contract. Hence, they run the risk of being unemployed once their contracts end. In addition, being in a nonstandard form of employment has significant implications for their working conditions, wages, remuneration, working time, occupational safety and health, training opportunities, and access to social security.

In the Philippines, many contractual workers are agency hires. As of June 2016, 17,094 or 54.7% were agency-hired among 31,277 establishments with at least 20 agency-hired workers surveyed. The PSA [40] defines them as "workers employed by contractors to perform or complete a job, work or service pursuant to a service agreement within the premises of the establishment." They are usually engaged in production or assembly jobs, security services, janitorial, marketing, sales, repair, maintenance, or construction. These workers are prone to abuse through unpaid and nonincentivized work where some were hired on a no-work, no-pay scheme.

In the government sector, there were 670,000 contractual workers as of May 2019 who were either under a job order or in a contract-of-service category [41]. Considering that their employment is temporary, they experience heightened job insecurity. Moreover, they are not entitled to statutory benefits enjoyed by regular government employees such as leave benefits, 14th month pay, year-end bonuses, cash gifts, productivity enhancement incentives, and performance-based bonuses. They are also not covered by social security. With the COVID-19 pandemic, they face the threat of being out of work as the Philippine government adopts economy measures to generate funds for the rising costs in the health sector. The Department of Budget and Management (DBM) on 22 April 2020 released National Budget Circular 580 addressed to all heads of departments/agencies/state universities and colleges and other offices of the national government, government-owned or -controlled corporations (GOCCs) receiving budgetary support, budget officers, heads of accounting units, and all others concerned mandating the stoppage of hiring job orders except those considered as frontliners during this public health emergency [42].

Considering the uncertainty, instability, and insecurity they experience at work, informal workers as well as those who are in nonstandard forms of employment are the precariat class. Simply put, they are the working class or proletariat who are engaged in precarious work not only in terms of occupational safety and health but also in the absence of decent work in terms of income inequality, security of tenure, social protection, etc. While the COVID-19 pandemic affected all workers in both formal and informal sectors, it is the precariats who will find it increasingly more difficult to cushion the impact of the pandemic, in the process widening and perpetuating the economic divide that has long been in existence in the country.

Implications for the Gender Divide

The widening of the economic divide caused by the COVID-19 pandemic is tangible. It is easy to see that workers who are on a no-work, no-pay arrangement, for example, are the most likely to feel the economic shocks of this pandemic. With or without the pandemic, the gap between the rich and those at the bottom of the economic pyramid was already visible. The pandemic further cemented, reinforced, and perpetuated that economic divide. However, another issue amid the pandemic is that it also widened and heightened the inequalities between men and women in society. Women's vulnerability during the pandemic is multidimensional.

When it comes to employment, women are in a disadvantageous position. This is because women are perceived to be more expensive to hire than men, not because they receive higher salaries than men but because of their reproductive role. This includes childbearing that entitles them to maternity leave, childrearing, and care for family members. For example, when a child is sick, it is usually the mother who takes leave from work to take care of the child. Hence, as businesses recover from losses due to the lockdown, some are forced to downsize or streamline employees. In this case, all things being equal, it is women, not men, who will most likely lose their jobs.

Gender occupational segregation is highly evident in the health and social sector. Owing to the reproductive role of women, they tend to engage in professions related to giving care. According to the WHO, 70% of health and social-sector workers are women [43]. Nursing, for example, is historically a job associated with women. Being at the frontline in hospitals, women are more likely to become infected with the coronavirus than men. The WHO has in fact sounded an alarm about the high number of frontline health workers infected with COVID-19 in the Philippines. The DOH reported that as of 7 May 2020 there were 1,886 or 18.23% of healthcare workers including doctors and nurses who had been infected with the disease out of 10,343 cases in the country. This translates into one health worker for every infected person [44]. According to Dr. Rosalinda P. Ofreneo, Professor Emeritus and former Dean of the College of Social Work and Community Development, University of the Philippines Diliman, women nurses do not have Personal protective equipment that fit their ergonomic requirements. If they are lucky enough not to become infected with the coronavirus, they have to bear the burden of mental or psychological effects of increased patient deaths, physical burnout, and extended work hours or long shifts. This situation becomes more difficult for health frontline working mothers who have to isolate themselves from their families to protect them from infection. The feeling of guilt is overwhelming as they are torn between their productive and reproductive roles.

Dr. Ofreneo also pointed out that, due to the lockdown, women who work in sales cannot report to work and therefore have their salaries withheld. Some who are in human resources management, finance, and IT may be able to work from home and attend daily online meetings but were officially considered to be on leave. Their sick and vacation leave credits were deducted, and salaries were delayed.

According to the UN, 740 million women work in the informal economy [45]. In the Philippines, women comprise 56.4% of those engaged in the informal economy [46]. One reason women are attracted to informal work is because of the flexibility it offers. They can do paid work while fulfilling domestic duties. Being financially independent is empowering, particularly to women. However, with the imposition of the lockdown or enhanced community quarantine, self-esteem is low as their livelihood is affected. In addition, they are left with no choice but to stay at home and consequently face the increased burden of domestic care when children are at home. The lack of basic services at home like electricity, running water, and sanitation, plus cramped spaces, make this situation harder for women to bear.

According to Lourdes Gula, President of Pambansang Kalipunan ng mga Manggagawang Impormal sa Pilipinas, the COVID-19 pandemic made the situation of women engaged in the informal economy much worse. The little that they earn from productive work was stopped because of the quarantine or lockdown. This resulted in additional stress on women as they had to make both ends meet. In addition, their time to rest and sleep was disrupted as they needed to find ways to provide food for the family, medicine, and milk for their small children.

Delilah Rivera, Auditor of Homenet Philippines and leader of Balikatan sa Kaunlaran Rizal and of Rizal Informal Worker's Coalition, pointed out that those who were engaged in subcontracting like sewing or producing food items to sell in stalls had lost their capital. Their stall/storefronts, which are usually just in front of their residences, had to close with the lockdown.

However, even women employed in the formal sector find it hard to adjust to work from home arrangements, explained Mylene Hega, Executive Committee Member of Homenet Philippines, leader of MAKALAYA, and program staff of Pambansang Koalisyon ng Kababaihan sa Kanayunan. The overlap of paid and unpaid work or the second shift is taking its toll on them. She noted that when women are in the office, they can concentrate on their work. But with work-from-home arrangements, this becomes impossible except when there is a domestic helper on hand. However, in the absence of an extra hand, women might, for example, hurry to the kitchen to prepare food for the family after an online meeting from 10:00 to 12:00 or they might have to hold an infant or a toddler during an online meeting. Hega said that those situations show how women juggle paid and unpaid work and the multiple burdens they face.

The case of single mothers is much more challenging. The Philippines is home to 15 million single parents and 95% of them are women [47]. With the pandemic, many single mothers lost their livelihoods, particularly those engaged in the informal economy. For those in the formal sector, the problem of having no Internet connection or personal computer in their residences makes it impossible to perform paid work at home. Some chose to stay at the office during the lockdown to ensure that they received pay and were able to provide for their children [47].

The UN Population Fund noted that during epidemics, women have a higher risk of domestic abuse and other forms of gender-based violence. For example, it was noted that sexual exploitation of women and children increased during the Ebola outbreak [48]. The Canadian Women's Foundation noted that in PR China, France, and the UK, there have been increases in domestic violence reports and crisis calls [49]. This scenario cannot be far behind in the Philippines considering the reduced income, stress and anxiety, job losses, hunger, and uncertainty.

There is also the issue of the effects of the pandemic on sexual and reproductive healthcare which are usually overlooked in times of crisis [50]. For example, infection protection control is necessary for pregnant women as they can contract the virus, thus endangering not just their lives but also the lives of their unborn babies. This situation can be aggravated as they can be denied care due to the overburdened health system. The WHO explained that as critical resources are channeled to the pandemic, there can be increased maternal mortality and morbidity [43]. In the Philippines, a 28-year old-woman who had complications during childbirth at home died on 25 April 2020. Six hospitals had refused to admit her because of full capacity, lack of blood supply, and one hospital asked for a cash deposit before it would admit her [50].

The pandemic has placed women at the receiving end of the associated difficulties. It has intensified gender inequalities not only in terms of conditions at work and at home and access to health services but also access to the Internet.

The Digital Divide

The COVID-19 pandemic has severely exposed the digital divide globally in general, and in the Philippines in particular. The World Economic Forum reported that while billions of people use the Internet during the pandemic, the reality is that: a) almost half of the population worldwide has no Internet access; b) in least developed countries, fewer than one in five people have access to the Internet; and c) women are more adversely affected by the digital divide than men [51].

UNESCO reported a slight increase in the percentage of households connected to the Internet, from 53.1% in 2018 to 54.8% in 2019 [52]. The majority of the estimated 3.7 billion who are not yet digitally connected come from developing countries. For low-income countries, the improvement was on average merely 0.8%. In the same report, it stated that the rate of growth of mobile connections was decreasing, particularly among those at the bottom of the economic pyramid [52].

In Asia, there are 2.3 billion Internet users who account for 50.3% of the global user population [53]. In the Philippines, as of January 2020 there were 79 million users out of a population of almost 110 million. Its penetration rate is estimated at 72.1%. In terms of share of users in Asia, the Philippines accounts for 3.4% [54]. Filipinos spend more than 10 hours a day online and more than four hours on average every day on social media. Facebook is the leading social media platform used. In 2018, the Philippines had the highest female ratio on Twitter at 63% while on Instagram they comprised 64% [55].

However, the rise of the Internet resulted in the emergence of a new division: the digital divide. The COVID-19 pandemic has made this division more evident and stressful to people with no Internet access. During this time, access to the Internet is critical. Millions turn to it for work-from-home arrangements, streaming services, news and information, education, and even for recreation such as playing computer games or watching movies or TV series. People rely on the Internet for news about the coronavirus, measures to protect themselves from infection, and for information on financial, health, and other services from government.

According to a study by Alampay, Asuncion, and delos Santos [56], there is increasing use of social media by LGUs in the NCR as the primary means of informing their stakeholders of disaster risk mitigation news. This was found to be very useful considering that there is a high level of diffusion in the use and adoption of social media by both the public and the government [56]. This pandemic is no different. A case study by Asuncion and Flores [57] on social media posts between 12 March and 4 April 2020 reported that almost 60% to more than 70% of posts by LGUs of Quezon City, Iloilo City, and Davao City were related to COVID-19. The information covered ranged from disinfection, relief distribution, provision of transport services, and the availability of medical supplies to updates on policies, guidelines, and protocols on the community quarantine [57]. Given such vital information at this time and the uncertainty and anxiety people feel, the need for Internet connection is heightened.

One unintended consequence of the Internet is its effect on women. While it helps improve the lives of women, it may also at the same time aggravate if not create a new form of socioeconomic inequality even among women themselves [58]. As people rely heavily on the Internet for crucial information, women may be left behind because of a lack of access to technology. It also does not help that women are four times less likely to be digitally literate than men [52].

Finally, the Internet is not just a source of information as it promotes development, inclusion, efficiency, and innovation. The World Development Report in 2016 pointed out that the Internet can help people economically as it is much easier for small producers to find customers and transactions are faster, cheaper, and more convenient [59]. It also improves supply chain management, information and communication processing, and enterprise resource planning [59]. In a country where basic services remain a problem, access to the Internet is not a priority. Hence, the digital divide in the country increases the likelihood that thousands of poor households will be left behind at this crucial time.

THE WAY FORWARD

Battling the effects of the coronavirus is a major challenge all over the world. Unless a vaccine and cure are developed soon, our lives can no longer go back to the way they used to be. In the meantime, prevention and protection measures must be carried out to avoid contracting the virus such as sanitizing the hands more often, social distancing, avoiding touching the mouth, eyes, and nose, covering the nose and mouth when coughing or sneezing, etc. However, the most damaging of all prevention and protection measures is the lockdown or quarantine implemented by countries affected by the virus. The world in effect stopped as businesses closed temporarily and people were quarantined in their homes. This had a domino effect. All of a sudden, work was disrupted, jobs were lost, and livelihoods were gone. These were replaced with anxiety, stress, and, to some extent, hopelessness and helplessness. In this situation, those at the base of the pyramid were hit the hardest.

Considering the urgency of action, President Rodrigo Roa Duterte signed into law the Bayanihan to Heal as One Act (RA 11469) on 25 March 2020. By virtue of this act, the entire country was placed in a national emergency and the President was granted 30 special powers to address the COVID-19 outbreak. In addition to implementing measures to prevent the spread of the disease, protect people from infection, and maximize the use of government resources, the following economic relief and related programs were implemented [60]:

- Under the Social Amelioration Program, provision of PHP205 billion emergency cash aid of between PHP5,000 to PHP8,000 for two months, depending on the minimum wage in the region, to 18 million low-income families;

- COVID-19 special risk allowance to health workers in addition to their regular hazard pay;

- Philhealth to shoulder all medical costs of workers infected with coronavirus during the period of emergency;

- Public and private health workers who contracted the coronavirus in the line of duty are entitled to PHP100,000, while the families of those who died from it will be given 1 million;

- Enforced measures against hoarding of and profiteering on food, fuel, medicine, medical supplies, etc.;

- Lower lending interest rates and reserve requirements of lending institutions to ensure credit availability to the productive sectors of the economy, particularly in the countryside;

- Exemptions from import duties, taxes, and other fees for the manufacture or importation of critical or needed equipment or supplies such as healthcare equipment and supplies;

- Allocation of cash, funds, investments, unutilized or unreleased subsidies, and transfers to fight the COVID-19 emergency;

- While in community quarantine, deadlines and timelines for submitting and filing of documents, taxes, fees, etc. are lifted;

- A 30-day grace period allowance for payment of loans and credit card bills from banks, financial institutions, Government Service Insurance System (GSIS), Social Security System (SSS), and Pagtutulungan sa Kinabukasan: Ikaw, Bangko, Industriya at Gobyerno Fund;

- A 30-day grace period allowance on residential rentals during the ECQ period with no interest and penalties;

- Expansion of the Pantawid Pamilya Pilipino Program by including workers in the informal economy and those who are not recipients of the program; and

- Removal of the 30% cap on the amount allocated for the quick response fund.

For OFWs, DOLE allotted PHP1.5 billion for its COVID-19 Adjustment Measures Program. It provided one-time financial assistance of PHP10,000 to both land-based and sea-based workers affected by the pandemic. This includes among others those who were unable to return to their host countries because of the lockdown or who were repatriated [61]. The Department of Finance reported that the subsidy provided by the government is the biggest social protection program in the history of the country. Several other programs of the government were also rolled out [62]:

- A PHP2 billion fund for wage subsidy/financial support to COVID-affected establishments and workers;
- Allocation of PHP1.2 billion in the SSS to be used for unemployment benefits for displaced workers;
- Provision of Technical Education and Skills Development Authority scholarships to affected and temporarily displaced workers for upskilling and reskilling;
- A PHP14 billion allocation for programs and projects to help the tourism industry;
- A PHP1 billion fund for the Pondo sa Pagbabago at Pag-Asenso microfinancing special loan package for affected microentrepreneurs or MSMEs;
- A GSIS loan program for affected government employees and retirees; and
- Fund mobilization from GOCCs to help the airline and tourism industries.

Additional funds were also released for LGUs to support vulnerable sectors, for rice programs to ensure increased productivity and buffer stock, and provision of zero-interest loans of up to PHP25,000 for farmers and fishermen [63].

With many projects and programs lined up to address the twin urgent needs to address the COVID-19 virus and its economic impact, the government needs more than PHP600 billion. To fund this huge financial need, the government realigned its budget for 2020 and borrowed money from the World Bank and

ADB, and private businesses in the country contributed almost PHP20 billion. Aside from the economic stimulus package, the government also has in place a rehabilitation plan for after the COVID-19 pandemic. Overall, the government has set a PHP1.17 trillion response plan to support the four-pillared socioeconomic strategy of the Duterte administration to fight COVID-19: emergency support for the vulnerable; resources to fight COVID-19; fiscal and monetary actions; and economic recovery plan [64].

The Philippine government is doing its best to lessen the impact of the COVID-19 pandemic. The National Economic and Development Authority on 19 March 2020 released a comprehensive report to address the social and economic impact of the pandemic [65]. Nonetheless, there are still areas for consideration in both the short and long terms.

During the COVID-19 pandemic, it is imperative to:

- Implement mass testing in the soonest possible time for immediate detection of those who are positive for the virus and thus prevent its further spread.

- Provide sufficient PPE to all health frontliners.

- Address operational issues in the distribution of cash aid. The government should roll out cash grants to all its intended beneficiaries immediately, swiftly, and without favor. Many households were excluded from the cash grants even if they met the requirements because of political patronage, lack of government-issued ID, and outdated lists. Stiff rules do not help at this time. For example, the requirement for a government-issued ID from beneficiaries is difficult to meet as most in the informal sector do not have IDs in the first place. The role of LGUs is critical at this point. However, many of them do not have community-based monitoring systems [63]. This issue is critical at this point as hunger can lead to more crimes, disruption of peace and order, and, worse, social unrest.

- Recognize that people in the vulnerable sector have different levels of vulnerabilities. This should be taken into consideration like the case of single mothers, persons with disabilities, and the elderly.

- Ensure that women are assigned at checkpoints and quarantine facilities to avoid the risk of harassment.

- Forge strong partnerships between LGUs and other government institutions and the private sector. Mobilizing resources from all sectors is urgently needed at this time, although it will also apply even after the COVID-19 pandemic.

- Provide counseling to frontline health workers and those in need in the community. The effects of the pandemic are not just taking their toll on the physical health of people but also on their mental well-being.

- Stop the proliferation of fake news by providing accurate, timely information to the public using all possible means of mass communication and maximizing the reach of social media. For a better understanding, the use of citizens' native languages is encouraged.

- Extend help to workers through their unions, which should continue even after the pandemic. Unions should ensure that the rights of workers are protected and that they are not exploited or abused, particularly in this time of uncertainty.

- Use private transportation for those who must report for work to avoid public gatherings.

- Undertake administrative control of workers like implementing flexible work hours to avoid exposure to more people. Both public and private establishments should provide workers with PPE and other protective measures like sanitizers and footbaths to protect them and prevent the spread of the coronavirus.

After the COVID-19 pandemic is controlled, there is a need to:

- Strengthen occupational safety and health (OSH) in both public and private workplaces. At present, the private sector is covered by RA 11058, which pertains to compliance with OSH standards and penalties for violations. The public sector should have a counterpart to this. It is imperative to raise the safety culture in all workplaces which should be practiced all the time.

- Meet the demands of the new normal. Ramon Certeza, National Coordinator of the IndustriALL Global Union–Philippines, believes that there is a need for workers to reskill and upskill. The role of unions is very important and it should be part of their new mandate to ensure capacity building for workers. Business owners should allocate capital outlays to address new systems of production and at the same time improve the benefits given to workers. Moreover, bipartite and tripartite sectoral dialogues should be pushed to address the different challenges faced by each sector. Workers should be organized to make their voices stronger and so that they can be part of the reforms of policies to be implemented during and after the COVID-19 pandemic.

- Upgrade Internet infrastructure and increase digital literacy. Filipinos should be provided with free or at least affordable, reliable, high-speed Internet connectivity.

- Pass the long-standing bill called the Magna Carta of Workers in the Informal Economy (MACWIE). Dr. Ofreneo explained that if MACWIE had been passed before the COVID-19 pandemic, there would not be problems of identification, listing, and prioritization of millions of informal workers entitled to social amelioration funds and cash-for-work programs who up to now have not received what they need to survive from the government. There are many other aspects of the bill meant to provide legal and social protection to two-thirds of the working people who remain disenfranchised compared with those in the formal sector who are covered by appropriate laws.

The coronavirus has reminded us that health is wealth. As countries the world over are grappling to minimize its impact, developing countries like the Philippines suffer the most. Whatever economic gains the country has reaped over the past several years could be wiped out in an instant. Meeting the UN Sustainable Development Goals at this point might become an impossible dream.

While the pandemic affects everyone, it is merciless to those who are at the bottom of the pyramid as they find themselves in a very tough situation. The economic gap between the rich and the poor has become more evident. The pandemic definitely widened the gap as the poor have the limited capacity to cope during this time. It has also generated ripple effects and exacerbated the gender divide and the digital divide in the Philippines.

As the world fights the coronavirus pandemic and its attendant impacts, countries should learn from and extend help and hope to each other.

REFERENCES

[1] World Health Organization. Coronavirus disease 2019 (COVID-19) Situation Report–91: https://www.who.int/emergencies/diseases/novel-coronavirus-2019/situation-reports. Accessed on 20 April 2020.

[2] BBC News. Coronavirus: First death outside China reported in Philippines: https://www.bbc.com/news/world-asia-51345855. 2 February 2020. Accessed on 20 April 2020.

[3] Department of Health: https://www.doh.gov.ph/. Accessed on 15 May 2020.

[4] Proclamation No. 929: https://www.officialgazette.gov.ph/. Accessed on 20 April 2020.

[5] World Population Review: https://worldpopulationreview.com/. Accessed on 21 April 2020.

[6] Worldometer: https://www.worldometers.info/. Accessed on 27 April 2020.

[7] Philippine Statistics Authority: https://psa.gov.ph/. Accessed on 27 April 2020.

[8] World Bank. The World Bank in the Philippines: https://www.worldbank.org/. Accessed on 28 April 2020.

[9] 2020 Index of Economic Freedom: https://www.heritage.org/. Accessed on 30 April 2020.

[10] Business Mirror Editorial. The amazing stability of the peso. 23 September 2019: https://businessmirror.com.ph/. Accessed on 1 May 2020.

[11] World Bank. 2018. Making growth work for the poor: a poverty assessment for the Philippines. Washington, D.C.: World Bank Group: https://hubs.worldbank.org/docs/imagebank/pages/ docprofile.aspx?nodeid=29892868. Accessed on 2 May 2020.

[12] Maldonado, C. Credit Suisse: Top 1% own nearly 50% of global wealth and China's wealthy now outnumber America's. Forbes: https://www.forbes.com/. Accessed on 2 May 2020.

[13] Credit Suisse Research Institute. Global Wealth Report. Zurich: Credit Suisse Research Institute: https://www.credit-suisse.com/. Accessed on 2 May 2020.

[14] Albert J.R.G., Santos A.G.F., Vizmanos J.F. Defining and profiling the middle class. Philippines Institute for Development Studies. No. 2018-18 (December 2018): https://pidswebs.pids.gov.ph/. Accessed on 3 May 2020.

[15] Social Weather Stations. Fourth Quarter 2019 Social Weather Survey: https://www.sws.org.ph/. Accessed on 4 May 2020.

[16] United Nations Development Programme. Human Development Report 2019. Inequalities in Human Development in the 21st Century: http://hdr.undp.org/. Accessed on 5 May 2020.

[17] Worldometer. Covid-19 coronavirus pandemic: https://www.worldometers.info/. Accessed on 15 May 2020.

[18] Statista: https://www.statista.com/statistics. Accessed on 6 May 2020.

[19] Shala A., Lawder D. IMF chief says pandemic will unleash worst recession since Great Depression. Business News 9 April 2020: https://www.reuters.com/. Accessed on 5 May 2020.

[20] Rivas R. Philippine stocks suffer worst nosedive since global financial crisis. Rappler 9 March 2020: https://www.rappler.com/. Accessed on 6 May 2020.

[21] Bangkok Post. Bloomberg News. Philippines is first country to shut financial markets over virus. 17 March 2020: https://www.bangkokpost.com/. Accessed on 6 May 2020.

[22] Agence France Presse. Philippines stocks plunge nearly 25% after virus trading halt. Rappler 19 March 2020: https://www.rappler.com/. Accessed on 6 May 2020.

[23] Rivas R. Corona virus wipes out 1.16 trillion in Philippine stock market. Rappler 19 March 2020: https://www.rappler.com/. Accessed on 6 May 2020.

[24] Asian Development Bank. Philippines and ADB: https://www.adb.org/. Accessed on 6 May 2020.

[25] Fitch Solutions. Philippines' external position to feel the pinch amid Covid-19 outbreak. 1 April 2020: https://www.fitchsolutions.com/. Accessed on 6 May 2020.

[26] International Labor Organization. ILO: Covid-19 causes devastating losses in working hours and employment. 7 April 2020: https://www.ilo .org/global. Accessed on 6 May 2020.

[27] Department of Labor and Employment: https://www.dole.gov.ph/. Accessed on 6 May 2020.

[28] Philippine Statistics Authority. Total number of OFWs estimated at 2.3 million. https://psa.gov.ph/. Accessed on 9 May 2020.

[29] Factor M.F. PH seafarers need lifeline or sink amid global rivals. Inquirer. net: https://globalnation.inquirer.net/. Accessed on 9 May 2020.

[30] Bangko Sentral ng Pilipinas: http://www.bsp.gov.ph/. Accessed on 9 May 2020.

[31] The Global Economy. Remittances, percent of GDP: Country rankings: https://www.theglobaleconomy.com/. Accessed on 9 May 2020.

[32] Raffy A. PH seafarer deployment cut by more than 100,000. Manila Times 30 March 2019: https://www.manilatimes.net/. Accessed on 9 May 2020.

[33] Department of Labor and Employment. Over 230K OFWs seek government cash aid; 2M workers displaced by pandemic. 26 April 2020: https://www.dole.gov.ph/news. Accessed on 9 May 2020.

[34] International Labor Organization. Informal economy: https://www.ilo.org/. Accessed on 7 May 2020.

[35] International Labor Organization. More than 60 percent of the world's employed population are in the informal economy: https://www.ilo.org/. Accessed on 7 May 2020.

[36] International Labor Organization. Recommendation 204: https://www.ilo.org/. Accessed on 7 May 2020.

[37] World Bank. Poverty: https://www.worldbank.org/. Accessed on 7 May 2020.

[38] Ordinario C. Informal-sector contribution to GDP at P5 trillion. Business Mirror: https://businessmirror.com.ph/. Accessed on 7 May 2020.

[39] De Vega A. Department of Labor and Employment: DOLE addresses challenges of informal to formal sector transition. 2 May 2018: https://www.dole.gov.ph/. Accessed on 7 May 2020.

[40] Philippine Statistics Authority. https://psa.gov.ph/content. Accessed on 7 May 2020.

[41] Torregoza H. 100,00 government contractual workers to continue to receive salaries: https://mb.com.ph/. 15 March 2020.

[42] Department of Budget and Management. National Budget Circular 850. Adoption of Economy Measures in the Government Due to the Emergency Health Situation. 22 April 2020: https://www.dbm.gov.ph/. Accessed on 8 May 2020.

[43] Boniol M., McIsaac M., Xu L., Wuliji T., Diallo K., Campbell J. Gender equity in the health workforce: Analysis of 104 countries. World Health Organization March 2019: https://apps.who.int/. Accessed on 10 May 2020.

[44] Rey A. DOH says 1,886 health workers infected with coronavirus. Rappler 7 May 2020: https://www.rappler.com/. Accessed on 12 May 2020.

[45] United Nations. Policy brief: The impact of Covid-19 on women. 9 April 2020: https://www.unwomen.org/. Accessed on 10 May 2020.

[46] Privilege Speech of Deputy Speaker Dan Fernandez. Beyond COVID-19: Focusing on workers in the informal economy. 6 May 2020.

[47] Billing L. For single mothers in the Philippines, unemployment is Covid-19's biggest threat. Vice 2 April 2020: https://www.vice.com/en_asia. Accessed on 13 May 2020.

[48] United Nations Population Fund. As pandemic rages, women and girls face intensified risks. 19 March 2020: https://www.unfpa.org/. Accessed on 10 May 2020.

[49] Canadian Women's Foundation. The facts: Women and pandemics: https://canadianwomen.org/. Accessed on 10 May 2020.

[50] Macapagal M. Turned away by several hospitals, mother dies after childbirth complications. ABS CBN News 25 April 2020: https://news.abs-cbn.com/news. Accessed on 10 May 2020.

[51] Broom D. Coronavirus has exposed the digital divide like never before. World Economic Forum 22 April 2020: https://www.weforum.org/. Accessed on 10 May 2020.

[52] UNESCO. New report on global broadband access underscores urgent need to reach the half of the world still unconnected. 23 September 2019: https://en.unesco.org/. Accessed on 11 May 2020.

[53] Data Center News. Asia home to half of the world's Internet users. 1 April 2020: https://datacenternews.asia/. Accessed on 11 May 2020.

[54] Internet World Stats. Usage and population statistics: https://www.internetworldstats.com/. Accessed on 11 May 2020.

[55] CNN Philippines Staff. PH takes top spot as heaviest Internet users worldwide. 1 February 2019: https://cnnphilippines.com/. Accessed on 10 May 2020.

[56] Alampay E.A., Asuncion X.V.A., delos Santos M. Management of social media for disaster risk reduction and mitigation in Philippine local government units. Proceedings of the 11th International Conference on Theory and Practice of Electronic Governance. ACM Digital Library April 2018: https://dl.acm.org/. Accessed on 12 May 2020.

[57] Asuncion X.V.A., Flores R. Policy brief. Enabling mutual trust and collective action amid Covid-19 crisis: A rapid assessment of risk/crisis communication of local government units through social media. UP NCPAG CLRG: http://localgov.up.edu.ph/. Accessed on 12 May 2020.

[58] Bekele D. National Consultation Highlight. Gender digital divide in the Philippines. 18 December 2025: https://www.internetsociety.org/. Accessed on 12 May 2020.

[59] World Development Report 2016. Enabling digital development: How the Internet promotes development. Spotlight 1: http://documents.worldbank.org/. Accessed on 12 May 2020.

[60] Republic Act 11469 or the Bayanihan to Health as One Act. The Manila Times 25 March 2020: https://www.manilatimes.net/. Accessed on 13 May 2020.

[61] Department of Labor and Employment. OFWs displaced by Covid-19 to get 10K. 8 April 2020: https://www.dole.gov.ph/. Accessed on 13 May 2020.

[62] Department of Finance. Government economic team rolls out P27.1 B package vs Covid-19 pandemic. 16 March 2020: https://www.dof.gov.ph/. Accessed on 13 May 2020.

[63] Sta. Ana F.S. III. Yellow pad. Covid-19 social amelioration issues. Business World 15 April 2020: https://www.bworldonline.com/. Accessed on 14 May 2020.

[64] Lopez M.L. Timeline: The Covid-19 response money trail. CNN Philippines 8 April 2020: https://www.cnnphilippines.com/. Accessed on 14 May 2020.

[65] National Economic and Development Authority. Addressing the social and economic impact of the COVID-19 pandemic. 19 March 2020: http://www.neda.gov.ph/. Accessed on 14 May 2020.

LIST OF TABLES

LIST OF FIGURES


1.015