

## Classes, Changes, and Challenges in the Post-Covid-19 Period Philippines

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### I. Overview of the Philippines class system

Colonization and changes in the political and economic climate of the Philippines have shaped and influenced its social system. The more than 300 years of Spanish colonization in the country, and followed by the American colonization have among others contributed to its rich history which has inevitably changed the way Filipinos live.

#### The pre-colonial era

Filipinos during the pre-colonial period belong to three classes. These are the nobles, the freemen, and the dependents (Agoncillo 1990). For Lee (2021), Filipinos at that time were divided into four classes such as the noble class or ‘maginoo,’ the freemen or commoners or ‘timawa,’ the warriors or ‘maharlika’ and the servants or ‘alipin.’

The Datu or Rajah and their families belong to the noble class. They rule over the people in their barangay which is considered the smallest political and administrative unit in the country. Because of this, they enjoy rights which other members of society do not have, were treated with high respects in their community, and they naturally wield great influence on the people. Becoming a noble is by virtue of one’s family lineage, economic status, bravery or wisdom (Morrow and Romualdez 1955).

Following the social class hierarchy are the freemen. The freemen were either literally free men or dependents who earned their freedom. They can acquire properties, work at any job, choose wives, and keep a slave. It is said that the ‘timawa’ are actually illegitimate off springs of a Datu from a commoner or slave (Lee 2021).

Next are the warriors or the ‘maharlika’ who don’t pay taxes and who enjoy the same rights as the ‘timawa.’ They are also respected in their barangays as they defend the people during wars. They can migrate to another barangay if they so want, provided that they pay the existing Datu a sum of money for this purpose (Ibid.).

Belonging to the lowest rung of the social class are the servants or ‘alipin.’ One becomes an ‘alipin’ because of inheritance, captivity at war, failure to pay debts, purchase, or a sentence handed for a crime committed (Agoncillo 1990). Servants were either ‘aliping namamahay’ or ‘aliping sagigilid.’ The ‘aliping namamahay’ have their own house inside the property of their master, can own properties, have the liberty to choose whom to marry, and are compensated for their labor. On the contrary, the ‘aliping sagigilid’ do not have their own house so they live with their masters, can be sold by their masters, are not compensated with their work, and cannot marry without the master’s consent (Agoncillo 1990; Lee 2021).

### **The Spanish era (1565–1898)**

With the colonization of the Spaniards in the 15th century, the existing social class system was changed. This time, it was based on one's race. Spaniards who were born in Spain or the 'peninsulares' were considered at the top of the class system, followed by the 'insulares' or Spaniards born in the Philippines, then the 'mestizos' or those with mixed Filipino and Spanish ancestry, and lastly, the 'indios' or the native Filipinos at the bottom of the social order (Agoncillo 1990).

However, the expanded agriculture and trade by Filipino merchants led to the rise of a middle class. They are the mestizos of Spanish and Chinese descent who gained control over the Filipino population by rising to positions of leadership in the financial and educational sectors. They are the propertied class Filipinos and the intellectual class. To secure their change in status and be more influential, they yearned for official or bureaucratic power. A move which was not welcome by the Spanish authorities because they were not 'peninsulares' or part of what is considered as the inner circle (Ibid.).

### **The American era (1898–1946)**

On 1 May 1898, the American forces led by Commodore George Dewey sailed into Manila Bay. The Spanish fleet who at that time was stationed in Manila Bay was easily defeated by the Americans as their ship capsized. A Spanish-American war then ensued but ended months after in December 1898 when Spain sold the Philippine archipelago to the United States for US\$20 million (FRONTLINE/World 2003).

Considered one of the major influences in the Philippines by the Americans is the system of education. Schools were established and Filipinos were required to learn the English language. Soon, it became the medium of instruction in all educational institutions in the country (Agoncillo 1990). The free trade relations practiced at that time was a key impetus in the economic development of the country. The mining industry boomed which became the most important industry then. Likewise, with better infrastructure in transportation and communication, domestic trade improved. Factories of textile, cigar and cigarette were built as well as sawmills, coconut oil mills, alcohol distilleries, sugar centrals, etc. (Ibid.). Meanwhile, the 'hacienderos' or the landed elites during the Spanish period made much money by exporting their produce to the world market. Sugar for example was largely exported to the US. Against this economic prosperity, a new class structure emerged based on economic status. The 'hacienderos' who own large plantations became wealthier and thus was a dominant class not only in terms of economy but also in the political scene. Their families have likewise engaged in politics and soon, their power and influence can be felt in the social, political and economic life of Filipinos. Professionals, government workers and merchants compose the middle class while farmers, laborers, and factory workers were considered the working class.

### **Post-World War II era (1946–present)**

The damages of the war left the economy of the country in dismal condition. Livelihoods were affected, buildings, roads, bridges, and agriculture were destroyed. Poverty rose dramatically as income of people decreased radically. However, as the Philippines gradually recover, the demand for and supply of professionals increased. In addition, small businesses intensified. All of these led to the growth of the middle class who before the war belong to the lower middle class and were now in the middle or upper middle class. Agoncillo (1990) noted that this condition caused the widening gap between those at the base of the Philippine society pyramid and those at the top. Overtime, the rich became richer while the poor became poorer.

## II. Changes in social classes

As manifested in the history of the country, changes in its social classes have largely been impacted by three interrelated major factors. These are economic opportunities, access to education, and political power.

### Economic opportunities

During the pre-colonial period, economic opportunities were limited to those in the upper rung of the social class. For example, the ‘*aliping sagigilid*’ cannot own properties and were not even paid for services rendered to their master. These practices clearly perpetuated their poor economic condition for generations to come.

The Spanish colonial era was no different either. The ‘*indios*’ or native Filipinos have no choice as they were reduced to being workers and used basically as domestic workers mostly the women, in the houses of the ‘*peninsulares*,’ ‘*insulares*’ and ‘*mestizos*.’ For the men, forced labor was then implemented by the Spaniards called ‘*polo y servicios*.’ Filipino males between 16 to 60 years old provided labor for 40 days annually to wherever they were assigned. They build bridges, roads, construct buildings, churches, cut timber, work in shipyards and serve during Spanish military expeditions. Abuse and injustice were rampant. Injuries and death were common because of unhealthy and dangerous working conditions. Despite all of their hard work and sacrifices, Filipinos either received low pay or worst they were not paid at all (Lim 2021). Moreover, the practice of ‘*haciendas*’ where vast areas of land are owned by a few families left many farmers and generations of their descendants to wallow in poverty. With an economic system heavily reliant on agriculture, the feudal system was perpetuated as farmers who do not own land were left with no recourse but to accept the excessive land rent rates and high loan interest rates among other abuses of landlords (Smith 2017). These practices continued during the American period as ‘*haciendas*’ still existed. And while Filipinos can now engage in businesses, the lack of financial capital for example has definitely limited their opportunity to improve their economic standing.

### Access to education

A major determinant of social class in the country is education. To most Filipinos, having formal education is perceived as one way to get out of poverty. The importance of education has been ingrained in the Filipino culture that parents would go to great lengths to send their children to school. Before the colonization of the Spaniards, children were taught by their parents or tribal tutors. It was not organized, informal, and lacked methodology (Department of Education). The ‘*babaylans*’ or priestess likewise served as teachers aside from being spiritual leaders. Knowledge and skills which basically revolved around basic survival skills such as fishing and farming were handed down through oral traditions in the form of storytelling among others. Dances, songs, literatures, and poems were all part of cultural expression that teach generations of their traditions, customs, and beliefs. A system of writing thought to be influenced by Sanskrit and Arabic was also in place (Agoncillo 1990).

With the colonization of the Spaniards, education was reserved for the elite leaving the majority of the population illiterate. The enactment of Educational Decree of 1863 eventually liberalized education. Under the supervision of Jesuits, primary schools were established in every town. Though primary instruction was free, still it was not enough, and education was restricted and controlled (Department of Education). Schools became instruments to condition Filipinos to be obedient subjects of the Spanish King. And considering that the church was in control of the educational system, the Christianization of Filipinos was a primary objective and the ‘*hispanization*’ of upper-class Filipinos. Preparation for more active political roles was an unintended

by-product of Spanish education (Lande 1965). In the case of children from underprivileged families, the opportunity to get formal education seemed remote. As they need to help their parents at the farm for planting and harvesting, they had to skip school. This situation alone prevented them from having better-paying jobs and opportunities for social mobility. Meanwhile, public education gave birth to a new social class of educated Filipinos known as 'ilustrados' (Aguinaldo 2011). They are sons of well-off Filipino families who sent their children to Europe for further studies.

Increased educational opportunities during the American era resulted to a growth of the middle class while the working class still found it difficult to obtain high-quality education. Access and opportunity were both limited. Again, social inequality played a role as those who both have the means and the opportunity were able to pursue studies in universities offering better quality education or they studied abroad. Moreover, with English as the medium of instruction in educational institutions, it left Filipinos at a disadvantage particularly those who belong to poor families. They do not have access to English-language education and they do not speak English at home except their native language depending on the province where they live in. It is estimated that the country has more than 120 spoken languages (Translators without Borders).

Overall, the educational system served as a potent tool to reinforce the existing power structure not only of the Americans but also of the Filipino ruling class or the elites who were able to advance their interests with the colonial relationship.

### **Political power**

If economic opportunities and education reinforced and strengthened the prevailing social classes, political power perpetuated it and made it legitimate. Considering that the *Datu* system in pre-colonial Philippines is a family affair as it is exclusively passed down from one generation to another in the family of the *Datu*, naturally, other classes then had no chance to rule the community. Depending on where one belongs in the social hierarchy, a person can either have great power or influence in the community or none at all.

Friars wield great political power during the Spanish colonization. From education to governance, the Spaniards were in charge. To make it easier to rule the native Filipinos, the Spaniards implemented the 'reduction' or resettlement. From living along water routes and river banks, native Filipinos, particularly those who were converted to the Christian faith were required to build their houses near churches. According to Agoncillo (1990), this move was to "civilize" the native Filipinos so that they would become law-abiding subjects of the Spanish crown and eventually accept Hispanic culture and civilization. This strategy clearly separated those who were Christians as those who rejected the faith still lived in the hills. Naturally, native Filipinos who converted to Christianity won the favor of the colonizers.

The American period was no different from the Spaniards. Political power was concentrated among a small group of elites as Americans relied on them in the political and economic aspects of governance. Overtime, as wealth and power were concentrated on a small group of individuals or families, political dynasties and patronage politics became a common practice in the country which are still visible at present. As reported by the ASEAN Today, rich families still dominate in Philippine politics since it gained independence from the US in 1946. Hence, the existing class system was reinforced and further strengthened its status quo. As Constantino (1975) in his book on Philippine history explained, remnants of certain basic economic structure persists long after it is gone that these eventually serve as barriers to the development of a new socio-economic base.

### III. Challenges in the post-Covid-19 period

Given this situation of Filipinos, here comes the pandemic. The Covid-19 pandemic has impacted every nation. However, for a developing country like the Philippines, recovering from the impacts of the pandemic is far more difficult. For Filipinos, the pandemic has highlighted even more the existing financial and social inequalities in society.

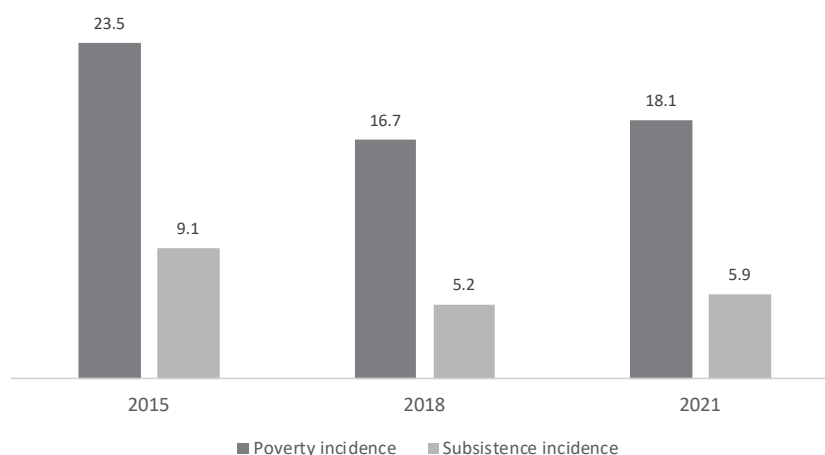
The challenges in the post-Covid-19 period may be endless. But this paper will focus into the interrelated problems of poverty, economy, and labor.

#### The persisting problem of poverty

For decades now, programs to address poverty in the Philippines have always been a priority by all administrations. In fact, in 1997, the National Anti-Poverty Commission was created by virtue of Republic Act 8425 or the Social Reform and Poverty Alleviation Act of 1997. Its primary function is to oversee, coordinate, and provide advice on the social reform and poverty reduction agenda. There are also programs and services for the poor such as the Pantawid Pamilyang Pilipino Program, KALAHI-CIDSS (Kapit Bisig Laban sa Kahirapan - Comprehensive and Integrated Delivery of Social Services), Sustainable Livelihood Program, Social Pension Program, Supplementary Feed Program, and Unconditional Cash Transfer among others (Department of Social Welfare and Development).

But despite efforts to reduce poverty, inequality of income and growth still persist. Positive results from these government programs were slow or hardly felt. For example, Figure 1 shows a slight decrease in both the poverty and subsistence incidences between 2015 and 2018. Yet, both increased in 2021 which can be attributed to the effects of the Covid-19 pandemic.

The World Bank (2022) reports that poverty decreased by two-thirds at 16.7% in 2018 from 49.2% in 1985. The same report noted a 12 million rise in the middle class and a growth of 44 million Filipinos considered as economically secure. The Philippine Statistics Authority (PSA) estimated that in 2021, a family of five members to be able to meet the basic food requirements should earn at least PhP8,379. It further reported that 13.2% or 3.50 million families were poor in 2021 while 3.9% or 1.04 million families live below the poverty line. That year, the population of the country was more than 111 million (StatisticsTimes.com).



Source: Philippine Statistics Authority.

**Figure 1. Poverty and subsistence incidence among population in 2015, 2018 and 2021 (%)**

Figures released on poverty by the PSA does not reflect the actual number according to Palatino (2022). He believes that Filipinos who live below the poverty threshold are in reality more than what is being reported by the PSA. The poverty threshold set by the PSA he explained is unrealistic considering that a family with five members only need to earn US\$1.41 daily to survive and meet their daily food requirements. The IBON Foundation, a research group, shares the same observation as they likewise believe that poverty in the country is worsening as millions of Filipinos are still struggling to cope with high prices of basic commodities.

The cycle of poverty or intergenerational poverty is something which ordinary Filipinos find it difficult to emerge from. According to Hirai and Hiyane (2021) intergenerational poverty traps families for generations because they do not have access to essential resources such as financial assets, human capital, and socio-cultural and psychological foundations. This situation is a consequence of the many factors that come into play. Pernia (2014) identified that unmanaged population growth, joblessness, and ineffective agrarian reform program contribute to the cycle of intergenerational poverty. He then suggested focusing on job generation, skills training and education, addressing the increasing population as well as youth pregnancies, and reforming the Comprehensive Agrarian Reform Program (CARP). For Pennington (2019) a coordinated unified effort by all stakeholders is needed to lift so many Filipinos out of poverty. In addition to better enforcement of the family planning law, he emphasized the need to increase the funding for the 4Ps program or the Pantawid Pamilyang Pilipino Program, ensure steady economic growth, and provide better paying jobs outside of agriculture.

### **Contracting or recovering economy**

The economic prospect of the country before the Covid-19 pandemic was bright. It was on track to achieve upper-income status (Future Learn 2021). The World Bank (2022) described it as “one of the most dynamic economies in the East Asia Pacific region.” With an increase in average annual growth from 4.5% in previous years to 6.4% from 2010–2019, the economy was taking off. Industries such as the real estate, tourism, finance and insurance, BPO (business process outsourcing), and the services sector were doing well. In addition, strong consumer demand and remittances among others fueled the good economic performance of the country. Then, the Covid-19 pandemic happened and the tables were turned. All of a sudden, the economic gains reaped through the years were gone.

To manage the spread of the virus, measures were undertaken nationwide such as local border controls, community quarantines, contact tracing, etc. Mobility of people was restricted, homes became workplaces as companies shifted to work from home arrangement, classes were online and most establishments were not operational except for those considered as essential such as hospitals and clinics, and with some limitations, drugstores, groceries, banks, food establishments, public markets, and public transportation were also operating. However, during these times, the BPO companies were given a special privilege as they remained open.

Overtime, restrictions were relaxed as well as the community quarantine protocols. But the long implementation of lockdown nationwide had already severely damaged the economy. The lockdown was so extended that it was referred to by the Time (See 2021) as “one of the world’s longest Covid-19 lockdowns.”

With many businesses closed and mobility restricted, its effect on the economy was devastating. Millions of Filipinos lost their jobs as numerous businesses had no choice but to close them. Future Learn (2021) reported that: (a) 88% in business sales dropped from April to July 2020; (b) 66% of businesses have no money to pay for wages, suppliers, taxes, and loan repayment; (c) gross national product (GDP) dropped by 9.5% in 2020 which further shrank in the second quarter of 2020 to -16.9%; (d) foreign direct investments



decreased from US\$8.7 billion in 2019 to US\$6.5 billion in 2020; (e) national debt increased to PhP10.3 trillion at the end of January 2021 from PhP9.7 trillion in 2020; and (f) the budget deficit reached PhP1.37 trillion due to increased government expenses and a reduction in tax revenues at 11.4%.

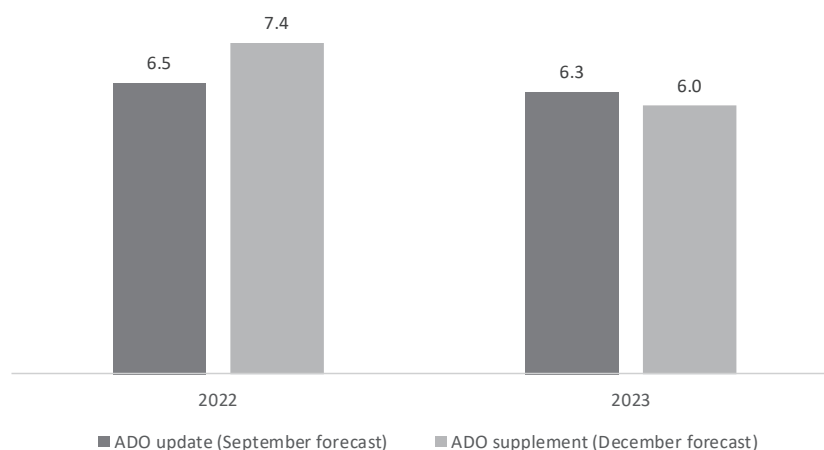
The road to economic recovery is indeed difficult. It may take more time to fully recover but at least growth is projected. The Asian Development Bank (ADB 2022) sees a growth of 6.0% in the GDP of the country by December 2023 as shown in Figure 2.

The ADB (2022) expressed confidence in the economic growth of the country as it predicted to be at the higher end of the range as compared to its Southeast Asian neighbors. In 2023, Southeast Asia's GDP growth is predicted to drop to 4.7%.

The PSA reported that the GDP of the country grew by 7.2% in the last quarter of 2022 or a 7.6% growth for the said whole year. Figure 3 shows that since the third quarter of 2021 until the fourth quarter of 2022, the average GDP of the country is 7.55%. Wholesale and retail trade was the highest contributor to the GDP in 2022. The services sector posted a growth of 9.8% in the fourth quarter of 2022, but agriculture, forestry and fishing contracted at -0.3%. At the same period, household final consumption expenditure (HFCE) increased by 7.0% and the gross national income (GNI) likewise increased by 9.3%. Based on these figures, the Philippine economy is indeed recovering from the devastating effects of the Covid-19 pandemic.

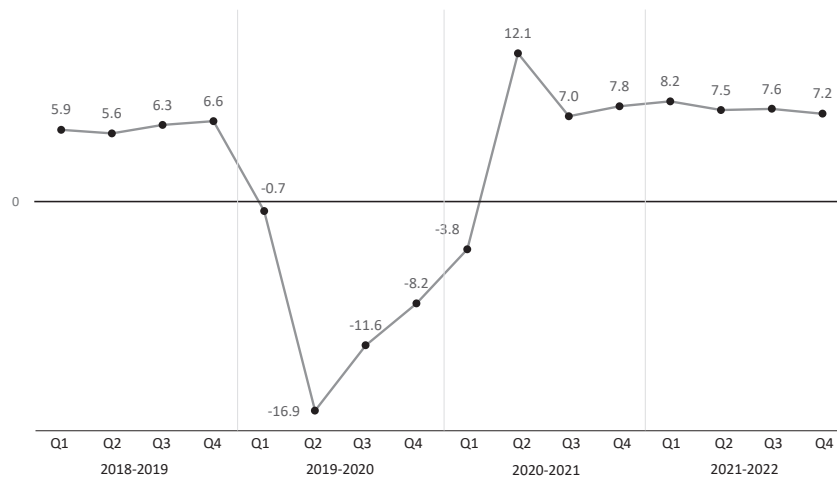
IBON Foundation executive director Sonny Africa, however, warned against taking the purported strong economic improvement at face value. He explained that the recent growth is more of a rebound than a true recovery because of growing spending among upper middle- and high-income groups (IBON Foundation 2022).

Generally speaking, social classes at present in the country can be classified into low, middle, and upper class. Using the *2017 Family Income and Expenditure Survey* for a family of five members by the PSA, Albert, Santos, and Vizmanos (2018) however came up with seven income clusters as shown in Table 1.



Source: *Asian Development Outlook (ADO)*, Asian Development Bank (ADB).

**Figure 2. GDP growth forecast for the Philippines, 2022–2023 (%)**



Source: Philippine Statistics Authority.

**Figure 3. Gross Domestic Product (at constant 2018 prices), year-on-year growth rates (%), 2018–2022 by quarter**

**Table 1. Indicative range of monthly family incomes for a family of five members, 2017**

Income cluster	Definition: per-capita income	Indicative range at 2017 prices
<b>1 Poor</b>	Less than official poverty threshold	Less than PhP9,520
<b>2 Low-income class (but not poor)</b>	Between the poverty line and twice the poverty line	Between PhP9,520 and PhP19,040
<b>3 Lower middle-income class</b>	Between two and four times the poverty line	Between PhP19,040 and PhP38,080
<b>4 Middle middle-income class</b>	Between four and seven times the poverty line	Between PhP38,080 and PhP66,640
<b>5 Upper middle-income class</b>	Between seven and 12 times the poverty line	Between PhP66,640 and PhP114,240
<b>6 Upper-income class (but not rich)</b>	Between 12 and 20 times the poverty line	Between PhP114,240 and PhP190,400
<b>7 Rich</b>	At least equal to 20 times the poverty line	At least PhP190,400

Source: Calculations by Albert, Santos, and Vizmanos (2018) based on the 2017 *Family Income and Expenditure Survey*, Philippine Statistics Authority.

Though these income clusters were identified before the Covid-19 pandemic, these are still reflective of the extent of diversity and inequality of income in the country at present. In fact, it can be said that the pandemic further highlighted this situation. Well-off families are in a better position than those who are not, because not only do they have the financial resource but also the material and physical resources such as access to the internet, facilities for entertainment or recreation, and much better housing conditions which can



all ease the consequences of prolong lockdowns. Their day-to-day needs are not a problem while the poor Filipinos have to struggle to find ways in order to put food on their tables on a daily basis.

Financial inclusion is indeed a major problem in the country. While its economy is said to improve, only a few families are able to enjoy its fruits. According to the World Bank (2022), the country has the highest rates of income inequality in East Asia. Only 14% of the nation's income is shared by the poorest 50% while the top 1% receive 17% of it. If this situation is not properly addressed by the Philippine government, the income gap between the rich and poor families in the Philippines will definitely be much wider considering that the country is experiencing its highest inflation rate at the national level since November 2008. The PSA (2023) reports that inflation rate went up in January 2023 at 8.7% from 8.1% in December 2022, inflation of food increased to 12.7%, and at the National Capital Region, using 2018 as reference year, the purchasing power of the peso went down to 0.85 in January 2023. The Trade Union Congress of the Philippines (TUCP) in a press statement then called on the government to bring down the rising cost of food and electricity rates. Hence, to recover from the effects of the Covid-19 pandemic, it is necessary to give more attention to financial inclusion among others (ADB 2022).

### Labor problems

Livelihoods of both formal and informal workers were severely affected by the Covid-19 pandemic. Joblessness was everywhere. For formal workers who lost their jobs and for informal workers who lost their means of income are one in saying that they will not die because of the virus but more so because of hunger. A record high of 17.6% or 7.2 million Filipinos were unemployed as of April 2020. Using April 2019 as reference, employment rate went down by 12.4 percentage points while underemployment rate went up by 5.6 percentage points as Table 2 shows.

**Table 2. Summary of labor statistics, April 2019 and April 2020**

(Unit: persons in thousand, %)

	April 2020	April 2019
Total 15 years old and over	73,722	71,794
Labor force	41,058	44,038
Labor force participation rate	55.7	61.3
Employment	33,830	41,770
Employment rate	82.4	94.8
Unemployment	7,228	2,268
Unemployment rate	17.6	5.2
Underemployment	6,398	5,567
Underemployment rate	18.9	13.3

Source: Philippine Statistics Authority, *Labor Force Survey*.

The case of informal workers is more miserable. Their employment vulnerability was readily felt as 80% of those who belong to the informal sector was affected by the Covid-19 pandemic (Simeon, 2021). They were either displaced or their hours of work was significantly reduced which means less income. The situation of Overseas Filipino Workers (OFW) was not good either. Deployment decreased by 74.5% in 2020 and as of April 2021, more than 600,000 OFWs were jobless. The drop in cash remittances and personal remittances between 2019 and 2020 was obvious, from US\$30.1 billion to US\$29.9 billion and from US\$33.5 billion to US\$33.2 billion respectively (Senate of the Philippines 2021). To a country whose economy is fueled by remittances of OFWs, this condition added to its already ailing economic situation.

Be that as it may, in December 2022, the labor force participation rate increased at 66.4% from 65.1%

in the same month of the previous year as shown in Table 3. The PSA likewise estimated an increase in employment rate at 95.7%, a decrease in underemployment and unemployment rates at 12.6% and 4.3% respectively. At this same period, the PSA reported that: (a) 61.6% of those employed are wage and salary workers; (b) 27.7% are self-employed without any paid employees; (c) 8.7% are unpaid family workers; and (d) 2.0% are engaged in own family-operated farm or business.

The PSA noted that wholesale and retail trade, repair of motor vehicles and motorcycles; other service activities; administrative and support service activities; accommodation and food service activities; and transportation and storage were the sectors with the highest increase in employment. While the top five sectors with the highest decrease in employment are those in human health and social work activities; agriculture and forestry; public administration and defense, compulsory social security; real estate activities; and professional, scientific and technical activities.

Africa of IBON Foundation (2022) explained that the labor market conditions of the nation have not actually improved. Job growth is declining and employment is largely part-time only, many are self-employed and are engaged in informal work. This condition is the reason for the decrease in family incomes even with the reported low unemployment rate and strong employment rate by the PSA. The IBON Foundation then pointed out that the Marcos Jr. administration should find practical ways to strengthen the economy and address the rising unemployment and poverty problems. The same sentiment was voiced by Josua T. Mata, secretary-general of the Sentro ng mga Nagkakaisa at Progresibong Manggagawa [Center of United and Progressive Workers]. Ordoñez (2023) cited Mata who believes that the government cannot expect the private sector to be able to generate all jobs that are needed considering the lasting consequences of the Covid-19 pandemic, the increasing inflation, and an impending recession that many feel could happen.

**Table 3. Labor statistics December 2021–December 2022 (%)**

	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
	2021 <sup>f</sup>	2022 <sup>p</sup>	2022 <sup>p</sup>	2022 <sup>p</sup>	2022 <sup>p</sup>	2022 <sup>p</sup>	2022 <sup>p</sup>	2022 <sup>p</sup>	2022 <sup>p</sup>	2022 <sup>p</sup>	2022 <sup>p</sup>	2022 <sup>p</sup>	2022 <sup>p</sup>
Labor force participation rate	65.1	60.5	63.8	65.4	63.4	64.0	64.8	65.2	66.1	65.2	64.2	67.5	66.4
Employment rate	93.4	93.6	93.6	94.2	94.3	94.0	94.0	94.8	94.7	95.0	95.5	95.8	95.7
Underemployment rate	14.7	14.9	14.0	15.8	14.0	14.5	12.6	13.8	14.7	15.4	14.2	14.4	12.6
Unemployment rate	6.6	6.4	6.4	5.8	5.7	6.0	6.0	5.2	5.3	5.0	4.5	4.2	4.3

Source: Philippine Statistics Authority, *Labor Force Survey*.

Note: f - estimate is final; p - estimates are preliminary and may change.

## IV. Conclusion

The nation's history is full of valuable lessons which those in the current administration and every stakeholder can learn from. Except for a growing middle class, which has been threatened with the Covid-19 pandemic, little has actually changed in the social hierarchy in the country through the years. The vulnerabilities of those who belong to the lower class of the Philippine social hierarchy have indeed been

exposed with the Covid-19 pandemic which has also brought to light the fragility of the nation's economy.

But the post-Covid-19 pandemic, one finds the resiliency of the economy as well as its people. Nonetheless, the government cannot always bank on this resiliency. It is imperative for the government to act quickly in addressing its current social, political and economic challenges. Closing the social inequality gap entails among others seriously giving priority to alleviating the quality of life of the poor, working on the existing skills gap necessary to be gainfully employed, helping farmers raise their productivity, creating an enabling environment to encourage people to engage in business and supporting them, lowering prices of commodities, raising the quality of education, and eradicating corruption. Progress may be slow, but the hope towards a more equitable and sustainable society should not be lost no matter how long it takes.

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