

OVERSEAS EMPLOYMENT PROSPECTS AND TRENDS IN THE SHORT TERM

What Lies Ahead?

Migration and COVID-19 Watch No. 3



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Required citation: Maruja M.B. Asis. Scalabrini Migration Center. 2021. *Overseas employment prospects and trends in the short term: What lies ahead?. Migration and COVID-19 Watch No.3*. International Organization for Migration (IOM).

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This brief focuses on the deployment trends and patterns in the land-based and sea-based sectors, and explores their implications for short-term prospects. Due to the changing trajectory of the pandemic, it is challenging to anticipate long-term economic prospects, even if the roll-out of the vaccine is expected to go full swing in 2021.¹

In the time of COVID-19, the Philippine Overseas Employment Administration (POEA) introduced innovations and interim measures to support overseas Filipino workers (OFWs) and the recruitment industry during the pandemic. POEA shifted key operations online, including (a) making legal assistance available; (b) extending the validity of work permits of OFWs; (c) extending deadlines and the validity of licences of recruitment agencies; (d) allowing the use of escrow deposits for operational costs; and (e) coordinating with the social security system to facilitate unemployment insurance claims, among others. Policies and operations, thus, underwent major adjustments to cope with the unprecedented challenges posed by the pandemic (see Migration and COVID-19 Watch Nos. 1 and 2)

LOWER DEPLOYMENT IN 2020

The upward trend in the deployment of OFWs in the land-based and sea-based sectors was interrupted by the downturn of the global economy, the closure of borders, and the fear of COVID-19 transmission. Broadly speaking, many occupations in the land-based sector were worse hit by the pandemic compared with the sea-based sector.

There was a steep drop, almost 65 per cent, in the number of agency hires among land-based OFWs from January to July 2020 compared with the same period in 2019. What remained unchanged were: (a) the continuing predominance of domestic workers among the agency hires; and (b) the top countries/territories of destination: Saudi Arabia and Hong Kong Special Administrative Region, China, in Asia–Pacific; the United Kingdom; and Canada. Similarly, domestic workers were the occupation that dominated direct hires in 2020. When all the direct professional occupations were combined, they were the highest number of direct hires in 2020, with Australia as the primary destination of professional OFWs (Allarde, 2020).

The seafaring sector started strong in the first two months of 2020, but went on a downward spiral from March to May. However, compared with the land-based sector, the sea-based sector started to show signs of recovery from June, although the deployment volume was much lower than in previous years.

Although the information in Table 1 is not for the whole year, the 12-month deployment for 2020 is not likely to approximate the 491,241 seafarers deployed in 2019. By skill level, most of the seafarers deployed in 2020 were ratings, while officers comprised a minority. By type of vessel, seafarers on passenger or cruise ships ranked second, but these only reflected trends in January and February (Alcantara, 2020). Seafarers on passenger or cruise ships were among the first OFWs who were displaced with the shutdown of the cruise ship industry beginning in March.

¹ At the time of the webinar on 20 November 2020, the Philippine Overseas Employment Administration (POEA) resource speakers opined that it was too early to tell which destinations showed potential for a strong demand for overseas Filipino workers (OFWs) in the coming year. This brief benefited from the comments of labour attachés Saul de Vries and Johnson Cañete, who served as discussants.

Table 1: Deployment of seafarers by skill and type of vessel, January–October 2020

Deployed seafarers by skill	Number	Deployed seafarers by type of vessel	Number
1 st able seaman	20 325	1 st bulk carrier	29 869
2 nd ordinary seaman	10 154	2 nd passenger	24 185
3 rd oiler	8 753	3 rd container	14 931
4 th bosun	5 202	4 th oil/product tanker	11 335
5 th chief cook	4 717	5 th chemical tanker	8 473
6 th second mate ^a	4 535	6 th tanker	6 038
7 th third engineer officer ^a	4 195	7 th general cargo	5 505
8 th messman	3 972	8 th gas tanker	3 725
9 th third mate ^a	3 911	9 th car carrier	3 127
10 th wiper	3 400	10 th liquified natural gas	2 461
Top 10 total	69 124	Top 10 total	109 647
Others	58 342	Others	17 887
Grand total	127 536	Grand total	127 536

Source: Data from the presentation of Alcantara (2020). Data were provided by the Planning Branch, POEA.
Note: Preliminary Data.

As mentioned earlier, the sea-based sector was able to bounce back by June and July. For the seabased sector, several initiatives were launched during the time of COVID-19 to facilitate the deployment of seafarers and to protect them:

- On 2 July 2020, the Philippines opened the first “green lane” for seafarers in Asia to provide safe and swift disembarkation and crew change. The Joint Circular is a product of the concerted efforts of different government agencies, namely, Department of Foreign Affairs, Department of Justice, Department of Transportation, Department of Health, Department of Labor and Employment, Department of the Interior and Local Government,

Maritime Industry Authority, POEA, Overseas Workers Welfare Administration, Bureau of Quarantine, Bureau of Immigration, Philippine Coast Guard, Philippine Ports Authority, Civil Aviation Authority of the Philippines, Manila International Airports Authority and PhilHealth (Republic of the Philippines Department of Foreign Affairs, 2020). As of November 2020, four crew change hubs have been established in the country – Manila, plus the ports of Subic, Bataan and Cebu. More ports are being eyed in the Philippines’ bid to be the world’s crew change capital (Medenilla, 2020). To date, the four existing facilities have accommodated 875 ships and benefited 14,000 seafarers (ibid.).

- As borders gradually opened, POEA issued Governing Board Resolution (GBR) No. 13, Series of 2020, “Interim Guidelines for Facilitated Deployment and Provisions for Repatriation of Filipino Seafarers During the National State of Emergency brought about by COVID-19 Pandemic in the Philippines” (POEA, 2020a). The guidelines establish the responsibilities of the principal/employer in situations where the seafarers may be stranded, prevented from joining the vessel, or experience delay in repatriation that are not attributable to the seafarers. Issued on 8 September 2020, the interim guidelines suspend and amend the existing policy until 15 March 2022, unless extended earlier determined by a tripartite consultation.

The seafarers who continue to be in demand are those working on merchant vessels that transport goods and products across the globe. Overall, in 2021, seafarers on merchant vessels will continue to be in demand, while the demand for cruise ship personnel will be modest, amidst health protocols, air management and ventilation strategies, and enhanced medical capacities (Cruise Lines International Association, 2020). As POEA

sees it, the 2021 prospects for cruise ship workers do not look very bright. Aside from the adjustments that are made by the cruise industry, consumer confidence in the mitigation measures to deal with the economic impact of the pandemic, or even the timeline for availability of effective vaccines, is difficult to ascertain (Alcantara, 2020).

The aspiration to make the Philippines a crew change hub is expected to contribute to making Filipino seafarers more competitive, due to reduced travel expenses. However, the opening of ports is a necessary but not sufficient condition to becoming a major international crew change hub (Torib, 2020). To attract ships for crew change, there must be interconnectivity between the sea and land linkages, and there must be sufficient health infrastructure to support the health needs of departing and arriving seafarers. In its negotiations, the Philippines can leverage being the world’s major source country of seafarers, and the designation of seafarers as essential workers, in securing better terms for Filipino seafarers and in developing a niche market for Filipino seafarers. The Philippines can take a leading role in raising these issues at a multilateral forum (Alcantara, 2020).

TOWARDS NEW LABOUR MARKET INTELLIGENCE

After June, some countries started to reopen gradually and accept migrant workers. POEA consistently posts travel and health advisories because of the fluid policies and requirements with which migrant workers must comply. Health protocols on testing and quarantine have increased the costs of migration and the question arises of who will shoulder these costs. POEA issued guidelines to clarify this issue for seafarers (and fishers) through GBR No. 13, Series of 2020 (POEA, 2020a), as mentioned earlier. In summary, the principal/employer must shoulder the costs of accommodations and meals of seafarers whose deployment, joining ship or repatriation may be delayed or cancelled, or who may be stranded during transit due to COVID-19. In certain instances, the principal/employer must cover basic pay and medical coverage.

For land-based workers, the importance of the entry policies of destination cannot be overemphasized. An examination of the entry formalities of the top 10 destinations for Filipino workers—Saudi Arabia; United Arab Emirates; Hong Kong SAR, China; Singapore; Kuwait; Qatar; Taiwan Province of the People’s Republic of China; Japan; Malaysia; and Oman (Table 2) – reveals how variable the entry and health protocols are across countries or territories. Due to the rising COVID-19 cases in the Philippines, Saudi Arabia, Malaysia and Japan have restrictions on the entry of Filipinos in their national territories. For both 2019 and 2020, the top 10 countries account for more than 80 per cent of all land-based OFWs (86% in 2019, 83% in 2020). These countries differ in requiring PCR testing taken within 48 to 96 hours prior to time of departure from

the Philippines; some destinations require another PCR testing upon arrival; some require seven days quarantine, others, 14 days. Some destinations, such as Singapore, indicate that employers shoulder the 14-day quarantine, while others, such as Malaysia, require foreigners to pay for the accommodation costs of the 14-day quarantine period (Pastrana, 2020).

For land-based workers, POEA issued Memorandum Circular No. 01, Series of 2021, on 7 January 2021 (POEA, 2021), which lays down interim guidelines on the responsibilities of OFWs, licensed Philippine recruitment agencies and their principals/employers in recruitment, deployment and employment. Fundamentally, OFWs must abide by the health and safety policies and protocols of the country of destination. The recruitment agencies and/or their principals/employers have several responsibilities, which include providing the worker with the following support: information about the health and safety protocols of the Government of the Philippines and the country of destination, free COVID-19 testing as may be required by the destination country, and expanded insurance. The recruitment agencies and/or their principals/employers must shoulder the costs of quarantine upon the worker's arrival at the jobsite – this covers accommodation, food, COVID-19 testing and medical treatment for those who test positive. During quarantine, the worker shall not receive a salary, unless provided by the principal/employer or mandated by the destination government, or if a worker must work while on quarantine. Except for domestic workers, the circular allows alternative work arrangements, such as reduced workdays per week, to preserve jobs. The worker's consent must be secured. Furthermore, the joint and several liability of licensed recruitment agencies and their principals/employers helps ensure the protection of OFWs during these uncertain times.

The pandemic has highlighted the health dimensions in temporary labour migration. Prior to COVID19, overseas employment prospects were mostly defined by the demand for workers in destination countries and the supply of labour in origin countries. The pandemic,

however, has altered the dynamic of temporary labour migration, highlighting the need to consider health and safety in the equation. Labour market intelligence will thus have to include information and updates on the health policies of destination countries. Given the different health risks and safety conditions of destination countries, this implies destination-specific labour market intelligence.

A needs-based analysis of economic sectors and workers essential to the global economy suggests positive prospects in 2021 (Pastrana, 2020):

- Health-care professionals will likely be in demand not just in the immediate term but for the long haul:
- For example, in Singapore, the Philippine Overseas Labor Office (POLO) has received inquiries on the hiring of nurses and other health professionals from the Philippines. The lifting of the temporary ban on the deployment of newly hired health-care professionals effective 1 January 2021 will be a major facilitating factor from the Philippine end (POEA, 2020b).
- The long-term prospects for health-care workers and professionals are factors that go beyond the pandemic and are associated with the need for such workers in ageing societies.
- Seafarers working on vessels transporting raw materials, food, and other essential goods.
- Transport and logistic workers (trucking, hauling and delivery).
- Technology-based talents and professionals will continue to be in demand over the short- and long-term prospects. Part or all their work, however, may be done in the Philippines and may not require cross-border movements.

Table 2: Top 10 destinations of land-based overseas Filipino workers, January–December 2019 and January–October 2020

Rank	Country/territory	No. of OFWs deployed, 2019 (Jan–Dec)	No. of OFWs deployed, 2020 (Jan–Oct)	% change
1	Saudi Arabia	369 692	78 224	-78.84
2	United Arab Emirates	240 579	47 128	-80.41
3	Hong Kong SAR, China	148 298	26 855	-81.89
4	Singapore	147 884	30 587	-79.32
5	Kuwait	110 629	10 464	-90.54
6	Qatar	109 682	20 762	-81.07
7	Taiwan Province of the People's Republic of China	63 833	14 465	-77.34
8	Japan	27 599	7 955	-71.55
9	Malaysia	27 918	5 778	-79.30
10	Oman	22 935	4 950	-78.42
	Other countries/destinations	210 9191	50 315	-76.14
	Grand total	1 480 328	297 483	-79.90 (average)

Source: Data are from the presentation of Pastrana (2020). Data generated as of 18 November 2020 were provided by the Planning Branch, POEA.
Notes: Data for 2019 and 2020 are preliminary; data on 2019 rehires were generated as of 5 August 2020.

CONCLUSIONS AND RECOMMENDATIONS

The pandemic has not diminished the interest of Filipinos in seeking overseas employment. Due to the shrinkage of job prospects overseas during the pandemic, many are looking forward to new opportunities in the new normal. POEA introduced interim policies to continue serving the needs of OFWs and recruitment agencies during the pandemic (see Migration and COVID-19 Watch No. 1) and launched online legal assistance and online information dissemination to protect the public from recruitment scams (see Migration and COVID-19 Watch No. 2). As a governance issue, the post-pandemic future is not only about resuming or increasing the deployment of OFWs; equally important is promoting the protection of OFWs, including the health of OFWs. Prior to their departure, concerns had been raised about OFWs testing positive for COVID-19. In the sea-based sector, some manning agencies, for example, said that one-time testing may be sufficient to ensure that the seafarers they deploy are COVID-19-free. Some companies implement testing at the beginning of the 14-day quarantine, and a second one 72 hours before seafarers join the vessel (Torib, 2020).

Health protocols such as testing and quarantine have increased the costs of migration. To ensure that these costs are not passed on to OFWs, POEA issued guidelines to clarify the responsibilities of Philippine licensed recruitment/manning agencies and their principals/employers.

Recognizing that many Filipinos will continue to consider overseas employment, following are some recommendations to contribute to safe, orderly and regular migration, especially in the context of the pandemic:

- **Increased coordination:** More coordination between POEA and POLOs is needed to share updates on migration, employment and health policies. As stated earlier, labour market intelligence must now include timely and reliable information on health policies and protocols. Conversely, changes in policies at the Philippine end must be communicated systematically to POLOs, which the latter will then cascade to OFWs.
- **Provision of online services:** POEA should continue to invest in improving the provision of services and transactions online. This will require investing in more efficient technology and continuing training of personnel. This should also apply to POLOs, which, during the pandemic, also went online with the delivery of services to OFWs onsite. POLOs resorted to online interviews and meetings with employers, a practice that may be continued in the post-pandemic period.
- **Facilitating direct recruitment:** In moving forward, POEA should consider recognizing direct recruitment by legitimate employers, subject to the vetting process of POLOs through the verification of employment documents. The pandemic highlights the labour market reality that the ban on direct hiring is becoming even more out of step with the evolving platforms of job search and recruitment.

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