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Seeking for and returning to overseas work? Developments surrounding Filipinos' return to overseas jobs beside a pandemic

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Introduction

The running Covid-19 pandemic continues to negatively impact the incomes and jobs of international migrant workers. The pandemic also persists in stifling the desires of host countries to hire foreign labor while their economies try to rebound and move forward from the pandemic. Since the World Health Organization had declared a pandemic on 11 March 2020, analysts have projected an immediately sharp decline in demand for foreign labor¹. The overseas labor demand situation did take a hit on migrants' origin countries, with them even receiving droves of returnee and repatriated migrant workers². The pandemic affected both the economies of origin and destination countries, as well as supply and demand sides of these individual countries (especially during the early months of SARS-CoV-2's spread in 2020).

Nearly two years have passed since 11 March 2020, countries worldwide have been increasing vaccination efforts in the race to achieve herd immunity. Should these vaccination levels continue to increase, developed countries slowly begin to re-open and *may* begin

¹ GAMLEN, Alan, *Migration and Mobility after the 2020 Pandemic: The End of an Age?* Geneva, International Organization for Migration, 2020.

² OPINIANO, Jeremaiah, *A Reset for Overseas Migration? Recent Developments in Filipinos' Migration in the Context of the COVID-19 Pandemic*, Geneva, ILO, 2021 (Migration Research Series No. 69).

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luring back foreign workers. Not surprisingly, the Philippines closely monitors the situation. Since the welcoming back of over-800,000 returnee and repatriated migrant workers because of the pandemic³, returnees feel the difficulties associated with their economic reintegration. These returnees try to do some economic activities, but some of them have expressed the desire to try their luck again overseas⁴ when lockdowns ease, travel restrictions slowly get lifted, and re-receiving governments begin arrangements to welcome back foreign workers. Admittedly, returning to overseas work becomes a desired economic option for some 48 percent of about 8,332 repatriated Filipino workers who were surveyed recently⁵.

The Philippines handles the world's most organized migration management bureaucracy by an origin country⁶. Given the pandemic, the entire migration management machinery of the Philippine state became frontliners in assisting affected overseas Filipino workers (OFWs) in returning home, undergoing quarantine, returning to their residential and birthplace communities, and pursuing economic reintegration activities⁷. Since the Philippines has that organized migration bureaucracy, part of the work of government agencies is to determine labor market opportunities in host countries. Determining those job opportunities overseas – during this time – now becomes a crucial duty for a migrant-origin country's government that still feels the contraction of a domestic labor market and the desires of returnees to repeat their overseas migration. The Philippines even continues feeling out the pulse of destination countries should they re-open doors to foreign labor.

³ Department of Labor and Employment, Returned OFWs hit 800K mark – Bello, 2021, www.dole.gov.ph/news/returned-ofws-hit-800k-mark-bello/

⁴ OPINIANO, Jeremaiah, *A Reset for Overseas Migration?* op. cit.

⁵ *ILO Monitor: COVID-19 and the world of work* (eighth edition), 2021, www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_824092.pdf

⁶ IOM, *World Migration Report 2005*, Geneva, IOM, 2005.

⁷ ASIS, Maruja Milagros, *Repatriating Filipino migrant workers in the time of the pandemic*, Geneva, IOM, 2020 (Migration Research Series no. 63); OPINIANO, Jeremaiah, *A Reset for Overseas Migration?* op. cit.

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In this scenario, *what processes occur when host countries seek (the return of) foreign workers while trying to recover from this running pandemic?* Answering the question will expectedly yield different country-level contexts, but the running Covid-19 pandemic sees destination countries trying out different policies and measures to accommodate foreign labor. This *documentary analysis* will present three cases of processes along migration corridors (with the Philippines as labor supplier) on how foreign workers seek jobs and (try to) return to a destination country. The aim of the paper is to surface the dynamics of these pandemic-affected labor migration processes between the Philippines and some destination countries. Eventually, while other origin countries of migrants may learn from this running experience from the Philippines, lessons from this policy paper will provide *preliminary understandings* of *ad hoc* labor migration processes beside the running Covid-19 pandemic.

Disruptions in overseas labor markets

As the pandemic drags on, countries are banking on increasing vaccination uptake to hopefully stabilize business cycles and labor markets. Vaccination had thus been an impetus for the recovery of labor markets. Meanwhile, countries have experienced “unequal employment impacts” given the Covid-19 crisis; these impacts even reveal “fragile, often diverging” recovery trends during the first half of 2021. What labor markets continue to reel from is the fewer number of people employed and participating in the labor force. Given the deleterious impact of the pandemic on businesses and on workers, countries have rolled out various economic stimulus packages to keep affected workers employed and salaries and incomes shielded from being wiped out⁸.

Those projections by the International Labor Organization (ILO) are anchored by the efforts of countries to reach population protection (i.e., 75 percent) in terms of vaccination. However, the later part of 2020 and the entire 2021 saw the emergence of Covid-19 variants that have

⁸ *ILO Monitor: COVID-19 and the world of work* (eighth edition), op. cit.

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spurred on-and-off lockdowns once again. End-2020 saw the Alpha and Beta variants spread; in the middle of 2021, the Delta variant proved to be the most contagious and harmful variant. The year 2021 ended with the Omicron variant (with its features and observations currently under study) now becoming the world's dominant variant.

Because of these on-and-off lockdowns, labor markets felt the difficulties of normalizing their situations, of increasing labor participation, and of having sustained business operations. Stringent public health protocols have become the norm in workplaces to bring the labor market back to a sense of normalcy. In fact, as the Delta variant faded in some countries, some developed countries have begun re-opening their economies and labor markets (to even cover migrant workers).

If countries have felt the negative impacts of Covid-19 on workers, international migrant workers were not spared on these impacts. Migrant workers lost their jobs, and estimates are even difficult to project especially given on-and-off area lockdowns. Those job losses happened in both formal and household-situated workplaces (the latter to cover domestic and care workers, with their salaries dependent on the incomes of employers who work in the formal economy). For some foreign workers, job displacements have led to large-scale return migrations to origin countries⁹.

To keep jobs, employers have slashed workers' salaries (including those by foreign workers)¹⁰. The concomitant impact here would be lower levels of remittances from international migrants (although surprisingly, 2020 remittances to developing countries saw minimal deductions from 2019 figures —better than initially projected higher losses¹¹). If migrant workers are in irregular situations or possess undocumented statuses, they get sidelined from unemployment

⁹ JONES, Katharine; MUDALIAR, Sanushka; PIPER, Nicola, *Locked down and in limbo: The global impact of COVID-19 on migrant worker rights and recruitment*, Geneva, ILO, 2021.

¹⁰ IBIDEM.

¹¹ WORLD BANK, *Resilience: COVID-19 Crisis through a Migration Lens*, Washington D.C., World Bank, 2021 (Migration and Development Brief 34).

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These pandemic-induced situations create labor market pressures to both origin and destination countries. Destination countries already experiencing (chronic) labor shortages – either within employment sectors or country-wide and across sectors – now have felt the pronounced need for (foreign) lower skilled labor that have provided the essential support to higher value native workers in the form of cleaners, farmers, retail service workers, health care assistants, logistics drivers and movers, among others. These skills continue to be in demand as they are not easily replaceable by automation and cannot be transitioned to working from home. They are also essential in dealing with the pandemic. Origin countries, for their part, not only contend with their own labor market pressures. The droves of return migrations, especially for countries sending thousands of migrant workers, added pressure to a homeland labor market that is trying to bring back as many local workers to the domestic labor force. As for migrant returnees, they either engage in self-employment or seek opportunities to return to overseas work when countries' travel regulations allow¹³.

Running lessons

Prevailing situations reveal running lessons about how migrant workers and countries try to move forward from this pandemic. One lesson is that labor market assessments have become *fleeting* because of the disruptions that lockdowns and the new Covid-19 variants have caused. The emergence of newer Covid-19 variants, regardless of the vaccination statuses of countries, almost puts job prospects (and their projected numbers) into waste. Another lesson is that labor markets employ wait-and-see dispositions when the spread of the virus dissipates, thus giving them

¹² KANLUNGAN FILIPINO CONSORTIUM, *Essential and Invisible: Filipino Irregular Migrants in the UK's Ongoing COVID-19 Crisis*, London, KFC, 2021.

¹³ IOM, *COVID-19 Impact Assessment on Returned Overseas Filipino Workers*, Makati City, IOM, 2021.

windows of opportunity to re-open businesses and work opportunities. A third major important lesson is that workers' (and migrant workers') health emerged as a major element of overall labor market recovery. This lesson has seen individual workers, particular businesses, employment sectors and entire labor markets now becoming dependent on vaccination and on a worker's overall health condition – some of these could lead to higher transaction costs. If all of these are taken into consideration, the costs of getting migrant workers will increase significantly. This could lead to sound economic cost benefit question – is it better to retrain and refill native workers to fill up the jobs being given to migrants?

How can we make sense then of these labor market lessons given disruptions caused by Covid-19? This exploratory documentary-cum-case study research will describe and analyze how an individual migrant-origin country responds to developments in the labor markets of identified destination countries. For purposes of this paper, the case of the Philippines and its ongoing dealings with Germany, Korea, Taiwan will be illustrated. Documents (e.g., newspaper reports, official government pronouncements and policy issuances, external analytic reports, some statistical data) coming from the Philippines and from those countries were used here *as data*¹⁴.

Case 1: Germany

Germany has long been struggling from a chronic shortage of nursing manpower, projected to be some 40,000 to 50,000 big. Some observers think Germany has a “complex” health system that sees the federal government setting policies and states handling localized public health services (including financially). These states, however, may have neglected investing funds for not just hospital equipment but also for gainful salaries to health workers.

With nursing becoming a less-attractive type of work for locals, Germany's health system has continually recruited foreign nurses. In a previous statistic, Germany is third in Europe in terms of staff density

¹⁴ TIGHT, Malcolm, *Documentary Research in the Social Sciences*, London, SAGE, 2019.

Developments surrounding Filipinos' return to overseas jobs beside a pandemic (i.e., nurse per patient) but is among Europe's lowest in terms of nursing staff per in-patient case. The situation has led nurses to endure significantly higher workloads while receiving a "low" gross pay of about €2,300 monthly (or around €1,900 net of taxes).

To address the nurses' shortage, Germany (in 2004) launched a *Triple Win Project* "in cooperation" with Serbia, Bosnia and Herzegovina, Tunisia and the Philippines which will bring some of their nurses to Germany. Triple Win is a government-to-government recruitment system that sees the International Placement Service of the Federal Employment Agency (ZAV/BA) deal with counterpart agencies in partner-countries. In the case of the Philippines, ZAV/BA deals with the Philippine Overseas Employment Administration (POEA). Note also that Germany recently passed the New German Skilled Workers Immigration Act that mandates the Federal Employment Agency to arrange worker placement agreements with Third World countries.

Even during the pandemic, Triple Win recruited Filipino nurses. As required, accepted Filipino nurses must possess a B1 or B2 German language proficiency level. Meanwhile, employers pay visa fees, shoulder airfare expenses, and assist the foreign nurses in finding a suitable accommodation (to which the nurses' salaries will be used as payment).

As for the four partner countries of Triple Win, the Philippines sent the most number of nurses (N=1,122, citing 2017 data). In terms of foreign nurses' work tenure, some 81.5 percent stayed with their first employer after two years. Data also show almost every foreign nurse recruited under Triple Win passes qualification recognition examinations.

Triple Win became pronounced as Germany's hospital system continues to feel the crunch of limited nursing manpower. Earlier this year, a group called *Hessische Krankenhausgesellschaft* (the Hessian Hospital Society, based in Eschborn) was quoted in a news report saying it has been «granted a special permit» to fly in 75 Filipino nurses. However, public backlash in the Philippines followed and this "special permit" was then put on hold until further notice. The Philippines also halted supposed deployments of nurses to the United Kingdom.

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POEA has set a 6,500-deployment cap for nurses worldwide. This year (from January 1 to November 16), some 507 nurses were deployed to Germany under Triple Win. Apart from Triple Win, another 1,178 nurses went to German private hospitals while another 355 “repeat migrant workers” returned to Germany. Some 2,040 Filipino nurses went to Germany.

Case 2: Taiwan

Taiwan was an “early winner” during the initial months of the pandemic for containing a widespread transmission. As early as December 2019, Taiwan employed early action, rolled out a national plan, used technology, and got help from a cooperative public. From 2020 up to March this year, Taiwan even experienced positive economic growth. It was only last May 11 that community spread occurred (the period being the rise of the Delta variant in Asia). The rise of cases in Taiwan eased late July.

Taiwan’s border restrictions became one of the world’s strictest, to include 14-day hotel quarantines (even 21 days for travelers from Hong Kong SAR and China). Because of the community transmission last May, officials closed the border to non-nationals and to those with no alien residency certificates. Foreign workers with job offer had encountered difficulties returning to Taiwan, including some 5,000 Filipinos.

Last November, however, Taiwan re-opened its borders to foreign workers (as well as students, academics and professionals) over a one-month window period. This development though required foreign workers to undergo multiple RT-PCR tests and mandatory self-health monitoring. Foreign workers also underwent quarantine in government-designated facilities, carrying 600 beds (further putting restrictions on the return of foreign workers). The window period lasted from November 14 to December 13, and borders were closed from December 14, 2021, to February 14, 2022 in anticipation of large numbers of returning overseas Taiwanese for the Lunar New Year.

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Meanwhile, reforms in Taiwan's regulations for foreign workers were put forward. The Ministry of Labor's new regulations have limited migrant workers' ability to work in an economic sector different from the sector that secured their work visas. Such measure responds to employers' complaints that foreign workers move to newer jobs (such as the 1,715 care givers who left for factory jobs, from January to May 2021). If workers want to change jobs, they must first get their employers' consent and register for a transfer with help from a government employment service center.

MOL also instituted a points-based system that allows foreign workers to return. Criteria for this system include a migrant worker's vaccination situation and the plan of employers to shield their workplaces and their workers from infection.

Case 3: Korea

Korea nears the second decade of implementing its flagship temporary labor migration program, the Employment Permit System (EPS). The EPS is also a government-to-government arrangement between Korea and some 16 partner-countries, including the Philippines. EPS can be classified as a non-seasonal guest worker program for low-skilled workers, even as the Korean government does not promote the EPS as a program that allows migrant workers to settle permanently. EPS workers may be found in Korea's manufacturing sector.

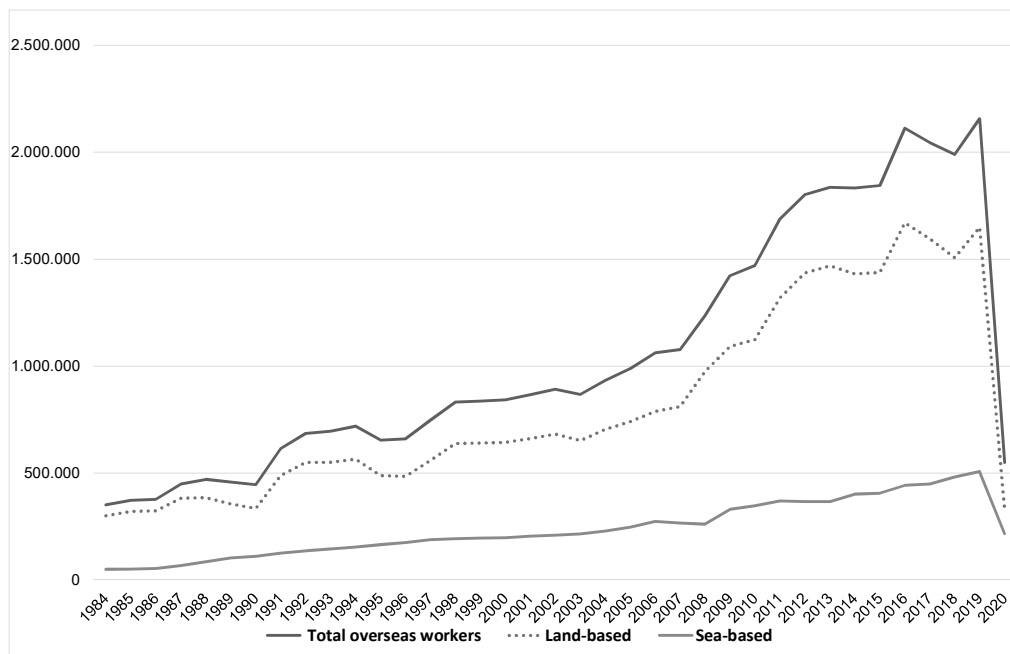
Workers hired through the EPS must undergo the test in proficiency in Korean language (TOPIK). Once accepted, a migrant worker can work in Korea for four years and ten months under a minimum wage of at least ₩6,500 (US\$5.70) an hour.

Through the EPS, Korea's Ministry of Employment and Labor has laid out a well-structured labor migration system that covers job matching, pre-departure requirements, requirements during settlement (e.g., a 20-hour mandatory training on labor relations and Korean culture), and post-migration. The over-half a million EPS workers are even covered by universal health insurance and occupational accident insurance, not to mention being granted access to social services and counseling.

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Last November, MOEL re-opened the EPS to Myanmar, Pakistan, Uzbekistan, Kyrgyzstan and the Philippines. For re-entering workers to get work visas, they must present a vaccination certificate, a tuberculosis certificate, a police clearance, and a signed consent for to be quarantined upon arrival. Meanwhile, an amendment of Korea’s Act of Employment for Foreign Workers mandated a shorter restriction period for returning EPS workers. The amendments to the Act of Employment for Foreign Workers also gave returning EPS workers a chance at working in Korea for another four years and ten months. With these developments, the POEA had processed EPS workers’ applications. Some 209 Filipino EPS workers returned to Korea on December 10 and 13, 2021.

Figure 1. Deployment of overseas Filipino workers, 1984 to 2020



Source: Philippine Overseas Employment Administration (2021)

Notes:

1. These annual flows of overseas workers cover both new hires and rehires.
2. Year 2020 data show that the Philippines deployed 16,113 workers to Taiwan, 3,121 to Korea, and 1,467 to Germany. In 2019, Taiwan received 71,132 OFWs, Korea got 14,221 workers, and Germany welcomed 2,399 Filipino workers.

The labor market disruptions in host countries led to a significant drop – 74.5% – in deployment of newly-hired and rehired Filipino overseas

Developments surrounding Filipinos' return to overseas jobs beside a pandemic workers (covering land- and sea-based workers): from a historic high of 2,156,742 OFWs deployed in 2019, to 549,841 in 2020 (see Figure 1). POEA data show that OFW deployments to Taiwan, Korea and Germany dropped by 77, 78 and 38 percent, respectively (refer to footnote in Figure 1).

Discussion and conclusion

This paper has presented running labor market developments in some destination countries where Filipinos go for work. The pandemic continues to disrupt labor markets, with affected migrant workers feeling negative impacts on their incomes, work tenure and their migration statuses. The Philippines' responses to developments in three migration corridors (Germany, Taiwan and Korea) reveal contextualized situations depending on a country's prevailing labor and immigration regulations, labor needs, Covid-19 caseload and vaccination rates, and eventually that country's long-running disposition towards foreigners.

As the featured cases show, destination countries' handling of the pandemic reveal country nuances even if the pandemic *has affected all countries*. This trend therefore brings forth a crucial question: will there be *standardized ways* for countries to handle current-day public health and labor market needs? This question arises because countries need to *preserve and protect* their workforces – not just their well-being and social protection, but also their *skills*. The pandemic gave negative impacts to specific employment sectors, such as tourism, travel and services. And once employment in these economic sectors gets shut, (foreign) workers are left with little or nil options to try out other jobs whose skill requirements they may not entirely possess. What destination countries do is preserve the jobs their economies need, but not necessarily provide further skills training to (foreign) workers. Note here that prior to the pandemic, digitalization (e.g., artificial intelligence) is already affecting work. Now with the pandemic, and with technology emerging as a more pronounced need, both the pandemic and digitalization pose threats to the future workforce¹⁵.

¹⁵ ANG, Alvin, *Processes to maximize the future of work*, Tokyo, Konrad Adenauer Stiftung - Japan office, 2022 (forthcoming).

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Labor markets remain feeble beside the pandemic. Meanwhile, countries tussle with their labor requirements. On the overall, and notwithstanding border controls, destination countries try to get as many possible migrant workers. The situation puts migrant origin countries at a disadvantage, with them trying to collar jobs abroad to ease homeland unemployment pressures. Countries of origin and destination may have to realize that their labor markets may not return to pre-pandemic levels – especially because the pandemic, digitalization, population ageing, and climate change all pose challenges to the future¹⁶. If developed countries continue resorting to individualized migrant recruitment measures, in response to their felt need for more workers, only a few countries will benefit in this mad rush for (foreign) labor.

Because of newer SARS-CoV-2 variants, measures to move forward get stalled and countries return to containing the virus. Countries then impose *ad hoc* measures related to accommodating foreign workers. Under these *ad hoc* measures, the monetary costs of working overseas rose given health requirements upon entry —whether shouldered by government, private recruitment agencies or by (would-be) migrant workers. These governments may not realize immediately that the transaction costs of re-opening their labor markets to foreign workers has become more expensive. Government-to-government labor arrangements may have also become costly for the destination country – what more if new variants (e.g., Omicron) lead to another round of changes in accommodating migrant workers.

Countries returning to containment entraps them into a vicious cycle that becomes economically costly for these countries. Glaringly missing, however, are efforts from countries to discuss and collaborate on instituting efforts to move forward from this running pandemic, and to design labor market strategies that benefit both developed and developing countries.

¹⁶ IBIDEM.

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Table 1. Complete Process Framework for labor market recovery, with policy options at each stage

Process	Containment (Immediate term)	Recovery (Short-to-medium term)	Rebalance (Medium term)	Relaunch (Long term)
Containment and management of disease spread	Effective and consistent surveillance system A capacitated health system responsive	Adaptive testing, tracing and isolating protocols uniformly implemented	Population, households, firms' behaviors fully adapted to calibrated containment process	Surveillance mechanism standardized and institutionalized to respond to any potential threat of pandemic
Protection of Human Capital	Provision of social protection mechanisms for households and firms through subsidies and job retention mechanisms Transition to offsite learning and work from home Ensure continuation of basic services and utilities	Targeted and calibrated industry re-openings to sustain jobs that are less susceptible to contact Continue social protection mechanisms to those who cannot yet return to work Protocols for safe school reopening must be institutionalized Digitalization and access to internet widely available	Firms and workplaces set in place protocols to work safely Implementation of calibrated social protection mechanisms, to include retraining and capacity rebuilding of workers under a blended working and studying environment Learning capacities stabilizing under a blended mode E-commerce and digitalization of work clearly delineated those who need further support	Sustained work flexibility through reskilling and retraining for local industry Demand and supply gap of workforce domestically is addressed through effective pass through and shifting mechanisms Workforce appropriately allocated for offshore assignments in specific sectors and nations
Economic Calibration	Emergency financing to mitigate impacts to jobs and firms Expand lending capacities of banks and lower interest rates Redirect public expenditures to strengthen public surveillance system and institutionalize expansion of health capacities Ensure food security and logistics flexibility to safeguard price levels	Continue supporting firms, particularly small and medium enterprises, that remain unable to open due to the nature of their operations. Support will be through wage subsidy for their workers Identification of massive re-skilling program to complement wage subsidy Identification of industries requiring pivot to digitalization to continue operations and provide support technical and financial Spend on digitalization of the economy	Provide full support to industries and human capital needed by the new economy through improvement of environment, cooperation with countries and financing Expand and institutionalized social protection mechanisms that take into consideration massive disruptions such as the pandemic Identify value chains where the country can maximize its human capital strength Clear coordination mechanism with countries and regions on exchange of human resources	Focus expenditures in ensuring education and training that is flexible and responsive to local and offshore needs Digital infrastructure at sustained levels for e-commerce, governance and education Global arrangements on the need for human capital across countries and financed by countries who need them Climate, risk, ageing and globalization elements integrated with work and task contexts of the future with digitalization and protocols for health fully funded

Source: ANG, Alvin, *Processes to maximize the future of work*, op. cit.

The desire here is for countries to move from *containing* the virus (immediate term) to *recovering* (short-to-medium-term), *rebalancing* (medium term) to finally *relaunching* (long term) their economies. For labor markets to move to (at least) the recovery stage, they may have to contain and manage SARS-CoV-2, calibrate economic measures, and *protect human capital* (see Table 1).

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These measures run in a coordinated manner, not in isolation. These measures also carry the aim of further upgrading the skills of workers (not just migrant workers). This is an economic decision considering that the costs of hiring migrants have become more expensive. However, as aging and other global pressures affect primarily the destination countries, there is certainly a need to get migrant workers now and in the future.

Countries may even have to employ bilateral channels to jointly identify needed skills so that these countries help set reasonable limits in sending and receiving workers. Both origin and receiving countries may also have to maximize regional and multilateral channels so that new labor market arrangements may be forged, in recognition of countries shared human capital needs. The current situation calls on countries to operationalize the 2018 Global Compact on Migration, as well as for the ILO and the IOM to jumpstart multilateral and regional dialogues that should lead to agreements on labor market needs. The Philippines, a global leader in migration-related discussions, can instigate countries' use of the GCM to formulate labor market arrangements and human capital protection measures —beyond simply allowing global market forces to dictate labor markets.

Approaches by individual countries provide *ad hoc* responses to a pandemic that continues to affect an entire planet. Migrant origin countries may continue to await developments in destination countries which, for their part, implement ad hoc policies once viral transmissions reach favorable levels. Labor markets however get entrapped when countries remain stuck into containing Covid-19. Unless multilateral, regional and bilateral labor market arrangements are discussed and executed, migrant workers will continue to feel the economic impacts of Covid-19 even when the world reaches an endemic.