ANAK is honoured to welcome guest lecturer Antonio Tujan, Jr. to Winnipeg for the Philippine Studies Summer Institute 2010 at the University of Winnipeg (August 3 to 13, 2010)

Antonio Tujan Jr. is a social activist working on Philippine and International issues for more than 38 years. The current International Director of IBON Foundation., he is a researcher, writer, as well as the Director of the Institute of Political Economy (IPE).

DEREGULATION FOR FURTHER MIGRANT LABOR PROMOTION

Antonio Tujan Jr.

The labor export policy of the Philippines was originally formulated by the Marcos dictatorship late 1970s to take advantage of the petrodollar-funded development boom in the Middle East. The Philippines had gone into debt crisis in 1978 and needed substantial sources of foreign exchange for debt service. On the other hand, the Philippines also had high unemployment rates as it faced an economic crisis and had a large reserve of English-speaking highly skilled labor well suited for deployment overseas jobs.

Within 1979, the Philippines deployed tens of thousands of workers, mostly to Saudi Arabia and other oil rich countries in the Middle East. This was made possible through labor recruitment agencies organized by Marcos cronies and facilitated by government through aggressive promotion drives in the Middle East. The Philippine Overseas Employment Authority was created from a small office under the Department of Labor and turned into a large, well-funded agency tasked to promote the business of recruitment agencies and seek out markets for Filipino labor abroad.

Labor recruitment became a lucrative business as it raked in profits from service fees from foreign principals, while also earning much more from placement fees from the prospective migrant workers themselves. It was able to do this because labor recruitment not only fulfilled market demands in host countries requiring cheap, contractual migrant labor, but also discovered a gold mine in the massive unemployment and demand not just for higher paying jobs overseas, but for employment itself.

While many enterprising businessmen sought to engage in labor recruitment, the POEA kept the number of accredited labor recruitment agencies to a small fixed number. Business demands for laxing regulations on recruitment agencies were insistent as government continued its drive against illegal recruitment agencies, many of them victimizing prospective migrant workers with non-existent jobs or through trafficking. On the other hand, official and official costs for license fees became exhorbitant.

The Philippine migrant labor ‘success’ story

The Philippine government, while extolling the migrant worker as the new hero for saving the country from financial crisis and their families from penury, prides itself for the ‘success’ story in becoming the main migrant worker sending nation in more than two decades of continuous

expansion of labor migration. Despite the global economic crisis at the turn of the millennium and the clampdown on migration, the Philippines has sustained the increase of deployment of migrant workers and the repatriation of foreign exchange earnings.

While there was a slight decline in deployment in 2003, first semester figures for 2004 show a vigorous increase from the same period in 2003. The bulk of Philippine migrant workers are in Asia and the Middle East followed by Europe. Slight declines in 2003 were registered in all continental regions.

Table 1 DEPLOYMENT GROWTH RATES BY LAND AND SEA (2000-2004)

						JANUARY TO JUNE	
	1999	**2000**	**2001**	**2002**	**2003**	**2004**	**2003**
TOTAL	837,020	841,628	867,599	891,908	867,969	492,485	459,231
Land-based	640,331	643,304	662,648	682,315	651,938	377,793	348,761
Sea-based	196,689	198,324	204,951	209,593	216,031	114,692	110,470

Table 2 DEPLOYED LANDBASED OVERSEAS FILIPINO WORKERS BY CONTINENTAL REGION (2000-2004)

	2000	**2001**	**2002**	**2003**	**2004***
MIDDLE EAST	283,391	297,533	306,939	285,564	192,038
ASIA	292,067	285,051	292,077	255,287	135,111
EUROPE	39,296	43,019	45,363	37,981	34,325
AMERICAS	7,624	10,679	11,532	11,049	6,010
AFRICA	4,298	4,943	6,919	8,750	4,771
TRUST TERRITORIES	7,421	6,823	6,075	5,023	4,090
OCEANIA	2,386	2,061	1,917	1,698	1,424
UNSPECIFIED	6,921	11,530	10,882	46,279	1
DEPLOYED LANDBASED TOTAL	643,304	662,648	682,315	651,938	377,793

* - Cumulative value from January to June

Typical professions and trades continue to be the predominant jobs of newly deployed migrant workers: domestic helpers, singers and musicians, entertainers, caregivers and nurses, production

workers, cleaners and the like. Except for laborers and production workers, these trades and professions are related to reproductive work. It is but expected that the overwhelming majority of workers in these professions, and of all landbased migrant workers are women.

Table 3 TOP TEN OFW DEPLOYMENT BY SKILL (New Hires)
For the Year 2003

	Skill	Previous Rank	Male	Female	Not Stated	Total
1	Domestic Helpers and Related Household	1	647	45,858	2	46,507
2	Composers Musicians and Singers	2	1,513	32,208	4	33,725
3	Choreographers and Dancers	3	1,184	23,693	1	24,878
4	Production and Related Workers (N E C)	4	9,640	9,240	1	18,881
5	Caregivers and Caretakers	7	620	18,258		18,878
6	Nurses Professional	6	981	7,986	1	8,968
7	Laborers / Helpers General	8	3,431	1,023		4,454
8	Waiters Bartenders and Related Workers	9	1,430	2,386		3,816
9	Charworkers Cleaners and Related Workers	-	699	3,037	1	3,737
10	Caretakers Building	5	590	2,589		3,179

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PLANNING BRANCH

If reckoned according to general skill category for newly hired workers (See Table 4 on page 4), the highest number are the professional and technical workers which includes the singers and musicians, choreographers and nurses. This is followed closely by service workers into which domestic helpers are classified. Third is number is the classification production workers which also constitutes a substantial sum.

This distribution, however, does not change the general pattern of trades and professions for migrant workers but only covers the new hired constituting roughly forty percent of the total deployment of landbased workers for the period. On the other hand, the large numbers of domestic workers and entertainers are commonly rehired every time their contract expires.

Remittances has grown consistently exceeding $7 billion in 2002 and expected to exceed $8 billion in 2004. (See Table 5 on page 5) However, estimates of total remittances range from

$15B to almost $20 (including remittances of immigrants) as Filipinos continue to use informal means to repatriate earnings to avoid banking and other expenses.

Table 4 PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION
Deployment of Newly Hired OFWs by Skills Category

SKILL CATEGORY	2002			
	Female	Male	F/M	Total
Professional and Technical Workers	85,617	14,968	6	100,585
Managerial Workers	129	247	1	376
Clerical Workers	2,531	1,508	2	4,039
Sales Workers	1,464	1,605	1	3,069
Service Workers	88,669	9,338	9	98,007
Agricultural Workers	16	601	0	617
Production Workers	20,407	49,476	0	69,883
For reclassification	590	10,989	0	11,579
TOTAL	199,423	88,732	2	288,155

f/m - Proportion of female to male OFWs

% - Percentage from annual total

** - Skill for reclassfication*

Based on EDP Report

Deregulation of Labor Recruitment

While the 2002 total deployment figure represents a 200% increase since 1990 the increase in deployment has been moderate over the twelve year period and, in fact, registered a decline in 1994. While the majority of sending countries post declines in deployment, the Philippine government has generally prided its 'success' in the relatively continuous growth of deployment of Philippine migrant labor, excepting only 1994 and 2003.

The felt need to continuously increase deployment strengthened the clamor for reducing bureaucratic procedures and other red tape in the processing of licenses for recruiment agencies

and processing of papers of deployed workers. This led to the enactment in 1995 of Republic Act 8042 named inaptly the Magna Carta for Migrant workers.

The main objective of this law was the removal of various regulations covering recruitment agencies and processing of papers of migrant workers which had been painted to be too stringent and reducing opportunities for increasing the development of market and deployment of workers. The POEA has tried to defend the law as simply reduction of regulations and removal of red tape, but the full impact of deregulation has been postponed to take full effect only by 2000.

Table 5 OFW REMITTANCES 2000-2004

	2000	2001	2002	2003	2004*
TOTAL	**6,050,450**	**6,031,271**	**7,189,243**	**7,639,955**	**3,980,312**
sea-based	926,677	1,093,349	1,223,182	1,294,140	700,896
land-based	5,123,773	4,937,922	5,963,061	6,345,815	3,279,416
ASIA	**645,566**	**1,049,551**	**1,092,381**	**927,000**	**454,499**
sea-based	84,233	54,036	56,106	44,227	42,118
land-based	559,333	995,515	1,036,275	882,773	412,381
AMERICAS	**4,000,022**	**3,300,327**	**3,866,270**	**4,292,449**	**2,370,789**
sea-based	734,460	949,341	1,053,189	1,144,505	581,255
land-based	3,265,562	2,350,986	2,813,081	3,147,944	1,789,534
OCEANIA	**21,360**	**21,188**	**33,276**	**42,338**	**20,510**
sea-based	644	691	593	218	734
land-based	20,716	20,497	32,683	42,120	19,776
EUROPE	**534,675**	**406,194**	**659,616**	**743,763**	**497,795**
sea-based	405,009	73,975	97,555	93,629	66,303
land-based	429,666	332,219	562,061	650,134	431,492
MIDDLE EAST	**594,198**	**711,918**	**725,238**	**978,514**	**523,258**
sea-based	2,933	2,933	3,126	4,487	2,249
land-based	591,265	591,265	722,112	974,027	521,009

AFRICA	**4,450**	**4,450**	**3,972**	**10,558**	**1,372**
sea-based	196	196	88	86	20
land-based	4,254	4,254	3,884	10,472	1,352
OTHERS	**63,966**	**538,493**	**808,490**	**645,333**	**112,089**
sea-based	2,017	11,979	15,525	6,988	8,217
land-based	61,949	526,514	792,965	638,645	103,872

* - Cummulative value from January to June

Deregulation measures can be summarized into the following:

Regulatory Function	Action Taken - Year
Licensing of Recruitment Agencies	Issuance and renewal of licenses was delegated by to DOLE to POEA administrator reducing time to two weeks from former 2 months -1998 Issuance of license further fixed to no more than 2 weeks and renewal to no more than 2 days - 2002 New License can be issued to applicant who can revive market inactive for 6 months -2002
Placement fee rate fixing	Policy was rationalized allowing agencies to collect a maximum fee equivalent to a workers monthly salary versus previous ruling fixing fee to a low P5,000 only. 1996
Approval of job advertisements	Licensed agencies now allowed to advertise job openings without POEA approval 2002
Approval of job orders	Approval of POEA no longer required 2002
Accreditation of foreign principals	Foreign principals/employers no longer need accreditation but only registration with POEA Foreign employers may now be registered to more than one Philippine agency allowing them flexibility to change or have multiple agents
Wage rate fixing	Full disclosure policy on the terms and confitions of employment 1996 Previous rigid wage rates abandoned and declared market rates in host country is

	considered acceptable 1997 Wages stipulated was subject only to minimum benchmarks like minimum wage in Philippines or host country 2002
Defining Employment Standards	Former rigid employment standards removed in lieu of other terms such as offsetting employment benefits with free transportation, food and accommodation 2002
Employment Contracts Evaluation & Approval and issuance of OECs	Issuance of overseas employment certificates for vacationing workers decentralized to regions 1992 Selected licensed agencies allowed to do in-house processing if documents and issuing OECs for their hired workers 1997

Source: POEA

Relaxation of standards for foreign employers and operations of recruitment agencies make life and business easier for the recruiters. Regulations protecting the welfare of workers such as wages, fees and benefits were readjusted and made lax enough not to prevent deployment to countries which have weak labor standards, or to adjust to the reality that employers of migrant workers often do not want to follow regulations regarding wages and benefits.

The objective of this deregulation has been to enhance the capacity of Philippine recruiters to adjust to the jobs market in the host countries, paving the way for facility and increase of deployment. Regulations that protected the worker such as the fixing of wage rates, assurance of employment standards and benefits, fixing of placement fees collected by recruitment agencies and the accreditation of these agencies were relaxed to make the Philippine more competitive and attract business. However, the main responsibility of the Department of Labor for instituting these regulations to protect Filipino workers is abandoned.

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