

## THE PHILIPPINE OVERSEAS EMPLOYMENT: UNDERSTANDING ITS TREND AND STRUCTURAL CHANGE (Part 3)



*This Labstat issue is the third of a five-part series focusing on the trend and structure of overseas employment. The report covered data series spanning 32 years based on deployment data compiled by the Philippine Overseas Employment Administration (POEA) and its predecessor offices, namely, the Overseas Employment Development Board (OEDB) and the National Seamen Board (NSB). This issue takes a closer look on overseas employment in terms of the migration waves that emerged over the last three decades. In particular, it describes the trends and patterns of migration streams in the three major regional labor market destinations for Filipino workers.*

### THE REGIONAL LABOR MARKETS

#### Migration Waves

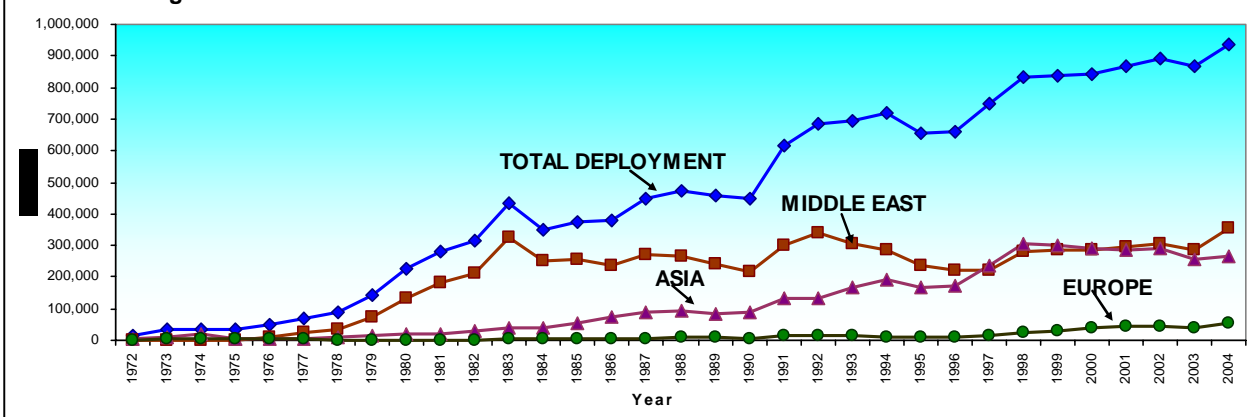
Globalization, brought about by greater economic integration and increasing trade liberalization, has led to freer cross-border movement not only of goods and capital, but labor as well. In the Philippines, the volume of workers leaving the country for temporary jobs abroad is overwhelmingly large in comparison with the volume of Filipinos residing permanently abroad.

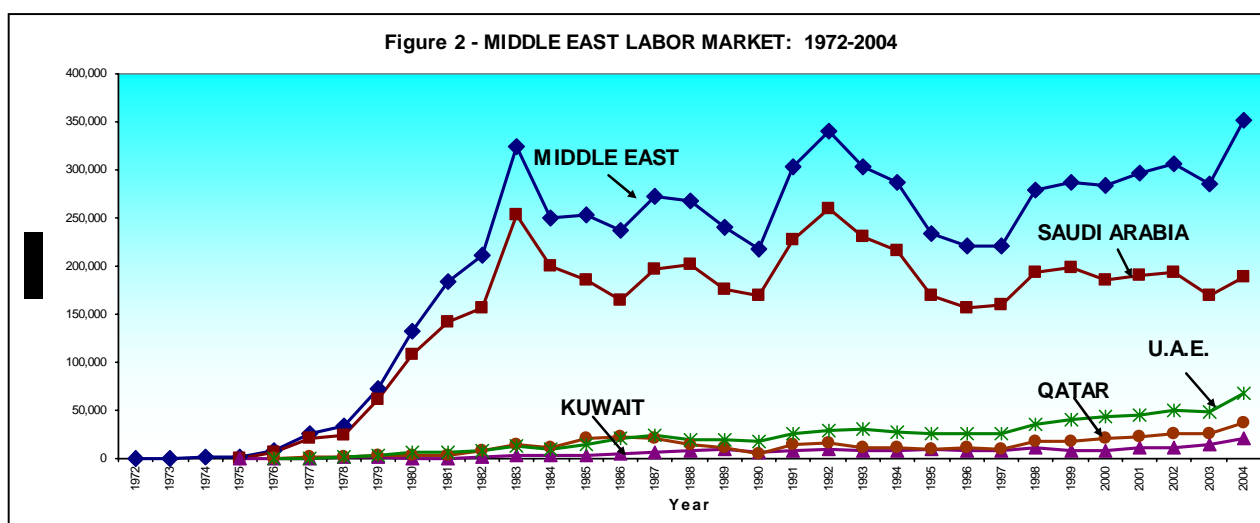
Over the past three decades, various patterns and trends on temporary migration have been observed. Foremost is the emergence of migration waves to the Middle East in the 70's, the Asian countries in the 80's and Europe in the late 90's as shown in the Figure 1.

#### The Middle East Labor Market

The Middle Eastern region is the earliest and by far the biggest market for Filipino overseas workers. The

Figure 1 - OVERSEAS EMPLOYMENT BY MAJOR REGION OF DESTINATION: 1972-2004





migration flow in this region begun in the mid-70's (1976) and reached its first peak in 1983. During this period, the region's share to total deployment rose steadily from 36.6 percent to 74.5 percent. This share has declined and stabilized at slightly over one-third of total annual deployment.

Until recently, this market managed to experience a surge in deployment (in 1992 and 2004) that even exceeded the magnitude attained during the first peak in 1983.

On the whole, deployment in the Middle East comprised nearly one-half (43.4%) of the total outflow of workers since 1972.

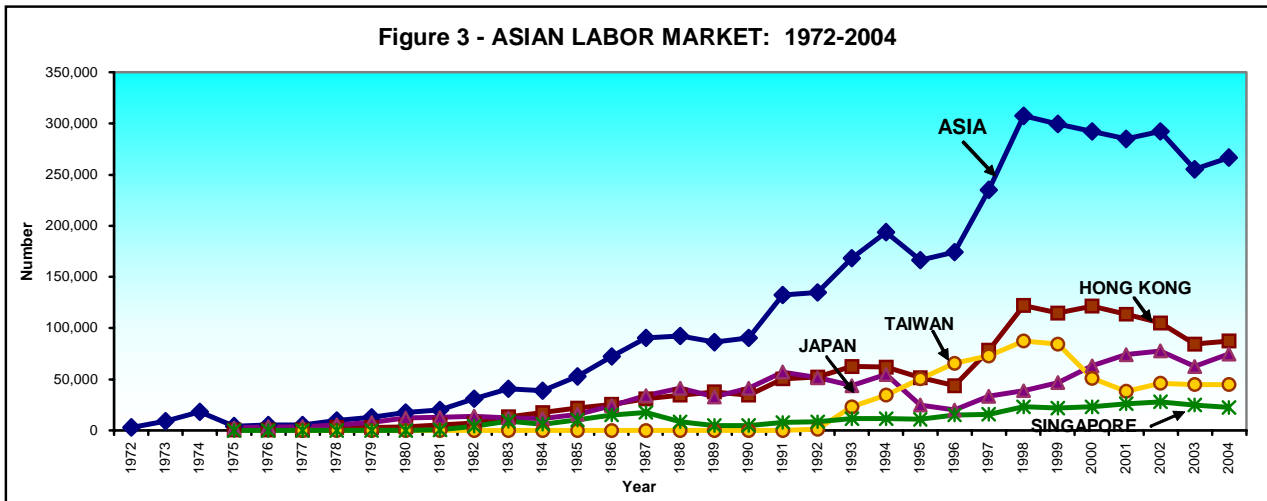
The Middle East labor market is dominated by Saudi Arabia which accounted for over 70 percent (71.4%) of the aggregate deployment in the region.

Other countries which recorded notable shares include the United Arab Emirates (10.2 percent), Kuwait (5.9%), Qatar (2.9%), Libya (2.3%) and Bahrain (2.2%).

### *The Asian Labor Market*

The Asian labor market emerged in the early part of the 80's with the opening of markets in Hong Kong, Japan and Singapore for domestic helpers, entertainers and IT professional workers. Taiwan was a late comer as it opened its market for factory workers only in the early part of the 90's. Nevertheless, the growth in Taiwan market was particularly rapid between the period 1992 and 1998 when deployment accelerated from 1,193 to 87,360.

The Asian labor market ranked second to the Middle East in terms of volume of deployment. Specifically, it accounted for one-fourth (25.2%) of the total deployment since 1972. This market experienced a robust and sustained growth in deployment for a period of 18 years (1980-1998). Throughout this period, the annual deployment increased by 17-folds, from 17,798 to 307,261. It even exceeded the volume of deployment in the Middle East between 1998 and 2000.



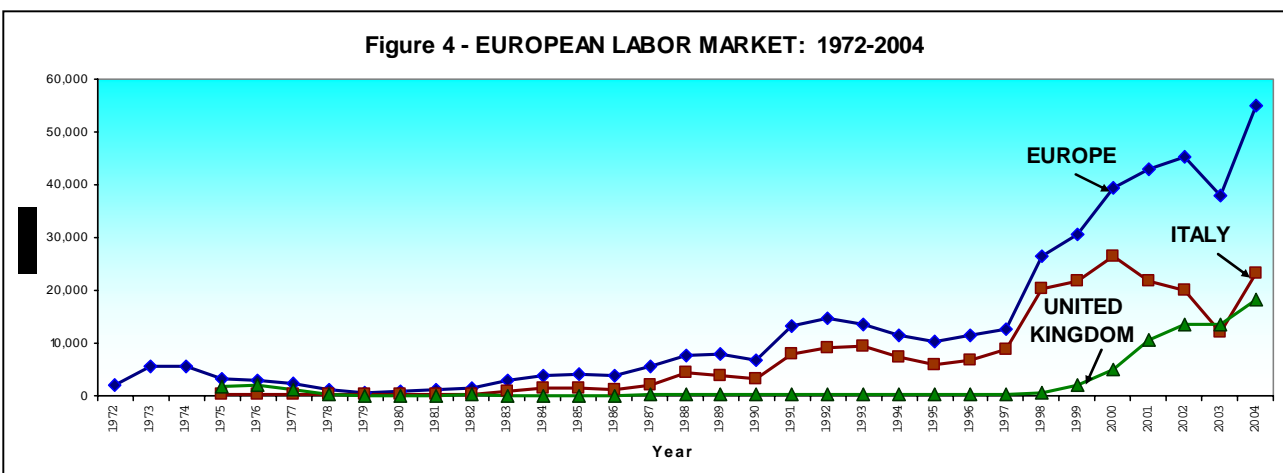
However, the Asian market has been showing signs of slowing down over the past six years as deployment in Hong Kong and Taiwan exhibited a declining trend. Only the Singapore market showed stable growth rates, while deployment in Japan is expected to be sluggish in the future due to the restrictive labor policy for the entry of foreign entertainers recently adopted by the Japanese government.

and Asian labor markets. Its share to total deployment over the last three decades was quite small or only 2.8 percent. In recent years, however, deployment in this region has been on the rise. Starting 1998 deployment has gone up to 40,000 a year which is a big improvement from 11,000 recorded ten years ago. This figure now represents 6.0 percent of total deployment.

**The European Labor Market**

The Europe labor market may be considered as an infant market for OFWs compared with the Middle East

Italy accounted for the biggest share (51.0%) of the market followed, with a large margin, by United Kingdom (16.7%). The rest were scattered across Europe mainly in Greece (6.0%), Ireland (5.0%) and Spain (5.0%). Worthy of note is the



UK market, which in the past 5 years has been attracting a large number of Filipino health professionals. Deployment in this country was up by more than 50.0 percent beginning 2000.

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**Overseas Employment by Country of Destination  
Middle East: 1972-2004**

COUNTRY OF DESTINATION	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
<b>MIDDLE EAST</b>	<b>304</b>	<b>376</b>	<b>1,262</b>	<b>1,552</b>	<b>7,813</b>	<b>25,721</b>	<b>34,441</b>	<b>73,210</b>	<b>132,044</b>	<b>183,582</b>	<b>211,003</b>	<b>323,414</b>	<b>250,210</b>	<b>253,867</b>	<b>236,434</b>	<b>272,038</b>	<b>267,035</b>
Bahrain				121	302	750	662	1,045	3,178	2,600	3,910	6,617	4,995	7,118	6,711	6,556	5,605
Israel													21	4	53	46	71
Kuwait				-	28	1,745	2,070	2,742	2,723	3,347	8,604	14,781	11,385	21,167	22,888	21,377	14,211
Lebanon						4	2	24	630	635	453	1,694	561	612	587	166	138
Libya				-	-	137	220	515	4,065	4,584	6,991	11,042	6,033	5,708	4,328	5,074	7,620
Qatar				1	42	34	1,583	1,161	616	625	1,357	2,863	2,756	3,751	5,113	6,610	7,706
Saudi Arabia				403	5,889	20,449	24,948	61,834	108,381	141,678	156,527	253,080	200,203	185,837	164,832	197,219	201,451
U A E				-	71	496	1,350	3,134	5,709	6,538	7,762	12,831	9,832	15,093	20,528	24,168	19,484
Rest of Middle East													14,424	14,577	11,394	10,822	10,749
COUNTRY OF DESTINATION	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
<b>MIDDLE EAST</b>	<b>241,081</b>	<b>218,110</b>	<b>302,825</b>	<b>340,604</b>	<b>302,975</b>	<b>286,387</b>	<b>234,310</b>	<b>221,224</b>	<b>221,047</b>	<b>279,767</b>	<b>287,076</b>	<b>283,291</b>	<b>297,533</b>	<b>306,939</b>	<b>285,564</b>	<b>352,314</b>	
Bahrain	7,581	5,804	8,863	9,717	6,461	6,127	4,131	4,529	3,341	5,180	5,592	5,498	5,861	6,034	6,406	8,257	
Israel	185	94	70	103	159	245	675	628	774	2,022	3,488	4,429	5,562	5,049	5,094	5,639	
Kuwait	11,304	5,007	14,819	15,872	11,256	11,486	9,852	10,802	10,205	17,372	17,628	21,490	21,956	25,894	26,225	36,591	
Lebanon	124	67	353	1,043	1,483	1,672	1,878	1,460	998	1,342	1,674	2,783	3,350	3,046	2,786	7,795	
Libya	6,275	3,508	5,988	6,363	7,176	6,908	6,874	8,221	6,270	7,084	5,937	5,962	5,489	6,114	5,083	5,728	
Qatar	9,293	7,138	7,485	9,098	8,202	8,811	9,691	7,889	8,294	10,734	7,950	8,523	10,769	11,516	14,344	21,360	
Saudi Arabia	176,300	169,886	228,139	260,112	230,996	215,361	168,604	155,848	160,302	193,698	198,556	184,625	190,732	193,157	169,011	188,107	
U A E	19,865	17,189	26,601	28,839	30,045	27,713	26,235	26,069	25,579	35,485	39,633	43,045	44,631	50,796	49,164	68,386	
Rest of Middle East	10,154	9,417	10,507	9,457	7,197	8,064	6,370	5,778	5,284	6,850	6,618	6,681	9,183	5,333	7,451	10,451	

Source: Philippine Overseas Employment Administration.

**Overseas Employment by Country of Destination  
ASIA: 1972-2004**

COUNTRY OF DESTINATION	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
<b>ASIA</b>	<b>2,743</b>	<b>9,034</b>	<b>18,117</b>	<b>4,217</b>	<b>5,399</b>	<b>5,290</b>	<b>9,994</b>	<b>12,604</b>	<b>17,708</b>	<b>20,322</b>	<b>31,011</b>	<b>40,814</b>	<b>38,817</b>	<b>52,838</b>	<b>72,536</b>	<b>90,434</b>	<b>92,648</b>
Brunei				49	32	17	50	286	991	709	3,701	3,831	2,251	3,292	4,643	4,737	5,528
Hong Kong				865	617	865	3,091	3,046	3,535	5,172	7,424	13,178	17,442	22,020	25,594	30,811	34,793
Japan				2,275	3,450	3,603	5,648	8,020	11,966	12,721	13,685	12,057	11,656	16,029	24,571	33,791	41,289
Korea													29	31	44	59	78
Malaysia				72	127	257	612	561	193	543	973	1,391	493	477	1,680	2,431	1,637
Singapore				143	188	179	89	58	112	407	4,337	9,036	5,886	10,047	15,093	17,601	8,221
Taiwan						9	6	12	225	128	55	28	6	9	15	3	37
Rest of Asia													1,054	933	896	1,001	1,065
COUNTRY OF DESTINATION	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
<b>ASIA</b>	<b>86,196</b>	<b>90,768</b>	<b>132,592</b>	<b>134,776</b>	<b>168,205</b>	<b>194,120</b>	<b>166,774</b>	<b>174,308</b>	<b>235,129</b>	<b>307,261</b>	<b>299,521</b>	<b>292,067</b>	<b>285,051</b>	<b>288,481</b>	<b>254,520</b>	<b>266,609</b>	
Brunei	5,617	4,206	8,738	10,866	10,960	9,731	6,807	7,651	9,594	16,264	12,978	13,649	13,068	11,564	9,829	10,313	
Hong Kong	37,661	34,412	50,652	52,261	62,583	62,161	51,701	43,861	78,513	122,337	114,779	121,762	113,583	105,036	84,633	87,254	
Japan	32,688	41,558	57,344	51,949	43,542	54,879	25,032	20,183	33,226	38,930	46,851	63,041	74,093	77,870	62,539	74,480	
Korea	155	119	193	230	703	5,054	4,395	2,968	3,647	2,337	4,302	4,743	2,555	3,594	7,136	8,392	
Malaysia	3,259	4,397	5,741	7,095	12,409	11,674	11,622	12,340	13,581	7,132	5,978	5,450	6,228	9,317	7,891	6,319	
Singapore	4,706	4,698	7,697	8,656	11,568	11,324	10,736	15,087	16,055	23,175	21,812	22,873	26,305	27,648	24,737	22,198	
Taiwan	88	54	33	1,193	23,025	34,387	50,538	65,464	72,748	87,360	84,186	51,145	38,311	46,371	45,186	45,059	
Rest of Asia	2,022	1,324	2,194	2,526	3,415	4,910	5,943	6,754	7,765	9,726	8,635	9,404	10,908	7,081	12,569	12,594	

Source: Philippine Overseas Employment Administration.

**Overseas Employment by Country of Destination**  
**EUROPE: 1972-2004**

COUNTRY OF DESTINATION	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
<b>EUROPE</b>	<b>2,071</b>	<b>5,516</b>	<b>5,602</b>	<b>3,160</b>	<b>2,902</b>	<b>2,482</b>	<b>1,268</b>	<b>673</b>	<b>846</b>	<b>1,126</b>	<b>1,465</b>	<b>2,878</b>	<b>3,683</b>	<b>4,067</b>	<b>3,693</b>	<b>5,643</b>	<b>7,614</b>
Cyprus												154	-	41	115	32	36
Ireland													2	6	4	4	5
Italy				287	371	412	239	280	306	424	281	1,011	1,567	1,413	1,281	2,099	4,522
United Kingdom				1,851	2,011	1,177	424	77	26	23	253	91	85	145	138	173	226
Rest of Europe													2,029	2,462	2,155	3,335	2,825
COUNTRY OF DESTINATION	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
<b>EUROPE</b>	<b>7,830</b>	<b>6,853</b>	<b>13,156</b>	<b>14,590</b>	<b>13,423</b>	<b>11,513</b>	<b>10,279</b>	<b>11,409</b>	<b>12,626</b>	<b>26,422</b>	<b>30,707</b>	<b>39,296</b>	<b>43,019</b>	<b>45,363</b>	<b>37,981</b>	<b>55,116</b>	
Cyprus	47	88	104	246	277	345	696	678	677	941	1,168	1,500	1,548	1,836	1,637	2,134	
Ireland	4	4	4	10	8	7	11	12	15	18	126	793	3,734	4,507	5,642	5,439	
Italy	3,940	3,229	8,038	9,251	9,367	7,421	5,829	6,780	8,915	20,233	21,673	26,386	21,641	20,034	12,175	23,329	
United Kingdom	277	151	298	275	221	169	218	198	267	502	1,918	4,867	10,720	13,655	13,598	18,347	
Rest of Europe	3,562	3,381	4,712	4,808	3,550	3,571	3,525	3,741	2,752	4,728	5,822	5,750	5,376	5,331	4,929	5,867	

Source: Philippine Overseas Employment Administration.