



# POLICY BRIEF

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## Supporting Seafarers in the New Normal

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Overseas Filipino Workers represent a significant demographic force in the Philippines. According to the latest count of the Commission on Filipinos Overseas, there are an estimated 10,238,614 Overseas Filipino Workers. The number represents around 10% of the total Philippine population. The top locations where they are located are the US, Saudi Arabia, the UAE, Malaysia, Canada, Australia, Italy, the UK, Qatar and Singapore. More than 200 countries are where they would be.

Overseas Filipino Workers can be classified into land-based workers and sea-based workers. Both represent a significant economic force in the Philippines. A main economic contribution would be in the form of cash remittances. In the case of seafarers, remittances have consistently poured in.

### Sea-based Cash Remittances in thousand US Dollars

Year	Cash Remittances
2010	3,806,108
2011	4,340,428
2012	4,835,342
2013	5,215,378
2014	5,503,179
2015	5,792,459
2016	5,572,148
2017	5,870,827
2018	6,139,512
2019	6,539,246

Source: Bangko Sentral ng Pilipinas

Remittances boost the economy by being a source of funds for consumption of households. Since consumption contributes the biggest chunk of the country's GDP, increases in remittances can therefore significantly affect economic direction. Remittances also boost the economy by making more loanable funds available to businesses in the form of cash that is coursed through banking channels. Government is also poised to benefit via taxation and fees in a healthy economy.

Just as the economy was reaping the benefits from the sustained cash remittances of the seafarers, it stumbled into a Black Swan event. It encountered a high-impact and low-frequency event in the form of the COVID-19

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pandemic. Many lives have been lost. Many people have gotten sick. The health care systems of both developed and developing nations have been rocked. Nations are scrambling and utilizing all means to find the cure for the pandemic before things get even worse.

COVID-19 has likewise been more than just a health pandemic. It is causing a wide economic pandemic. The International Monetary Fund has forecasted the world economy to contract by around 3% in 2020. Given the measures being done to restrict the spread of the pandemic on a global scale, the World Trade Organization has projected that the volume of world merchandise trade will significantly drop in 2020. These adverse global developments will hurt the seafarers.

The international agency AFP has given a glimpse of what the New Normal could possibly mean. Many might practice social distancing. Work from home and learn from home could be common. Masks, gloves and hygiene essentials could have higher demand. Travel could be restricted both internationally and domestically. Many outdoor activities could get suspended and cancelled.

It is against this tough backdrop that makes the predicament of the seafarers more challenging. Seafarers are thrust into a precarious situation. They have specialized skills in a global sector that will be hit hard. Since many of them will come back home and if they get limited help and limited opportunities in the country, then the unemployment situation of the Philippines can just worsen.

What should then be done to help the seafarers in the New Normal?

As a start, the economic stimulus recovery plan must consider the welfare of the seafarers. Giving a one-time financial assistance to seafarers is not enough. More programs have to be implemented.

Health is wealth. Government must ensure that the health and safety of the seafarers are preserved. Health facilities should be adequate both in the Philippines and overseas. For the seafarers based abroad, the different embassies and consulates should collaborate well with the numerous Filipino business and social communities in extending help to the seafarers in the ports and areas. Health insurance mechanisms must be available and affordable. Medicines must be within easy reach.

Since work in the global stage would be hampered, many seafarers will be displaced and come home. Their maritime skills might not match the required skills of many domestic sectors. Thus, government should provide hiring incentives and other forms of support to firms in the supply chain and transportation sectors. From a capacity-building view, the international experience and best practices of the seafarers could help boost total labor productivity in the absorbing sectors.

As preparation for the eventual global recovery and resumption of seafarer work, a Post-Arrival Orientation Seminar can be developed by the Department of Foreign Affairs and the Department of Labor and Employment. The program can cover various aspects like health awareness, business training, competency development and personal finance. The goal is to make the seafarer become better so that when the New Normal fully takes place, the seafarer is in a good position to thrive.

Seafarers are modern-day heroes of the country. They have sacrificed a lot and their remittances have helped the economy achieve great economic results during good times. Government has to be with them during bad times. Government must continue to support them in the New Normal.