

## **CMA WORKING PAPER ON OVERSEAS MIGRATION**

### **CMA Policy Framework**

The phenomenon of overseas migration has its positive and negative side. It has helped the government to weather periodic economic crisis and helped Filipino families to survive or even improve their lives. On the other hand, overseas migration also brought hardships and suffering to countless other migrants and their families.

Economic and political uncertainties at home serve as push factors for migration as unemployed or underemployed Filipinos, including employed Filipinos, see it as their only option to improve their lives. Developments in other countries, meanwhile, serve as pull-factors or inducements for Filipinos to try their luck abroad.

Overseas migration has benefited both the government and families and communities of migrant workers. It has kept the economy afloat and provided for the basic needs of migrant families.

Over the last three decades, overseas migration has grown from a ‘temporary’ measure to generate foreign currency and employment, to one that has become the centerpiece of the country’s economic development and survival.

As overseas deployment and remittances increased, overseas migration brought with it problems for both migrants and their families. From pre-departure and upon return, migrant workers have to endure many sacrifices and difficulties.

### **The National Situation**

The economic and political crisis in the country -- increasing poverty, unemployment and underemployment, corruption, deteriorating peace and order situation, and absence of good governance continue to persist and hound Filipinos.

Unemployment and underemployment in 2005 was higher than at any other time in the country’s history. Almost four million Filipinos were jobless. Another 6.8 million did not earn enough and needed extra work. A total of 10.9 million Filipinos were either unemployed or underemployed in 2005 – almost one-third of the country’s 36 million labor force.

Employment in the formal sector is shrinking, while employment in the informal sector of the labor market is growing. A significant number of jobs had been lost in the construction, health, manufacturing and mining sectors. Last year the fishing sector lost 5,000 jobs, mining 9,000, manufacturing 18,000, health and social work 32,000, and construction 73,000. Around 65% of the country’s workforce are now employed in the informal sector.

While the country’s Gross National Product (GDP) grew at a modest rate of 5.1% in 2005, it was still a jobless growth, meaning unemployment increased along with the growth in the GDP.

The unemployment rate stood at 11.3% last year. The inflation rate was at 7.7%, a drastic increase from 3% in 2002. This increased prices to more than double the average price in 2001. Successive fuel price hikes and power and water tariff rate adjustments have all resulted in skyrocketing prices of basic goods. Prices of petroleum products rose drastically in 2005 and increased by 30% from year end-2004 levels.

The implementation last November of Republic Act 9337 or the reformed value-added tax (RVAT) further worsened the effects of power and water tariff hikes on basic utilities after imposing vat on power and oil products and increasing the VAT rate from 10% to 12% last February.

Two surveys last year said 57% of Filipino families considered themselves poor. The surveys also said six out of 10 Filipinos believed that they were worse off than the year before. Seven out of 10 Filipinos also felt that their quality of life has deteriorated.

The government is P3.89 trillion in debt. Debt servicing eats up one-third of the national budget. Debt servicing requirement alone is government's biggest expenditure item.

An early-2005 survey among foreign businessmen ranked the Philippines as the second most corrupt country in Asia. The Philippine government lost about \$48 billion to corruption over a 20-year period, according to a World Bank study in 2000. US-based investment bank Morgan Stanley placed the losses at \$204 billion between 1965 and 2001.

The political crisis, on the other hand, continues to heighten since the political opposition and civil society accused the Arroyo administration of cheating in the presidential elections.

Issues such as "Hello Garci," "jueteng" pay-offs to presidential relatives, the use of government funds to help Mrs. Arroyo's campaign in 20004, and other scandals continue to hound the administration.

Grumbling in the military, daily rallies and protests by civil society and opposition calls for her to step down continue to put the Arroyo government on the defensive.

## **Migration Facts and Figures**

Overseas employment continues to play a major role in the overall economic development of the country. Since the Government started its labor export policy in the 1970s, overseas employment has been the largest absorber of Filipino labor and the country's biggest source of foreign exchange earnings

Deployment in 2005 of newly-hired and rehired OFWs numbered 981,677, up by 5.2% from 2004. Land-based OFWs increased 4.2% to 733,970 and sea-based workers increased 8.2% to 247,707.

OFW remittances coursed through banking channels hit an all-time high of \$10.7 billion dollar last year, up by 25% from 2004. If we include foreign currencies that entered through the backdoor, OFW remittances could have reached \$12.3 billion. In January this year alone, OFW

remittances coursed through banks already reached \$917 million, 16.5% higher than the \$787 million remitted in the first month of 2004.

From 1990 to 2005, overseas Filipinos remitted \$80 billion. The Philippines now ranks fifth in the World Bank's ranking of countries based on overseas workers' remittances.

### **Feminization of Migration**

Overseas migration has gone through a process of feminization. Over the last 20 years, Filipino migrant women have steadily increased their slice in the migration pie. Almost three decades ago, women made up only 12% of the overseas workforce. In 1987, they already comprised 48.2% of overseas deployment. In 1993, women made up 55% of deployment. In 2000, migrant women already accounted for 64% of overseas deployment.

By 2003 Philippine labor migration has taken on a woman's face, with women migrants accounting for more than 70% of deployments. These migrant women, scattered in 194 countries, work as professional and technical employees, nurses, clerical and sales workers, entertainers, caregivers, and domestic workers. Many of them were unemployed or had unpaid or undervalued jobs in the Philippines.

But while migrant women already comprise 70% of overseas deployment, their remittances only take up 57% of what the men remit. This strongly suggests that women migrants work in unskilled, low-paid and unprotected jobs.

Migrant women, because of the nature of their work and lowered status, usually end up victims to the more serious problems of migration: physical and sexual abuse, drug dependence, prostitution, mysterious or violent deaths, and trafficking in women. Other migrant women end up on the missing-persons list.

### **Brain-Drain**

The exodus of professionals is an alarming trend that came at the onset of globalization. Economic uncertainties at home and the government's extensive promotion of labor export further push highly-skilled Filipino professionals to seek a better life abroad.

More than 85,000 nurses have left the country between 1994 and 2003. The country loses more than 15,000 nurses annually, more than any other country. Some 5,500 medical doctors enrolled in nursing schools last year, intending to get jobs abroad as nurses. Shortage of doctors and nurses has partly caused the closure of over 100 hospitals around the country. Nurse-to-patient ratio in many hospitals now stands at an unsustainable 1:60.

Thousands of schoolteachers have left the country to work as caregivers or domestic helpers. Better-trained teachers manage to practice their trade in high-paying universities abroad. The teacher-to-student ratio in public elementary and high schools now stands at an unmanageable 1:60. In 2001 our top three universities, which used to vie for the top spots among Asian academic institutions, slipped to No. 48, No. 71 and No. 72.

Poachers from foreign airline companies have enticed Filipino pilots and aircraft mechanics to work abroad. The number of commercial pilots left in the country has dropped to 700 from 3,548. Aircraft mechanics now number only 1,500 from a high of 14,684.

As economic uncertainties in the country continue, hundreds more of our air comptrollers, radio frequency engineers, linemen, first mates, and plant engineers will surely look for better-paying jobs abroad.

The brain-drain does not drain the country of its excess labor; it drains it of critical humanpower. What we gain in dollars, we lose in valuable human and intellectual resources. Should this trend continue, the country will in time see the collapse of its health, education and telecommunications sectors and of its domestic shipping, petrochemical, steel, power, accountancy and aviation industries.

In receiving countries, meanwhile, new migration trends emerged: increase of service workers, rise in the number of undocumented workers, and increase in abuses committed against OFWs.

### **Problems Confronting OFWs**

The Philippines ratified the major international conventions that promote human, women, and migrants' rights: 1990 Convention on the Rights of Migrant Workers, 1979 Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), and International Labor Organization (ILO) Conventions 97 and 143.

Government also enacted RA 8042 or the Magna Carta for Migrant Workers and Overseas Filipinos in 1995. Congress also passed in 2003 the Overseas Absentee Voting Law, Filipino Citizenship Reacquisition and Retention Law, and the Anti-Trafficking in Women and Children Law.

Various government agencies – DFA (Department of Foreign Affairs), embassies and consulates; DOLE (Department of Labor and Employment), POLOs (Philippine Overseas Labor Offices) and FWRCs (Filipino Workers' Resource Centers); POEA (Philippine Overseas Employment Administration), OWWA (Overseas Workers' Welfare Administration), and CFO (Commission on Filipinos Overseas)-- were likewise tasked to address the concerns of migrant workers while still in the Philippines and while at work in the host countries.

Despite the pronounced adherence and commitment to these international agreements and Philippine laws, the government's protective mantel has failed to cover all OFWs from the time they are recruited to the time they are repatriated. Despite the many problems and misfortunes that confront Filipinos in finding and keeping their jobs abroad, the government's protective action came by slow and inadequate.

At all stages of migration, OFWs and their families have to contend with a variety of problems that could otherwise have been prevented or minimized. Starting at the pre-departure stage, applicants usually fall prey to illegal recruiters, pay exorbitant fees, and misinformation or deception.

More problems and abuses confront deployed migrants at their jobsite: low pay; contract violations; inhuman living and working conditions; verbal and emotional abuse; job insecurity, illegal termination, absence of social security benefits; discrimination and racism; family separation and breakdown; and problems in social adjustment.

The post-employment stage likewise carries with it problems for returning migrants: repatriation problems, stigma from traumatic experiences while working abroad, and abandonment by other family members. Returned migrants find it difficult to stay and make a living in the country due to the lack of or inadequate support mechanism for reintegration,

Migrant families also have to pay the psycho-social cost of overseas migration. While remittances bring material and economic benefits to other family members, migrant families have to contend with the grave impact of migration: absentee-parenting, dysfunctional families, growing up problems of children, and breakdown of marriages. Attitudes such as materialism, consumerism, and colonial mentality have also been noted in migrant families, especially among the children.

Overseas migration has presumably become the single biggest cause of family disintegration. In the course of their separation, both OFW and partner acquire second families or enter into extramarital relations. The migrant worker has to endure great loneliness and the alien and often hostile circumstances while abroad. The spouse, meanwhile, gets to be courted for being the beneficiary of hard-earned dollars remitted from abroad.

In 2003, illegal recruiters victimized 1,625 migrant applicants. This is just the reported number, as many victims do not report their cases. From January to June of 2004, 846 workers coming from poor families fell victims to illegal recruiters.

Last year at least 5,168 OFWs languished in jails worldwide for various offenses. Women detainees numbered 673 while minors numbered 50. Several were in death row: at least 5 Filipinos in Malaysia, one in the US and 13 in Saudi Arabia. Robert Tarongoy and Angelo dela Cruz were captives in war-torn Iraq. Four OFWs were also beheaded in Saudi Arabia.

In 2002, 42 OFWs were lined up for beheading in the Middle East, 36 of them in Saudi Arabia. Thousands of OFWs also got stranded in Saudi Arabia, 44 domestic helpers in Hong Kong were sexually assaulted. That year an average of six OFWs came home everyday in boxes.

## **History of Filipino Overseas Migration**

**First Wave (early 1900s-1940s)** -- Overseas migration began during the American colonial period. The first batch of Filipino migrant workers went to Hawaii in 1906 to work in the sugar plantations. In 1907, 150 more Filipinos were recruited. Mass recruitment of Filipino workers began in 1909.

More Filipinos migrated later to Hawaii and the United States mainland, and worked as farm workers and fruit pickers. In 1928, 3,929 Filipinos worked in Alaska's fish canneries, most of

them as shoremen. By 1929, American shipping firms employed 7,890 Filipino seamen; the United States Navy employed 25,000.

By 1933, Filipino workers in the US mainland and Hawaii numbered more than 100,000. From 1907-1935, 121,744 Filipinos left for Hawaii. Only half of them went home to the Philippines; the other half chose to settle in Hawaii or the US mainland.

No legislation or administrative regulation governed the recruitment of Filipinos during this early period. Until 1915 when the Philippine Legislature enacted Act No. 2486, which sought to regulate overseas employment. That bill also provided for the appointment of a commissioner for service outside of the Philippine Islands to look after the welfare of Filipino workers. An amended law, Act No. 3148, came out in March 1924, which provided that the commissioner to Hawaii be appointed by the Governor General, with the advise and consent of the Philippine Senate. The Philippine Legislature later passed in 1928 Act No. 3957, which intended to regulate the operations of private recruitment agencies not covered by Act No. 2486.

**Second Wave (1947-early70s)** -- Except for the 7,000 Filipino workers who went to Hawaii in 1946, the post-war migration of Filipino workers to the United States dropped sharply after the US government carried out the national origin quota system, which gave immigration preference to those who joined the US Navy.

The US quota system changed the direction of Filipino migration from the US to neighboring Asian countries in 1950s. Around 25,000 Filipinos, under five-year contracts, worked at logging camps in Sabah and Sarawak. Filipinos also formed part of the labor force that built and serviced American bases in Vietnam, Thailand and Guam during the Indochina war. By the early 1970s Filipino engineers and technicians began working in Iran and Iraq.

Relaxed immigration rules in Canada (1962) and in the US (1965) led to a renewed upsurge of Filipino migration to North America. By the mid-1960s, Filipinos also began working as domestic helpers and nurses in Western Europe. Minimal government regulation of overseas employment marked this period. The 1915 Act No. 2486 remained the only law in force concerned with overseas migration. New rules governing overseas employment only came out in 1968 with the issuance of Department Order No. 4.

**Third Wave (1974-present)** -- The massive overseas migration of Filipino workers began in 1974 when the Government institutionalized its overseas employment program through the Labor Code of the Philippines. The Marcos Government initially intended overseas migration as temporary measure to generate foreign exchange and ease the country's unemployment and underemployment problems. Along with other Third World countries, the Philippines took advantage of the labor shortage in oil-rich Middle East countries that had just embarked on massive economic and infrastructure development projects.

The number of OFWs grew steeply from the 1970s up to the present. In 1975, deployed migrant workers numbered 36,035; their remittances coursed through the banking system amounted to US\$103 million. By the end of last year, overseas deployment and migrant remittances had grown more than twenty-five-folds.

## **Globalization**

World conditions in the current age of globalization is characterized by a growing integration and interdependence of national economies, opening up of markets to foreign trade and competition, lowering of tariffs and other trade barriers, and significant advances in technology, transportation and communications.

Overseas migration trends have adapted to these changing world conditions. The United Nations Development Program (UNDP) has identified three trends in overseas migration in this current age: First, global employment opportunities are opening up to high-skilled labor, but closing for most others. The international market for highly-skilled labor has become more integrated, highly mobile, and gives standard wages. Unskilled labor, meanwhile, still accounts for a larger share of international migration, but is highly restricted by national barriers. Second, undocumented migration continues unabated. Third, the increasing feminization of overseas migration.

Globalization also has its negative impact on Filipino migrants' working conditions: racism, racial discrimination and xenophobia towards migrants; lack of legal and social protection for migrants in the absence of national laws; restrictive and punitive immigration laws and practices leading to human rights violations and even deaths at the border; inhumane working conditions of migrant workers, particularly women domestic workers and seasonal workers.

## **Migration Upside and Downside**

If measured by its twin objectives of generating employment and foreign exchange, the overseas employment program may be considered a resounding success. The government has increasingly found work for more Filipinos through its overseas employment program. The last 30 years saw a twenty-five-fold increase in overseas deployment. These figures do not include immigrants or permanent residents and undocumented workers. Last year's 981,677 OFW deployment ironically fulfilled the 1 million job-generation promised by the Arroyo administration upon her election in 2004.

OFW remittances, meanwhile, have time and again kept the economy afloat and prevented its collapse in times of severe economic crisis. The \$12.5 billion total OFW remittances last year accounted for 10.5% of the gross domestic product (GDP), and 20% of the total export of goods and services. Around 38.5 million Filipinos, nearly one-half of the national population, depend on the earnings of OFWs for their livelihood. Remittances go to children's education, daily expenses, and other needs of migrant families or other relatives.

On the downside, however, overseas employment has exacted great costs for migrant workers and their families. As the number of deployments increased, so did the number of abuses and human rights violations committed against them. Thousands fall prey to illegal recruiters. Tens of thousands have to endure discrimination, suffer physical and sexual abuse, and get jailed or killed while working abroad. Hundreds of thousands were subjected to the ravages and hardships of war during the 1990 Gulf War and the 2003 invasion of Iraq. More than one million

undocumented workers confront daily the uncertainties of working illegally and the threats of deportation.

### **NGOs and Migrant Advocacy**

Non-Government organizations (NGOs) play a significant role in promoting the rights and welfare of migrant workers. They have always been at the forefront of the movement for the recognition and protection of migrant workers. Although very limited, NGOs provide direct and immediate assistance to distressed migrant workers. In many cases, they manage to effectively in the problems confronting migrants – with or without the help of the government.

With decades of experience in promoting the rights of migrant workers NGOs have gained the moral right to lead the movement in upholding and defending OFWs and their families.

While we recognize overseas migration as a fact of life, even a necessity, for many Filipinos, we do not endorse it as a development strategy. We are aware that overseas migration is here to stay for years and even decades to come. The systematic export of Filipino labor breeds a culture of dependency on the part of government and of society on the labor remittances and additional employment created by overseas migration.

The availability of foreign exchange remittance and new employment created by overseas employment detracts government from its fundamental task of fighting poverty, evolving a vibrant economy, generating local employment, and addressing the burgeoning foreign debt.

### **CMA Stand on Overseas Migration**

We do not close our eyes on the benefits of overseas migration on the national, family and individual levels. Recognizing that overseas migration will continue in the age of globalization, we uphold the inherent right of Filipinos to travel and to work abroad, right to equal opportunity and equal protection of laws, right to free association, right to protection by Philippine government and receiving countries, as well as the right to family reunification, among other equally important migrant and human rights.

We equally foresee that the social, economic, political, and individual costs of overseas migration will outweigh its benefits in the long run.

Some sectors advocate that since overseas migration is now an integral part of our national life and is no longer a “stop-gap” solution to our economic problems, we should embrace and manage it as a permanent development strategy.

We do not subscribe to this view.

We are not ready to give up our national and collective dream and ambition of establishing a vibrant and self-reliant Philippine economy in this age of globalization. To do otherwise is to lose hope for the future of our nation. To subscribe to management of overseas migration as a development strategy is to seal our national fate as a service economy in a globalized world, a



fragmented and disjointed local economy that does not promote real and humane growth and development, and extremely vulnerable to adverse economic and political developments in foreign lands.

It is our firm belief that the path to true and humane development is the management and reform of government policies that will promote the development of a vibrant and independent local economy; policies that will create decent local employment; policies that will promote the protection of human rights of migrant workers; as well as the exercise of political will to eradicate graft and corruption and promote good governance.

Guided by this framework, our advocacy work will focus on several areas to influence the government to show its political will and act decisively for the migrants' welfare. We shall call on the Government to

1. Review the overseas employment program in order to determine its direction in view of its impact on national development and its corresponding human and social costs
2. Address the gaps in Philippine laws and the lack of political will on the part of government to enforce them, and the inadequacy of support being extended by government posts abroad.
3. Work for the political empowerment and representation of OFWs.
4. Negotiate for bilateral and multilateral agreements with labor-receiving countries for the protection of the rights and welfare of migrant workers. Existing UN and ILO conventions provide sufficient basis in international law for the negotiation of such agreements.
4. Act on the more pressing migrant issues that need immediate attention:
  - a. Keep a close watch on recruitment, seek out the illegal recruiters and prosecute them
  - b. Conduct pre-departure orientation seminars (PDOS) for workers leaving for jobs abroad to inform them of their rights while working abroad. PDOS given to departing OFWs hardly touch on their human rights.
  - c. Assign more labor attaches in countries where there are large numbers of Filipinos so they can provide assistance to OFWs who are victimized by their foreign employers.
  - d. Provide legal assistance to OFWs who are making claims for just compensation against their foreign employers. These workers have no compatriot lawyers to consult and no labor union to support them while in a foreign country.
  - e. Extend immediate repatriation assistance to abused or terribly homesick OFWs, especially women migrants, before they resort to desperate measures.
  - f. Engage in nationwide sustained and continued information campaign on the realities of migration.
5. Finally, in order to keep our best and brightest at home, government must work out a national development program that will effectively harness the country's human resources and justly reward workers for their labor. It should be a development program that can compete globally in terms of compensation and working conditions. In due time, overseas migration will have become a choice and not a forced option for Filipinos.

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