

# OUR FUTURE BESIDE THE EXODUS: MIGRATION AND DEVELOPMENT ISSUES IN THE PHILIPPINES

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## Introduction

IT has been 30 years since the Philippines adopted a policy of exporting skilled and unskilled labor for overseas jobs. This trend goes along the fact that Filipinos also want to reside permanently in other countries. In 1974, no one thought that the scale – as well as the relevance – of international migration would escalate in the years or decades that followed. International migration became a national issue especially during the Flor Contemplacion crisis in 1995 – leading to the enactment of a law for migrant workers and overseas Filipinos (Republic Act 8042, or the *Migrant Workers and Overseas Filipinos Act*). The recent hostage taking and release of truck driver Angelo de la Cruz in Iraq also highlighted the issues of migration.

At the moment, perhaps without much fanfare like Contemplacion in 1995 and the de la Cruz abduction last month, there is growing interest with international migration issues – including those that are juxtaposed to greater socio-economic development concerns. International experts and media outfits credit this to the publication of a 2003 World Bank report, *Global Development Finance*, which showed that migrants' remittances, while these are behind foreign direct investment (FDI), have dwarfed official development assistance (ODA) as stable sources of foreign exchange to developing countries (Kapur, 2003). Even the enforcement of the United Nations Migrant Workers Convention, in July 2003, did not elicit much interest – until that World Bank report became a springboard for development analysts to look at multifarious migration and development issues.

The attention to international migration, in the case of the Philippines, accelerated with the Contemplacion episode. But migrants built that public attention themselves because of their growing number (over 7.5 million), their growing remittances (over US\$62 billion from 1990 to 2003), and their growing socio-economic and political influence. Even the most ticklish of situations, such as the Angelo de la Cruz episode, would grab peoples' attention to the international migration situation in the country. Setting aside the tragedy, however, sectors are now after the migrants; government agencies chase them to support cash-strapped public services, business runs after migrants for profit, and civil society groups try to target them as supporters of social development.

This time, the attention to international migration is eliciting broader questions, especially with respect to national development. Thirty years hence, has the Philippines benefited from migration, and how was this made possible? Who benefited more? What has been its impact to varied aspects of Philippine life and socio-economic activity? Is it wrong to send workers abroad to begin with, even if Filipino workers do have the edge over other nationals? These questions are migration and development-type questions; the concept of migration and development itself, based on the literature, proved complex to understand (Rispen-Neel in NOVIB, 2003; Kapur, 2003; Ghosh, 1997; Appleyard, 1991).

The complexities in understanding the costs and benefits of international migration – to sending countries, to receiving countries, or both – prove that migration is not a neutral phenomenon (Sto. Tomas, 2004). This development also comes at a time that the global trend is to understand the migration-and-development nexus (Jenny, in International Migration Policy Programme, 2003). Many scholars have conflicting views with respect to the issues surrounding migration and development (Rispen-Neel in NOVIB, 2003; Kapur, 2003), as even understanding what migration and development *precisely* means is a debate itself.



Amid the complex views, identifying and analyzing migration and development issues in the world's largest exporter of labor is the central theme of this research<sup>2</sup>. The paper comes at a time when the Philippines must look strategic and long-term at its future with international migration beside it. The first part of the paper will look at how migration and development has come to be understood, especially by international experts. A framework for analyzing the migration and development issues follows, that being a means to package the wide array of issues in the Philippines that will be discussed in this paper. The third part will look at the country's migration profile and public policy, and major portions of this will include phenomena related to migration that have a bearing on socio-economic development concerns. The fourth part will contain a set of recommendations, as well as research areas and agenda for public support (to be placed in the appendices), on how the country can harness the potentials of a programmed labor migration.

The paper ends with reflections for readers - especially Filipino migrants and their advocates – to think about how migration and development initiatives can work for the Philippines. While migration is reputed to be not a neutral phenomenon, the author establishes the precise approach that the country, while citizens migrate (most of them as a “last desperate option”), must pro-actively capitalize on the gains of migration so that the costs of the phenomenon to the country will not only be minimized, but will have a dent on Filipinos' forced migration.

## **Migration and development**

Many scholars have affirmed the relationship between international migration and development, but it remains a mystery what the phrase “migration and development” precisely means. The literature is showing two main thoughts on what migration and development means. One thought looks at migration and development as the totality of the international migration issue itself *from within* – encompassing issues such as the rights of migrants, immigration, remittances, labor migration regulations, irregular migration, criminality and migration in host countries, brain drain, and a host of other issues (Castles in IOM and UN, 1999). The other thought takes the phrase “migration and development” into a much broader picture. This sees the relationship between international migration and development needs and issues across other aspects of human society. Migration and development, in this respect, connotes themes such as: migrants as a development resource, the place of migration in national development plans, migration and poverty reduction, migration transition for countries, remittances for economic development, migration and globalization, among others (European Policy Centre and King Baudouin Foundation, 2004; NOVIB, 2003; Oxfam Great Britain, 2003; Kapur, 2003; Sorensen, Van Hear and Engberg-Pedersen, 2002).

While the links between migration and development are present, and both economic theory and common sense have confirmed these (Ghosh, 1997), the relationships are never easy to

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<sup>2</sup> Being a highly qualitative study, the author employed the following data gathering techniques: a) two focused panel discussions with select migration and development experts from civil society; b) focus group discussion with officials from the Philippine Consulate in Toronto, Canada, and with three heads of Filipino organizations in Toronto; c) online key informant interviews with three overseas Filipinos coming from three different countries; c) face-to-face key informant interviews with three experts; d) attendance to, and participant observation in, identified international migration conferences and seminars (e.g. Asia-Pacific Regional Hearing of the Global Commission on International Migration; Seminar for Female Spouses of OFWs and HIV/AIDS; and e) review of related local and international literature covering migration and development themes.



understand (NOVIB, 2003; Kapur, 2003), are unclear, undefined and ambiguous at best (Ghosh, 1997), and there is no clear expression of migration and development in public policy making (European Policy Centre and King Baudouin Foundation, 2004). Oxfam Great Britain thinks the causal effect between migration and development is complex and goes both ways (2003), something that Stalker has also extensively written (in NOVIB, 2003).

While for some migration represents a loss, some consider international migration as the creation of new economic opportunities in receiving countries. Thus, relationship prevails between migration and the economic, social and cultural conditions in developing countries (Ghosh, 1997). In fact, while the development process influences migration, the phenomenon has an impact on development patterns (Appleyard, 1991). This is where the costs-versus-gains debate takes place (*Table 1 below lists down these costs-versus-gains discourses written by scholars*).

**Table 1: Enumeration of the gains and costs of international migration as based on the literature**

Author, year	Gains of migration	Costs of migration
Appleyard, 1991	* Relieves labor market pressures, generates remittance earnings, improves quality of life, and contributes to societal change in origin countries	* Hampers the pace of development, breeds brain drain that hinders economic growth, spurs inflation problems in communities impacted by remittances
Oxfam Great Britain, 2003	* Reduces unemployment and generates higher wages, generates return of financial, human and social capital that can be invested, can supply remittance flows, and promotes stronger trade links	* Causes brain drain
Stalker, in NOVIB, 2003	* Remittances * Population / employment * Skills transfer	* Family strain * Inequality * Brain drain * Culture of emigration
Sorensen, Van Hear, and Engberg-Pedersen, 2002	* Family level – improve household earnings, giving people better food, health, housing and educational standards * Community level – hometown associations may serve as platforms resulting in significant development in communities, and this benefits migrant and non-migrant households	* Depletion of labor force in sending communities of migrants * Inflationary influence of remittances to the home economy, especially on land and real estate prices

Noticeably, majority of these discourses are in the perspective of the emigration country (i.e. the origin country of migrants), which the current study focuses. Much has also been written about how migration affects receiving countries, such as easing unemployment pressures and demographic shortfall, the big demand for resources of the receiving country in terms of welfare, housing and the costs of enforcement relative to criminality because of migrants' presence (Emmer, in NOVIB, 2003). Nevertheless, a look at the positive and negative effects of migration to host countries also impact on homeland states such as the Philippines, and will be considered in the course of this paper.



The literature forwards numerous suggestions for countries to maximize the benefits and minimize the costs of migration (Bagasao, in NOVIB 2003; Ghosh, 1997). The Copenhagen-based Center for Development Research (CDR) called on Denmark and the European Union to look at migrants as *a development resource*, and called for improved policies in three fields: a) support for neighboring countries that receive and host migrants and refugees; b) building on the development potential of migrants; and c) making aid and migration regimes work for, rather than against, one another (Sorensen, van Hear and Engberg-Pedersen, 2002).

The obvious reference here was on remittances and how these money flows can be directed towards productive endeavors that benefit the home economies of migrants and ease poverty in the homeland. A roundtable discussion in Europe, for example, said the following steps are needed to turn remittances into actual tools to ease poverty: a) reducing of transaction fees of remittances; b) encouraging the transfer of funds through official channels; and c) using remittances for development (European Policy Centre and the King Baudouin Foundation, 2004). But apart from remittances, migrants also bring with them human capital (i.e. skills that they possess), as well as social capital - and these can also be harnessed for development in the homeland. This where the challenge for countries is for the diaspora and the groups in the homeland to communicate with each other and establish functional linkages to ease fundamental problems in home countries (European Policy Centre and the King Baudouin Foundation, 2004).

Nevertheless, the recommendations of experts strike, first and foremost, at spurring development in migrants' home countries. In its report to the UK Parliament – International Development Committee, Oxfam Great Britain said the UK and the European Union should reframe their migration policies to integrate social and economic development in migrants' home countries with entry and integration in host societies (Oxfam Great Britain, 2003). This broad recommendation was followed up with specific items such as having a look at the rights of migrants (especially women), the immigration policies themselves, and even on policies related to providing aid to developing countries. In relation to aid, Oxfam Great Britain said it would be concerned if aid policies were used as a conditional mechanism to prevent the migration rather than to ensure that there are development benefits from migration (Oxfam Great Britain, 2003).

Development, contends Ghosh (1997), is the *basis* for orderly migration. The primary responsibility for national development rests with the countries themselves (including the origin countries of migrants). He adds:

For better management of migration, developing countries need to adopt broad-based development policies, with emphasis on job creation, consistent with economic growth, and better income distribution, export promotion, demographic planning, and human resources development, together with stable micro-economic policies. The challenge for the migrant-sending countries is to: a) design and implement such a policy, combining and balancing the interests and concerns of different groups of the population within the national society; and b) maximize the development impact of migration within the framework of the new policy (Ghosh, 1997).

That challenge alone for countries that send out migrants is never easy. What is also not an easy task is having a new form of cooperation between migrant-sending and migrant-receiving countries so that the root causes of disorderly and irregular migration are removed, and the benefits of orderly migration for both origin and sending countries are optimized (Ghosh, 1997; also in Sorensen, Van Hear and Engberg-Pedersen, 2002). Ghosh further explains why:



Designing and effectively implementing such a policy (of cooperation) is by no means an easy task. It calls for a delicate balancing of many conflicting and converging interests and considerations at the national level; and since migration is, by its very nature, an inter-country process with increasingly important global dimensions, it requires an internationally-harmonized framework which alone can foster and facilitate close and continuing dialogue and coherent action at the bilateral, regional and global levels (Ghosh, 1997).

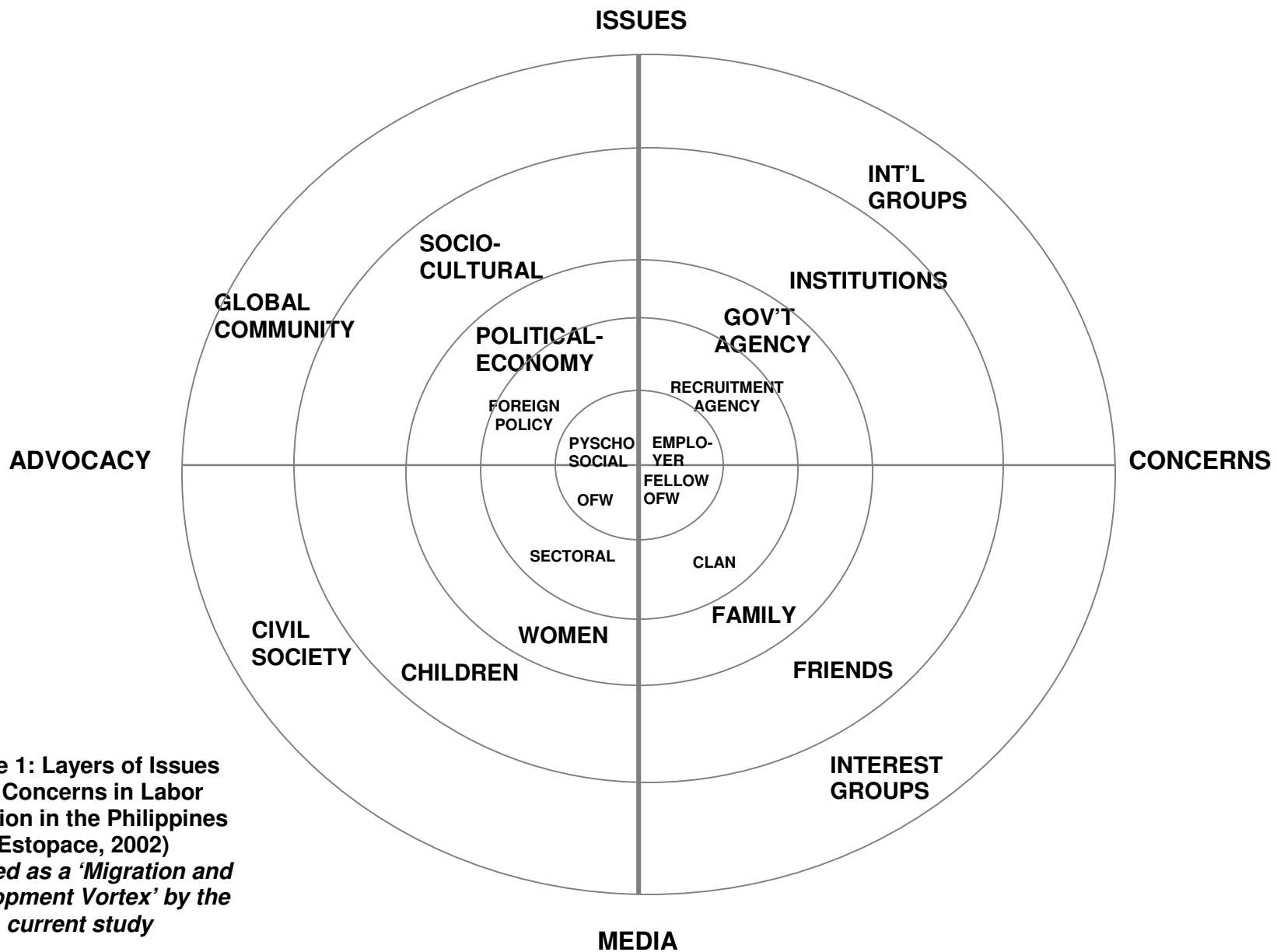
Thus, this study will attempt to discover existing and potential migration-and-development links. It will involve posing fundamental questions about the migrants, the nature of their movement, and the effects of migration on the socio-economic and political structures of source areas (as well as destinations) (Sorensen, Van Hear and Engberg-Pedersen, 2002).

### **Conceptual framework: A migration and development vortex**

Estopace (2002) enumerated an array of migration issues in the Philippines that media people – in the national, local and international levels – can report. The framework he presented (see *figure 1*) sought to provide media reporters and advocates of overseas Filipino workers (OFWs) a whirlpool of the varied social, economic, and political issues that arose from Filipinos' international migration. As seen in the framework, Estopace was also able to point out the individual and group actors in the migration stream who are likely to be affected – from the individual overseas Filipino to the international community.

The author wishes to adopt the Estopace framework of migration areas for reportage by media and migrants advocates into this study. The framework, which we can call the *migration and development vortex*, will be helpful in enumerating and analyzing the varied migration and development issues in the Philippines. The framework will also be useful in attempting to analyze the future of the country with migration beside it.



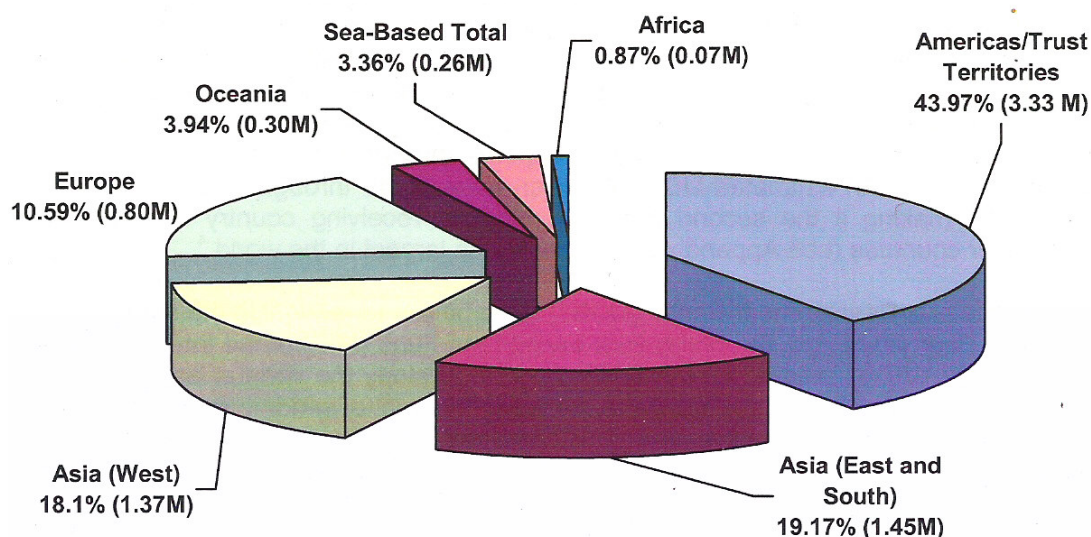


**Figure 1: Layers of Issues and Concerns in Labor Migration in the Philippines**  
 (Estopace, 2002)  
*Adopted as a 'Migration and Development Vortex' by the current study*



## Philippine migration profile

Given many Filipinos' dismay for the state of growth in the country, many Filipinos are forced to migrate. Current estimates show that Filipinos abroad number to over-7.5 million – as sea- and land-based contract workers, as immigrants and permanent residents, and as undocumented (or illegal) migrants. The wonder that is Filipinos' international migration has reached 193 countries worldwide (from the big states to the small islands, and Filipinos even go to poor countries). The Philippines is the world's global leader in labor export, aside from being renowned to have a systemic migration management program and bureaucracy (see figure 2 for stock estimates of overseas Filipinos).



**Figure 2: Stock Estimates of Overseas Filipinos  
(Commission on Filipinos Overseas, 2003)**

The following overseas migration trends currently prevail in the Philippines:

1. Over the years, there are more Filipinos who leave the country for temporary contract work than those who leave to reside permanently abroad. But there are some who would want to migrate as temporary contract workers and, in the end, will vie for permanent residency in host countries;
2. The predominance of the Middle East as a work destination in the seventies and early eighties gave way to the emergence of Asia, particularly its newly industrializing economies, as increasingly important alternative destinations for Filipino labor in the mid-eighties and nineties;
3. Females dominate migrant deployment since the eighties. Some 65 to 70 percent who leave the country are women; and
4. From deploying production, transport, construction, and related workers in the seventies and mid-eighties, migrant deployment has shifted to an ever increasing proportion of service workers, particularly domestic helpers in the mid-eighties and nineties. (Go, 2002a).



### ***Domestic demographic profile of overseas workers***

The National Statistics Office (NSO) also provided a socio-demographic profile of overseas workers, based on the 2000 Census of Population and Housing. Data here imply those OFWs that are based in the Philippines at the time that the Census of Population and Housing was conducted. Below is a summary:

- The number of overseas workers - 992,397 – accounted for 1.3 percent of the population, and the figure is an increase of 210,100 persons from the 1995 census results;
- Overseas deployment by sex was almost even, with the males (50.27 percent) at a little advantage over the females (49.73). Thus, there was a male OFW for every 77 males, as well as one female OFW for every 77 females, in the Philippine population;
- Southern Tagalog (Region 4) contributed 177,155 overseas workers or 17.85 percent of all overseas workers. National Capital Region (NCR) had 165,575 for second place, and Central Luzon (Region 3) had 135,802 OFWs for third place. These three regions contributed 48.2 percent of the total overseas workers in the Census;
- Overseas workers recorded a median age of 32 years, with males having a higher median age of 35 than females (29). However, there was a high proportion of overseas workers in the 10-to-14 age group bracket (10.04 percent). This implies that these young people, who were not allowed to work under Philippine laws, go into overseas work notwithstanding possible child abuse and exploitation in receiving countries;
- Some 55.8 percent of overseas workers were married, household heads constitute 30.83 percent of all overseas workers (mostly male [54.7 percent]);
- The median educational attainment of overseas workers was the high school level, while overseas workers with academic degree and with post-baccalaureate courses constituted 12.28 and 0.88 percent, respectively;
- The average household size of overseas workers was 5.86 persons, as households with overseas workers had more household amenities (85.73 percent radio or cassette, 75.01 percent television set, and 57.91 percent refrigerator); and
- Housing characteristics of overseas workers revealed that they were economically better off than the average household with no overseas worker. This was manifested in overseas workers' bigger houses (with a median floor area of 39.4 sq. m), stronger materials of roofs and walls, and higher proportion of ownership of major household amenities such as radio, television set, and refrigerator (National Statistics Office, 2003).

### ***Remittances and income levels of migrants and their families***

Remittances from overseas Filipinos have kept the country afloat; it is, in fact, one of three main reasons why the Philippines survived the 1997 Asian financial crisis (Tenorio, 2002). From US\$103 million in 1975, Filipino migrants have remitted as high as US\$7.6 billion in 2003. From 1990 to 2003, overseas Filipinos have remitted over \$62 billion. From 1992 to 2001, remittances (by average) are 20.6 percent and 6.2 percent of export earnings and gross national product (GNP), respectively (*see table 2*).



**Table 2: Summary of remittances and development remittance figures in the Philippines**

	Figures	Yearly figures		
	1990 to 2002	2001	2000	1999
Total (in US\$ million) – 1990-2002	\$ 55,891	\$ 6.031	\$ 6.050	\$ 6.794
• Land-based (in US\$ million)	\$ 47,896	\$ 4.937	\$ 5.123	\$ 5.948
• Sea-based (in US\$ million)	\$ 8,022	\$ 1.093	\$ 0.926	\$ 0.846
Export Earnings (US\$ million) -- 1992-2001	\$ 23,266 (mean)	\$ 32,149	\$ 38,078	\$ 35,037
Ratio Remittances to % of Export Earnings (1992-2001)	20.6% (mean)	18.8%	15.9 %	19.4 %
Ratio Remittances to % of Gross National Product (1992-2001)	6.2 % (mean)	8.0 %	7.6 %	8.5 %

OFW Journalism Consortium (2003); Go, Stella (2003). *Citing figures from the Bangko Sentral ng Pilipinas*

Filipino families, particularly some 2.6 million of them in the country, have “income from abroad” as the main source of income. Some 7.8 percent of these families come from urban areas, while 4.8 percent come from rural areas (2000 Family Income and Expenditures Survey, in Go, 2002). Meanwhile, based from the 2001 and 2002 editions of the Survey on Overseas Filipinos (SOF, held every April to September), there were 853,000 OFWs that remitted P46.374 billion pesos, who sent an average cash remittance of P54,395 (*see table 3*).

**Table 3: Number of OFWs with Cash Remittances, Total and Average Remittances, by Mode of Remittances and by Sex (April to September 2001 and 2002)**

Number of OFWs, Total and Average Cash Remittance, and Sex	Total	Banks	Agency / Local Office	Friends/Co-Workers	Door-to-Door	Others
<i>April to September 2002 – Philippines</i>						
Both sexes						
* No. of OFWs (in 1,000)	853	597	19	16	218	2
* Total cash remittance (P1,000)	46,374,372	35,207,985	1,709,782	436,847	8,958,646	61,111
* Average cash remittance	54,395	58,933	88,527	27,663	41,096	30,119
Male						
* No. of OFWs (in 1,000)	469	336	11	5	116	*
* Total cash remittance (P1,000)	31,949,016	25,059,832	1,318,225	156,128	5,402,124	12,708
* Average cash remittance	68,133	74,592	115,212	32,184	46,388	60,000
Female						
* No. of OFWs (in 1,000)	384	261	8	11	102	2
* Total cash remittance (P1,000)	14,425,355	10,148,153	391,557	280,719	3,556,522	48,403
* Average cash remittance	37,602	38,813	49,740	25,659	35,026	26,636
<i>April to September 2001 – Philippines</i>						
Both sexes						
* No. of OFWs (in 1,000)	822	554	20	16	227	5
* Total cash remittance (P1,000)	38,514,872	27,520,563	1,610,535	461,330	8,748,661	173,1782
* Average cash remittance	46,878	49,708	81,340	29,149	38,565	31,788
Male						
* No. of OFWs (in 1,000)	443	311	15	7	108	2
* Total cash remittance (P1,000)	26,115,260	19,562,442	1,471,045	154,029	4,845,665	81,078
* Average cash remittance	59,002	62,815	101,311	21,937	44,798	50,275
Female						
* No. of OFWs (in 1,000)	379	42	5	9	119	4
* Total cash remittance (P1,000)	12,399,612	7,952,122	139,490	307,301	3,902,996	92,793
* Average cash remittance	32,718	32,833	26,419	34,901	32,884	24,003

\* Less than 500, details may not add up to totals due to rounding  
National Statistics Office (2002)



In terms of expenditures, OFW households have spent a total of P459.9 billion, according to the 2000 Family Income and Expenditures Survey (De Vera, 2003). Within that figure, some P13.605 billion was spent on durables, while P 12.471 was spent on medicines and medical-related expenses (*see table 4*).

**Table 4: OFW Households' Expenditures by Region (in billion pesos)**

Region	Total Expenditures		Expenditures - Durables		Expenditures – Medicines	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
National Capital Region	152.7	33.2	3.261	24.0	3.099	24.8
Cordillera Administrative Region (CAR)	9.5	2.1	0.152	1.1	0.282	2.3
Ilocos Region	30.5	6.6	0.711	5.2	0.824	6.6
Cagayan Valley	11.0	2.4	0.214	1.6	0.272	2.2
Southern Tagalog	84.2	18.3	3.002	22.1	2.571	20.6
Central Luzon	52.8	11.5	1.014	7.5	1.325	10.6
Bicol Region	12.5	2.7	0.488	3.6	0.385	3.1
Eastern Visayas	9.7	2.1	0.231	1.7	0.381	3.1
Western Visayas	34.9	7.6	1.893	13.9	1.141	9.1
Central Visayas	21.7	4.7	0.859	6.3	0.730	5.9
Western Mindanao	7.5	1.6	0.508	3.7	0.171	1.4
Northern Mindanao	6.1	1.3	0.233	1.7	0.192	1.5
Southern Mindanao	14.7	3.2	0.501	3.7	0.720	5.8
Central Mindanao	6.1	1.3	0.265	1.9	0.198	1.6
Autonomous Region of Muslim Mindanao (ARMM)	1.5	0.3	0.019	0.1	0.014	0.1
CARAGA Region	4.5	1.0	0.255	1.9	0.169	1.4
Total	459.9	100.0	13.605	100.0	12.471	100.00

De Vera, Roberto (2003)

\*\* From the 2000 FIES, there are 2.6 million OFW households who have spent P 460 billion. These migrant households comprise 17.4 percent of all households, and spend 25.5 percent of total household expenditures

\*\*\* 1.71 million OFW households are in urban areas, while 0.95 million (36 percent) are in rural areas

For their increasing economic resources, overseas workers are now considered a growing middle class. But within its ranks, if their annual incomes are categorized, it was found that majority of the overseas worker households are in the lower rungs of the income bracket (De Vera, 2003). These households, numbering to 1.077 million, belong to the P6,000 to P14,999 bracket (*see table 5*).

**Table 5: OFW Households' by Income Class, Using the 2000 FIES data**

Income Class	Monthly household income (in pesos)	OFW Households' Income	
		Number of households (in 000s)	% share
A	Above P 300,000	1.260	0.0
B	P 100,00 to P 299,999	14.486	0.5
Upper C	P 50,000 to P 99,999	96.113	3.6
Upper broad C	P 30,000 to P 49,999	250.877	9.4
Lower broad C	P 15,000 to P 29,999	836.407	31.5
D	P 6,000 to P 14,999	1,077.404	40.5
E	Less than P 6,000	381.913	14.4

De Vera, Roberto (2003)

\* The income class grouping here adopted a classification system done by the local market research group AC Nielsen



## Analyzing Philippine migration policy

One of the ticklish parts in the country's migration phenomenon is the presence - or absence - of a "policy" on migration. The media frequently report that the Philippine government has "adopted a policy of labor export" since 1974. A New Labor Code in 1974 ushered in the "formal" pursuance of overseas employment as a "systematic program" for Filipino workers (Alunan-Melgar, 1999). This policy is taken in the context that overseas employment is a temporary, stop-gap measure to ease domestic unemployment and liquidity problems (Go, 2002; Alunan-Melgar, 1999; Philippine Migration Research Network, 1997).

Frequently however, in occasions such as dialogues and conferences on migration where government officials participate, government promotes the message that it abandons having an "explicit policy" of sending Filipinos abroad for overseas work (Rodriguez, 2000). Department of Labor and Employment (DOLE) Secretary Patricia Sto. Tomas says overseas employment is "market-driven," and government only does a "facilitative" role. "It is not as if the government is pushing people out," Sto. Tomas remarked during a convention of economists, business experts, and economics analysts on January 2003 (Estopace, in OFW Journalism Consortium, 2003).

This has pointed to the analysis that government will never, ever admit an explicit policy on labor export, i.e. that it deliberately sends its citizens for overseas work. In the Philippine case, however, action speaks louder than words, and what prevails is government's pro-active facilitation of overseas work opportunities for unemployed Filipinos to skirt a huge domestic unemployment problem. Marketing missions overseas done by DOLE and the Philippine Overseas Employment Administration (POEA) also point to the confusion with regard to policy: is overseas employment truly the Philippine government's policy? For government, enhancing the competitiveness of the OFW is indispensable to the conduct of an aggressive marketing campaign as a strategy for labor migration management (Sto. Tomas, 2003).

### ***The state's basic premises and policies on overseas migration***

Generally speaking, the current Labor secretary also enunciated the basic policies of the state with regard to overseas employment:

- "As a strategy for labor migration management, the government shall explore and develop more and better markets for overseas employment;"
- "The government shall ensure that OFWs are qualitatively at par with, if not superior to, their foreign counterparts through technical education and training programs for OFWs;" and
- "The government will ensure that OFWs are protected from the perils of overseas employment, stemming from government's deepening appreciation of its moral responsibility over them, aside from its earnest recognition of their monumental importance as partners in nation building" (Sto. Tomas, 2003).

Within these general policy premises on overseas migration lie government's general thought on overseas migration - as a phenomenon that is filled with "opportunities," and that occurs as a result of the migrant's personal decision to seek greener pastures offshore. Below are the explanations of Sto. Tomas (2003) on this general thought:



- “Filipinos’ involvement in overseas employment is, by design, fraught with a meaningful purpose. It is meant to be an “enabling” tool to help them act on their own choice – a choice to get ahead in life and move up in the world; a choice to improve the lot of their immediate families and give them a future to look forward to; and a choice to remain relevant in national development;”
- “Overseas employment has empowered OFWs financially, enabling them to acquire a much higher standard of living for themselves and their immediate families;”
- “Migration has provided migrants with enough earning potential that predisposes the government to encourage them to invest strategically in small- and medium-scale enterprises;” and
- “Overseas employment has empowered migrants professionally, enabling them to acquire information and skills that the government is keen on harnessing under its reintegration program.”

The Philippines also has a basic policy framework on overseas employment, Republic Act 8042 (or the Migrant Workers and Overseas Filipinos Act of 1995). While previous policies on labor migration were contained in the Philippine Labor Code, RA 8042 was a result of the Flor Contemplacion hanging in Singapore in 1995, pointing to increased calls to provide protection to overseas Filipinos and their families. Its formulation, however, is filled with confusion – particularly two items under the law’s Declaration of Policies (in Alunan-Melgar, 1999).

- The state *does not promote overseas employment as a means to sustain economic growth and achieve national development*, and that the existence of the overseas employment program rests solely on the assurance that the dignity and fundamental human rights of the Filipino citizen shall not, at anytime, be compromised or violated (Sec. 2c); and
- Nonetheless, *the deployment of Filipino overseas workers*, whether land-based or sea-based by local service contractors and manning agencies employing them, *shall be encouraged* (Sec.2i).

Government development plans have also been careful at crafting verbiage with regard to the place of overseas employment in the country’s development. Chapter 2 of the 2001 to 2004 Medium-Term Philippine Development Plan (MTPDP), titled *Promoting Full Decent and Productive Employment*, was devoted to government’s strategies in generating jobs for the country. Basically, the strategies are four-fold – employment generation, employment preservation, employment enhancement, and employment facilitation (National Economic and Development Authority, 2001).

Overseas employment was mentioned in this chapter, noting the rise of overseas workers, their remittances, and the contribution of migrants to offsetting domestic economic problems. The chapter, in addition, mentioned the concomitant costs of overseas employment on social structures and value systems. This has led the MTPDP to say that the government’s priority is domestic employment.

In attuning overseas employment to the four-fold strategy of the MTPDP, the following were mentioned:

- *Employment generation*. There was no mention of overseas employment here, except for the fact that “The country’s competitive niches in software development and e-services shall be secured and enhanced by seizing local and *overseas market* opportunities in developing strategic partnerships for major ICT development initiatives;



- *Employment preservation.* Preserving existing jobs of Filipino workers also includes the “forging of multilateral and bilateral labor agreements and arrangements for overseas employment;”
- *Employment enhancement.* Here the government planned to improve access to education and training programs in identified priority areas, including the *overseas labor market*. In addition, government shall: a) provide a mechanism to protect the rights of OFWs to fair and equitable recruitment and employment practices and ensure their welfare under a deregulated condition; b) develop programs to ensure quality employment for OFWs; and c) provide a provident fund for OFWs.
- *Employment facilitation.* This includes developing and improving access to employment opportunities and alternatives – both local and abroad. Government here declared that overseas employment, especially in the context of the United Nations Convention on the Protection of Migrant Workers and All Members of their Families, will continue to be tapped to take advantage of job opportunities in the world market.

It is under *employment facilitation* that carried a lengthier portion on overseas employment. Under employment facilitation, there were additional provisions (NEDA, 2001):

- “Government shall use diplomacy to ensure equal protection and safe working conditions for OFWs, particularly the women migrant workers. But more importantly, a shift to higher skill and knowledge-based categories of jobs in the new economy is anticipated, taking full advantage of the opportunities brought about by the General Agreement on Trade in Services (GATS), the Association of Southeast Asian Nations (ASEAN) Framework Agreement on Services, and the Asia-Pacific Economic Cooperation’s (APEC) Mutual Recognition of Skills and Professional Qualifications projects. Programs shall be instituted to tap decent employment opportunities of the new economy.”
- “To realize the general thrust of the State on the overseas employment program, the government shall: a) establish an adequate information system in the overseas employment program; b) improve support programs for the effective reintegration of returning OFWs; c) provide overseas recruitment and placement assistance as public interest may require; and d) establish a legal environment conducive to legitimate and responsible private sector participation in the overseas employment program.”

The state always crafts policies carefully in relation to overseas employment and its place in national development efforts. The verbiage and the consciousness not to become explicit in stating the policy, however, have not only led to ambiguity (or what some others call dualism). The actions reflect differently of policy. Marketing missions abound, with DOLE and the POEA leading the way in aggressively tapping other foreign markets. While government continues its best, within its limited upkeep and manpower, to provide protection to its overseas workers, it has found overseas employment to be lucrative for the country and for those who opt for (or who are forced into) it. Thus, the facilitative role of government becomes pro-active.

It could also be possible that the government would not want to fall into the trap of declaring overseas employment a policy. This will bring the impression that the domestic economy is weak, as it continues to be, and that Philippine development would be based on women domestic helpers and entertainers (Estopace, 2002). That is why migration management (i.e. handling the exodus of Filipino citizens through pre-departure, immigration, and return migration



programs by the Labor and Foreign Affairs departments and their attached agencies) has been the approach.

Many still believe that labor migration should remain a temporary and stop-gap measure to ease the ills of the domestic economy. However, developments in the domestic and international scene are challenging that. The domestic economy continues to be hampered by poverty, joblessness and jobs without decent wages, lack of social protection mechanisms, bad governance, and corruption. Foreign exchange is also hard to come by for the Philippines, and remittances from overseas Filipinos have dwarfed foreign direct investment (FDI) and official development assistance (ODA). Meanwhile, globalization fast accelerates, and the continued movement of goods and capital will be followed up by labor through forthcoming discussions on the General Agreement on Trade in Services (GATS), aside from bilateral trade discussions. The Philippines, being at the forefront of labor export worldwide, will surely find itself not to be left behind in these.

Thus, with an ambiguous and unclear policy on labor export prevailing in the country, what will be the policy of the state now that migration has slowly become an important aspect of development (*Newsweek*, 2004), especially for developing countries? Secretary Sto. Tomas herself said it, that labor migration is here to stay (Estopace, in OFW Journalism Consortium, 2003), and that view challenges whatever “temporary, stop-gap” approach that is seen from migration. In addition, the gains that Filipinos and the country get from international migration justify whatever policy that prevails. In hindsight, however, the country’s struggling economic fundamentals are also restricting the state to admit a policy on sending Filipinos abroad for work.

With respect to migration policy (that which is said to be “temporary”), the question to also ask is “of what issue does migration fall under?” For obvious reasons, the dominant aspect is labor, and the Department of Labor and Employment (DOLE) and its attached agencies are at the forefront of programs and services for migrants. Foreign policy is also an important aspect of migration since the country deals with nations in asking for better terms for its citizens (or even in asking for employment for Filipinos in their countries, and investment opportunities for the Philippines through trade). The Angelo de la Cruz episode hit the country’s foreign policy with respect to its relations to the United States, and its commitments to the war against terrorism.

But international migration can also touch on other aspects. Trade and globalization are part of it, as for example the Philippines is currently negotiating with Japan for a free trade agreement (FTA) that will allow nurses and caregivers to work in Japan, and for Japanese businessmen to get less restrictions when making business in the Philippines. Health and education are other aspects affected by migration, as the continued exodus of nurses, doctors, teachers and principals hits the country’s health and educational institutions. While hospitals are understaffed and public schools have seen their principals leave for overseas opportunities, government continues to project the image that Filipinos are caring and hardworking. International migration can even fall under a broader economic policy (i.e. possibly under the National Economic and Development Authority or NEDA), due to the remittances and work opportunities that have been positively helping a struggling Philippines.

The country thus has an unclear policy on migration and development, as well as precisely determining which agency should handle all international migration concerns and issues. Some contend that labor export, if it is an industry, should be in the hands of the private sector as there should be a regulatory agency similar to the Securities and Exchange Commission (SEC). However, deregulating labor export is a matter civil society groups oppose to since this will



lessen the provision of protection to OFWs. Others are of the view that if migration is a government function, then DFA should handle it because migration is about foreign travel and the welfare of citizens in another country.

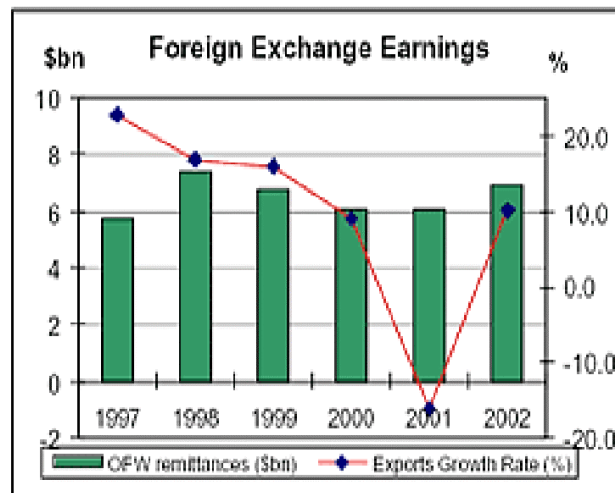
Is it harmful then to declare explicitly the policy? For some it is, but not for others because it is happening anyway. But the presence of a clear policy on Filipinos' international migration is central towards the view that if this phenomenon will continue to stay, the country should leverage for better terms, and pro-actively initiate efforts to harness whatever it can get from continued migration so that the country is not to be left out in the medium- and long-term.

### **The costs, gains and issues on migration and development in the Philippines**

The Philippines is generally enduring a whirlpool of socio-economic and political problems. Basically, the country still suffers from rising poverty levels and population growth, high unemployment and jobs with low wages, fiscal imbalance and huge deficits for public spending, bad governance, corruption, and the lack of basic services and asset reform measures for poor and marginalized sectors (Asian Development Bank, 2003, Action for Economic Reforms, 2001; Aldaba and Tuaño, 1997). Compared to other countries in the East Asian region, analysts pointed out, the Philippines is among the least performing economies. Countries such as Thailand and Malaysia have recovered from the debilitating effects of the 1997 Asian financial crisis (Thailand even being the epicenter of the crisis). The Philippines remains struggling, and even with a 4.5 percent GDP growth rate last year, it is still behind its Asian neighbors which have sustained their economic growth for years.

Meanwhile, Filipino migrants have long saved the economy through their remittances, as the country continues to reel due to the lack of foreign exchange. Even if remittances represent only 8-to-9 percent of GDP, the Asian Development Bank (2003) says Philippine economic performance depends critically on *OFW remittances* and exports (*see figure 3*). And while the country is primarily fueled by consumption-fed growth, remittances are not to be left out behind as among the major economic drivers of the Philippines (Asian Development Bank, 2003). This development points to the observation that given the supposed "temporariness" of international migration as a measure to offset domestic economic problems, it will be hard for us to discontinue enjoying these benefits unless we have made a significant economic turnaround. Some even gave the observation that the country can survive without remittances, however this will be not without its "costs" such as effects on the exchange rate, the balance of payments (BOP), and generation of much-needed foreign exchange to the domestic economy.





**Figure 3: Foreign exchange earnings for the Philippines (ADB, 2003)**

For some, these problems besetting the country have been the push factors (new and old ones) that have driven Filipinos out of the country (Aldaba, 2004), aside from the existence of available and lucrative job and immigration opportunities overseas. An economist points out that the Philippines has continued to experience boom-and-bust cycles, or episodes of economic growth and drop, and that has affected the economy so much. In addition, the following are the reasons for what they see as government's "unsatisfactory" performance in poverty reduction: a) slow growth and lack of economic opportunities; b) inequality in incomes and assets; c) high population growth; d) low growth of productivity; e) Inadequate provision of social services; f) limited success of safety net programs to improve the living standards of the poor; and f) the lack of participation of the poor in decision making, especially in the making of economic policies (Aldaba and Tuaño, 1997).

And what is the link of all these socio-economic problems to Filipinos' international migration? To quote Thomas Crouch, the Philippines country director of the Asian Development Bank (*Khaleej Times*, 2004), "OFWs are a symptom of the country's wider problems." This puts the international migration issue into the near-center of Philippine development problems - not anymore in the periphery. Even if the country's economic planners think that "economics, not desperation," and "pure and simple economics" lure Filipinos away to take lucrative jobs abroad (*Khaleej Times*, 2004), the contributions of Filipino migrants to the Philippine economy are something that cannot be overlooked (even if these benefits are short-term).

### ***Issues facing the Philippine migrant sector***

There is a whole gamut of issues within the migrant sector, and it even starts with the migration phenomenon itself. Civil society groups involved with the rights and welfare of sea- and land-based overseas Filipino workers (OFWs) have long been raising these issues especially to the state, whose policies – or the lack of these – have resulted in the birth of OFWs (Estopace in OFW Journalism Consortium, 2003).

The problems brought about by migration also project the image that migration is a "tragic" phenomenon. This image was projected by celebrated cases such as those by Japan-based entertainer Maricris Sioson in 1991, Singapore-based domestic worker Flor Contemplacion in



1995, and by Sarah Balabagan (a domestic worker in the United Arab Emirates) in 1996. The recent episode affecting truck driver Angelo de la Cruz, though he was freed in the end, reminded the public of the pitfalls of the migration phenomenon. The tragedies facing OFWs are what civil society groups try to address, to either avoid these or call to action those who are responsible (e.g. recruitment agencies, government officials).

Villalba (1997) has effectively summarized the OFW issues in the Philippines into four major types:

- *Structural issues.* Three “structural” migration issues were mentioned. One problem covers unskilled migrant workers who are in low-status jobs (i.e. 3D jobs – dirty, dangerous, demeaning), as the author asserts these migrants are vulnerable to gross exploitation and abuse. This vulnerability is inherent in their jobs, Villalba asserted, such as those in domestic work and those in the sex industry. Women are also exposed to these kinds of risky jobs, although male construction and manufacturing workers are also vulnerable though of a lesser degree than women workers. Another issue is ethnocentrism and nationalism that are not only on the rise in many host countries, but are also causing a protectionist backlash against migrant labor (such as in Europe). A third structural problem is the weak bargaining position of Third World countries to fight for the fair treatment of its workers with host countries. In relation, OFWs are always on a weak position in every work contract, and migration-related circumstances (e.g. visa, immigration status, onerous terms and conditions) restrict the worker to fight for better terms.
- *Rights issues.* The rights of migrants have been a frequent advocacy effort in many host countries. The issues that migrants face are a result of the non-recognition of the rights of migrants and their families in both origin and sending countries (most especially the latter). A rights-based approach to addressing the needs of migrants and their families has been the prevailing approach for civil society action to the migrant sector – from public policy reform, welfare, international instruments concerning rights and employment, recruitment, wages, health, to socio-economic reintegration.
- *Pre-employment issues.* Prior to migration, migrant workers already face problems that may affect their migration – especially deployment-related problems. Among these include: exorbitant recruitment fees, illegal recruitment, illegal work contracts, lack of credible information about overseas work conditions; lack of on-site services and re-entry programs; domestic unemployment and poverty; deskilling of the educated workforce; etc. Villalba asserted that OFWs could be saved from the risks of working under “illegal conditions” if government “would simply tighten its job placement screening process.”
- *Inadequate services for OFWs.* Villalba presented this in the context that the growing number of migrants is simply too many for Filipino diplomatic officials and staff to handle. The issue is pointed at the Department of Foreign Affairs, which is supposed to look after the welfare of its citizens in host countries (Villalba, 1997; also in AMEND et al, 2002).

Seafarers also have their own special issues, though many of their issues encompass those mentioned above. Apart from employment-related concerns, sea-based workers face problems such as age discrimination; anti-seafarer standard employment contracts; high placement fees; complying to undergo training session which seafarers found as unnecessary; among others. The country holds the distinction of being the world’s largest supplier of seafarers – providing a



fifth of the world total, for that matter. Seafarers, such as those who have worked abroad, are also faced with the issue of blacklisting – a means of not allowing seafarers to continue working in other ships since they have been “blacklisted” by manning agencies. Many times, blacklisting occurs when Filipinos complain to shipowners and manning agencies. Meanwhile, seafarers are among those risking health hazards. Among these hazards is the contraction of HIV/AIDS, especially when seafarers meet women with the disease in ports worldwide (Scalabrini Migration Center, 2000).

A study team of the Department of Foreign Affairs provided summary of pre-departure, on-site, and return migration issues (DFA and ILO, 2001; see *table 6*), giving us a capsule of the issues migrant and their families face:

**Table 6: Problems of overseas Filipino workers, as assessed by a study team of the Department of Foreign Affairs (DFA)**

Pre-departure	On-site	Return migration
<ul style="list-style-type: none"> <li>• High cost of placement fees</li> <li>• Lack of information on policies of host country</li> <li>• Lack of preparation of migrant workers and families</li> <li>• Illegal recruitment / deployment / departure</li> <li>• Lack of domestic economic and employment opportunities, as well as limited job options</li> </ul>	<ul style="list-style-type: none"> <li>• Abusive and exploitative work conditions</li> <li>• Contract substitution</li> <li>• Inadequate mechanisms on protection, and compliance monitoring of these</li> <li>• Limited on-site services for OFWs</li> <li>• Ill-attended health needs</li> <li>• Rampant trafficking of women</li> <li>• Social and cultural adaptation problems</li> <li>• Incidence of violence</li> <li>• Inadequate preparation for interracial marriages</li> <li>• Lack of welfare and other officials to attend to migrant workers' needs</li> <li>• Lack of support or cooperation from government of host country</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of opportunity to absorb returning migrant workers</li> <li>• Lack of savings</li> <li>• Inability to manage income</li> <li>• Broken families (social costs of migration to the family)</li> <li>• Reintegration problem of women migrant workers</li> </ul>

Department of Foreign Affairs and the International Labor Organization (2001)

The welfare and protection of Filipino migrants dominate the issues within the sector. The tragedies that befell migrants, especially women, make civil society groups vigilant in this aspect. In relation, a relevant issue is the proposed deregulation of the labor export industry. Deregulation is mandated in Republic Act 8042 (sections 29 and 30, which civil society groups call for their repeal), and is even encouraged in the 2001-2004 MTPDP (see item under employment enhancement). It has been asserted that under a deregulated environment, albeit in gradual steps by the Philippine Overseas Employment Administration (POEA), government will eventually let go of the recruitment aspect of overseas employment and the phasing-out of state regulation in workers' deployment. However, the vulnerability of migrant workers to abuse and exploitation is at risk because of deregulation, and government should instead provide more protection to migrant workers. Kanlungan Centre Foundation, a migrant NGO which has been



among the frontrunners of the anti-deregulation lobby through coalition work, wrote: “By making overseas employment a ‘private matter’ between the employer and the employee, deregulation ‘treats current protection standards for overseas workers as mere guidelines easily relinquished and determined by the so-called dynamics of the market’” (Araya, in OFW Journalism Consortium, 2003). Deregulation strikes at the heart of migration-and-development because it provides an indication whether overseas employment is now a permanent thing for the country, and if the country should or should not excel in providing the world with an “efficient” workforce, while enduring its socio-economic costs to the country. Better yet, protection is tantamount in overseas employment. As a point of reflection, the 2002 Philippine Human Development Report (PHDR) seems to endorse deregulation through its own use of verbiage: “Direct government placement should be *ultimately phased out* as the services of private institutions become more comprehensive and reliable” (Philippine Human Development Network, 2002).

Issues facing the country’s migrant sector are many, and the general public is aware of these facts and realities about overseas migration. But what the growing migration of Filipinos brings is more than just those issues that Filipino migrant workers and their families toil and endure.

### ***Costs versus benefits: Analyzing the links between migration and development in the Philippines***

The author will enumerate the varied costs and gains of international migration, carrying analyses from different experts as well as insights from key informants. These analyses are in the perspective that the Philippines sends out migrants.

**The macro- and micro-economy.** Migration theory has frequently mentioned the gains of migration to resolve employment problems in the sending economy. Philippine government officials said without overseas employment, the domestic unemployment rate could have been 2.3 percentage points higher in 2002 (to reach 13.7 percent). Rough computations by economists (Aldaba, 2004) showed that overseas employment, from 1990 to 2002, has contributed over-two percent of total employment in the country (*see table 7*).



**Table 7: Overseas employment as % of total employment**

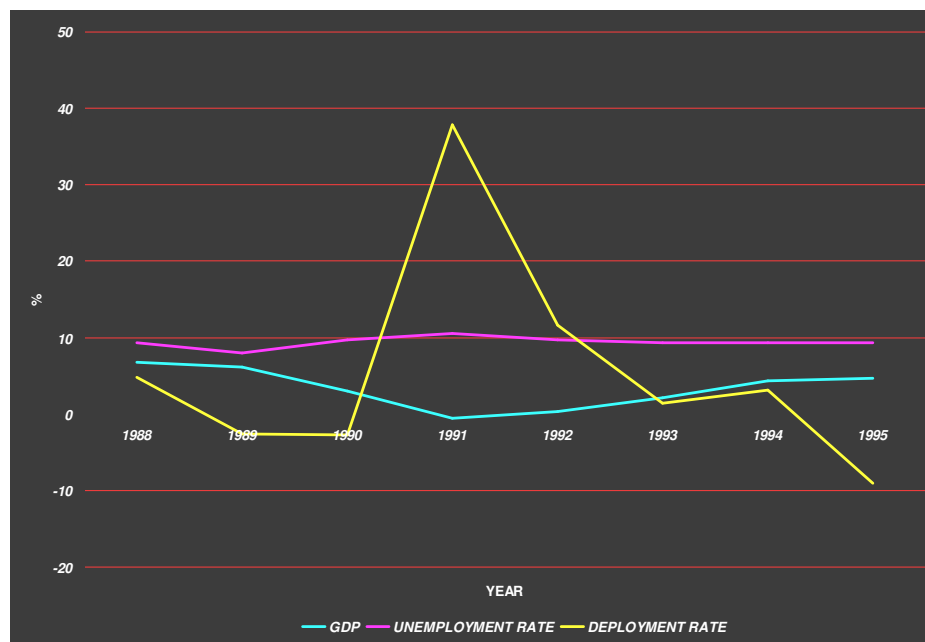
Year	OCWs Deployed	OCWs Deployed as % of Total Employment	Remittances as % of Exports	Remittances as % of GNP
1975	36,035	.25	4.49	.02
1980	214,590	1.35	7.27	.07
1985	372,784	2.05	14.98	1.24
1990	446,095	2.01	14.43	2.67
1991	615,019	2.68	16.97	3.29
1992	666,457	2.81	18.01	3.26
1993	696,630	2.86	19.6	4.08
1994	719,602	2.87	21.81	4.43
1995	654,022	2.55	27.96	6.37
1996	660,122	2.43	20.66	4.92
1997	747,696	2.70	22.76	6.69
1998	831,643	2.98	16.70	7.16
1999	837,020	2.88	19.39	8.42
2000	841,628	2.72	19.27	8.63
2001	867,559	2.60	20.40	8.11
2002	889,881	2.65	19.56	8.76

Aldaba, Fernando (2004)

In current statistics, however, overseas workers are not part of the Philippine labor force by virtue of being employed outside of the country. Some economists look at this fact as a serious deficiency because OFWs are employed members of the labor force. While government provided estimates as to the percentage points of domestic unemployment that were decreased as a result of overseas employment, the exclusion of OFWs from the official count of the labor force prevents making precise calculations as to how overseas deployment helped contain domestic unemployment<sup>3</sup> (Tenorio, 2002). It is also worth analyzing if to what extent has economic growth, if indeed theory says it brings forth jobs to the economy, will expand employment and reduce unemployment, as well as overseas deployment. Tentative analyses made showed that even with some episodes of economic growth in the country, such as from 1992 to 1996, domestic unemployment has not been reduced and overseas deployment rose (*see figure 4*). Rough calculations made by economists showed that overseas deployment reduced domestic unemployment only slightly (Tenorio, 2002).

<sup>3</sup> A newly-designed labor force survey is currently being implemented, and this survey includes overseas workers. Its results are expected to be released in 2005.





**Figure 4: Economic growth, domestic unemployment and overseas deployment, 1992 to 1996 (Tenorio, 2002)**

While it remains a mystery how overseas employment helps ease domestic unemployment problems, two major problems related to domestic employment hamper Filipino workers. One is the absence of jobs with decent wages (Estopace, 2003), and this has led workers to scamper for overseas jobs that offer higher rates for the same job they will be doing in the Philippines. Overseas jobs offer a range of salaries depending on the work and the country of destination (see table 8), as the wage differentials just simply attract Filipino workers to try it out abroad (see table 9):

**Table 8: Range of foreign monthly wages, 1998 (US\$)**

	High	Low
<i>Professionals</i>		
* Accountants	1,650 (Singapore)	551 (American Samoa)
* Nurses	1,984 (United Kingdom)	406 (Saudi Arabia)
* Engineers	2,750 (Guam)	517 (Bahrain)
* Computer Programmers	4,215 (USA)	802 (Saudi Arabia)
<i>Production Workers</i>		
* Machine Filters	790 (Qatar)	403 (Kuwait)
* Construction Workers	600 (American Samoa)	275 (Saudi Arabia)
* Machine Operators	512 (Saudi Arabia)	248 (Libya)
* Drivers	374 (Saudi Arabia)	330 (United Arab Emirates)
* Engineering Technicians	700 (Kuwait)	433 (Saudi Arabia)
<i>Domestic Workers</i>		
	900 (France), 600 (United Kingdom), 476 (Hong Kong), 457 (Italy), 350 (Singapore), 206 (Qatar), 202 (Malaysia), 200 (Saudi Arabia)	

Tan, Edita (2001).



**Table 9: Wage differential, foreign-domestic employment, 1998**

	Annual Wage (pesos)		Differential	
	Foreign	Domestic	One year	Two years
Professionals				
* Accountants <sup>1</sup>	281,843	145,584	136,259	272,518
* Nurses	200,400	1,032,600 <sup>2</sup>	97,140	194,280
* Engineers	255,189	153,648 <sup>3</sup>	101,541	203,083
* Computer Programmers	395,863	229,932 <sup>4</sup> 55,500 <sup>5</sup>		
Production Workers				
* Machine Filters	198,919	-	143,419	286,838
* Construction Workers	135,739	-	80,239	160,478
* Machine Operators	122,411	-	67,411	134,822
* Engineering Technicians	213,727	-	158,727	317,454
* At Engineers' Local Income		153,648	60,079	120,158
Domestic Workers	98,719	24,000	74,719	149,438
Seamen Class 1	246,798	153,648	93,150	186,300

Tan, Edita (2001).

Notes:

- <sup>1</sup> The lowest foreign wage was used
- <sup>2</sup> Average monthly wage of nurse (grade 1) in government multiplied by 12
- <sup>3</sup> Average monthly wage in large enterprises with 5,000 or more employees multiplied by 12
- <sup>4</sup> Simple average of the average wage of civil and electrical engineers in large enterprises multiplied by 12
- <sup>5</sup> The average wage of systems analysts and designers in large enterprises multiplied by 12
- <sup>5</sup> Minimum wage of non-agricultural workers, daily multiplied by 300 days

The second major issue is what local economists call “jobless growth” (Lanzona, 2001). This means that even if the domestic economy grew, it has not resulted into greater employment. A look at data from 1990 to 2002 would show that even with rising growth rates (to a high of 7.2 percent in 1996, where the economy grew the fastest during that period) domestic unemployment has remained above seven percent. Lanzona was surprised that while GDP increased from 3.7 percent in 1999 to 4.5 percent in 2000, unemployment rose from 9.5 in 1999 to 10.1 percent in 2000. GDP growth then reduced to 3.7 percent in 2001, so with unemployment at 9.8, but even if GDP rose to 5.2 percent in 2002, unemployment also rose to 10.2 percent that same year (*see table 10*). While this happens, overseas deployment continued to rise and somehow made a dent to domestic unemployment rates, even if only slightly. Three possible explanations surround this jobless growth phenomenon:

- a. Labor force participation may be growing more rapidly than in the past, but unemployment is increasing more speedily because that part of the population that is ready to work also increases. Thus, jobless growth can be attributable to the relatively higher rate of population growth, while new entrants – especially female – can’t find jobs;
- b. Even if there was increasing economic growth in the late 1990s, it has not led to many more jobs because growth is ultimately traceable to an upturn in labor productivity; and
- c. Fluctuations in employment in each economy may be affected by the country’s own business cycle. While unemployment rises during a slowdown and lessens during a boom, the unemployment rate is expected to fluctuate around an average that is determined by socio-demographic, political and institutional factors. Thus, unemployment would tend to return to its average (or natural) levels (Lanzona, 2001).



**Table 10: Domestic growth and unemployment rates for the Philippines, 1990-2002**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Real GNP													
Growth rate	5.4	0.2	1.5	1.3	5.3	5.0	7.2	5.3	0.4	3.7	4.5	3.7	5.2
Real GDP													
Growth rate	3.2	-0.6	0.4	2.1	4.4	4.8	5.8	5.2	-0.6	3.3	4.0	3.4	4.6
Unemployment													
Rate	8.4	10.5	9.8	9.3	9.5	8.4	7.4	7.9	9.6	9.5	10.1	9.8	10.2

Action for Economic Reforms ([www.aer.ph](http://www.aer.ph))

Thus, if jobless growth prevails even under periods of domestic economic growth, this will continue to propel Filipinos to work abroad. It will be an exploratory thing to analyze how overseas deployment, amid its rise, is linked to jobless growth while migration helps the macro-economy.

Domestic joblessness also strikes at the country's continuing problems with population growth. The country is among the top 14 worldwide in terms of population size, and in the top eight in terms of population density. While there is a never-ending debate surrounding the country's population problem and the policy that should prevail, the state of economic development in the Philippines points to the inadequacy of meeting the needs of the Filipino populace here. If the country has 84 million people, in 2040 the number could rise to the range of 114 to 137 million. Ogena (2003) said the growing Filipino population means a larger labor force, and the need to have higher compensation for work. Linking these with overseas employment, the growing labor force challenges the government to generate more employment opportunities (which will include overseas jobs). "But until when the country will continue deploying Filipinos abroad?" she asked.

Migration (including internal migration) is among the three processes involved in the study of demography. However, while the country continues to debate over population control and population management issues, Ogena (2003) said international migration has not yet been part of the country's policies and programs on population management. This absence has left the country guessing as to how migration as a demographic process must be seen – and strategically maximized – in the context of the country's state of economic performance and the continued growth of population. One economist, in fact, even asserts that the country should not worry over the continued growth of population because the Philippines enjoys a "demographic dividend." This means that the productive labor force is growing faster than the retired labor force (Villegas, 2004). This phenomenon will occur in 20 years, and that period will see the Philippines becoming a major source of knowledge workers, and even caregivers worldwide. Amid the many costs of migration the country, this demographic trend should give sufficient reason for leaders to reconsider their constant carping of population control (Villegas, 2004). Now that migration is enjoying attention, this is where the need to have a precise population, international migration and development policy arises.

International migration has also greatly helped the country's fiscal system, leading the ADB to acknowledge remittances as among the two main pillars of the Philippine economy. Among the biggest beneficiaries is the country's Balance of Payments<sup>4</sup> (BOP), with the Philippines continuing to experience deficits (especially in its current account item). Experts from the Bangko Sentral ng Pilipinas say that OFW remittances, in the general balance of payments computation under the "current account" item, fall under "income" and "current transfers." (see

<sup>4</sup> BOP is the summary of a country's financial transactions locally and with the rest of the world.



table 11). In the early 1990s, a sharp rise in the current account deficit threatened a balance of payments crisis for the country. The combined effect of medium- to long-term loans, portfolio investment inflows, and the remittances of OFWs, averted the BOP crisis. Had it not been for OFWs' remittances, asserts Tenorio (2002), the administration of then President Fidel Ramos couldn't have basked in the sun of short-lived growth. Economists credit the country's 1992 to 1996 growth episode partly to the steady stream of foreign exchange supplied by OFWs (see figure 5).

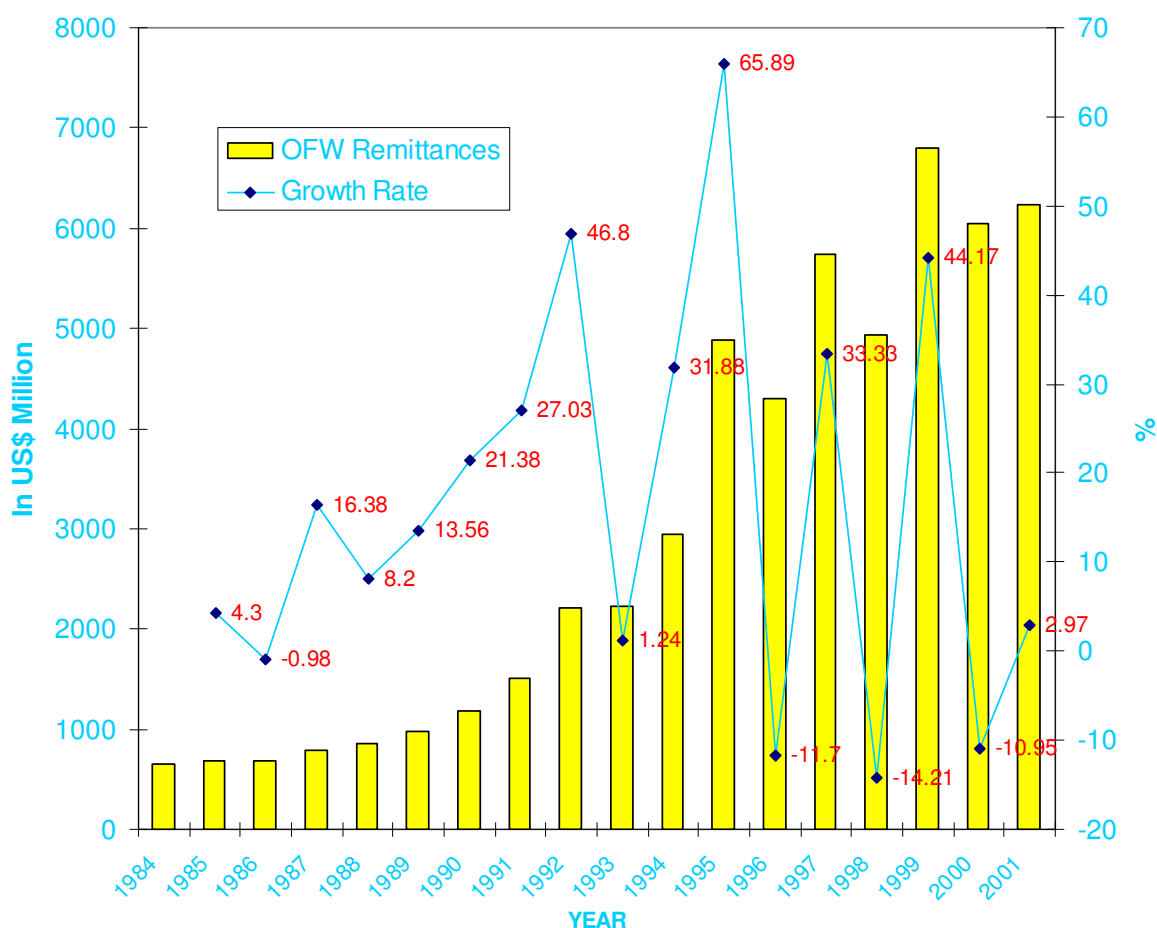


Figure 5: Growth and OFW Remittances (Tenorio, 2002)



**Table 11: Data on the Philippines' Balance of Payments (in million US dollars)**

ITEM	1999	2000	2001	2002	2003
<b>CURRENT ACCOUNT</b>	<b>7,219</b>	<b>6,258</b>	<b>1,323</b>	<b>4,383</b>	<b>3,347</b>
(As percent of GNP)	9.0	7.9	1.7	5.3	3.9
Goods and Services	2,247	1,384	-2,793	-610	-2,480
* Export	39,014	41,267	34,391	37,432	37,812
* Import	36,767	39,883	37,184	38,042	40,292
<i>Goods</i>	4,959	3,814	-743	-407	-1,253
* Credit: Exports	34,211	37,295	31,243	34,377	34,842
* Debit: Imports	29,252	33,481	31,986	33,970	36,095
<i>Services</i>	-2,712	-2,430	-2,050	-1,017	-1,227
* Credit: Exports	4,803	3,972	3,148	3,055	2,970
* Debit: Imports	7,515	6,402	5,198	4,072	4,197
Income	4,460	4,437	3,669	4,490	5,215
* Credit: Receipts	8,082	7,804	7,152	7,945	8,415
* Debit: Payments	3,622	3,367	3,483	3,456	3,200
Current Transfers	512	437	447	503	612
* Credit: Receipts	607	552	517	594	682
* Debit: Payments	95	115	70	91	70
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	<b>-2,333</b>	<b>-4,119</b>	<b>-1,080</b>	<b>-1,644</b>	<b>-5,319</b>
<b>NET UNCLASSIFIED ITEMS</b>	<b>-1,300</b>	<b>-2,652</b>	<b>-435</b>	<b>-2,076</b>	<b>2,083</b>
<b>OVERALL BALANCE OF PAYMENTS POSITION</b>	<b>3,586</b>	<b>-513</b>	<b>-192</b>	<b>663</b>	<b>111</b>
(Current Account + Capital and Financial Account + Net Unclassified Items)					
<b><i>Remittances from Overseas Filipinos (in US \$ 000)</i></b>	<b>6,794,550</b>	<b>6,050,450</b>	<b>6,031,271</b>	<b>7,189,243</b>	<b>7,639,955</b>

Bangko Sentral ng Pilipinas (2004)

Note: The computations follow the formula of the *Balance of Payments Manual (5<sup>th</sup> edition)* of the International Monetary Fund (IMF), otherwise known as the "BPM 5 Concept".

Legend:



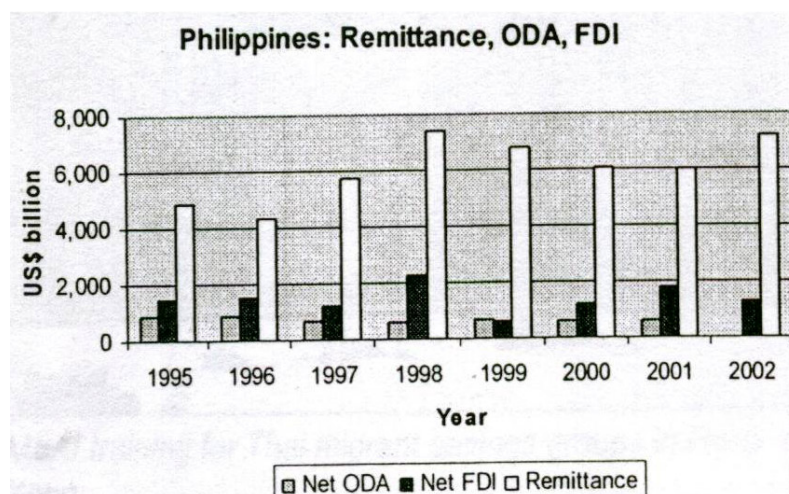
The bulk of income account receipts is accounted for by remittances from overseas Filipino workers (OFWs). OFWs would refer only to Filipinos who work abroad for a fixed period of time and are expected to return to the Philippines after their contracts expire.



Remittances of Filipino migrants, who have been permanently residing abroad, are also part of the current transfers account

The World Bank (2003) has acknowledged that remittances have become the most stable and rising source of foreign exchange for developing countries. The same is true in the Philippines. Annual dollar remittances by OFWs were 12-fold, three-fold, and eight-fold the total amount of FDI and ODA in 1999 and 2002 (*see figure 6*).





**Figure 6: OFW remittances versus FDI and ODA (Unlad Kabayan, 2003)**

Foreign exchange, including those coming from OFWs, is important for an economy like the Philippines since this has been hard to come by. The more foreign currency the country has, it will be able to pay for imported necessities such as oil and fuel, food and farm products produced abroad, and imported parts and components used by local industries (Aquino, 2003). Thus, even if government declares that it “does not directly benefit from the remittances of migrants” since these *private transfers* benefit OFWs’ families directly, these monies that pass through formal channels benefit the country’s whole financial system.

Analysts were even of the view that it is remittances - not agriculture or manufacturing - that are propping up domestic economic performance. In the view of migration and development issues (Estopace, 2002), outputs of service overseas workers, not the Philippine manufacturing sector, bolster economic performance. Migrant workers, instead of local businesses, have been accumulating capital for development. And since agriculture and manufacturing remain feeble in terms of output, it has been external sources such as remittances that are responsible for increasing the country’s foreign reserves and the amount of money that goes around the Philippine financial system (*see table 12*). This is why in reverse, business groups such as banking, insurance, telecommunications firms, real estate and housing, among others are after the migrant workers, recognizing them as an untapped market (Estopace, 2003).

**Table 12: National income accounts by sector of origin vis-à-vis OFW remittances**

	1997	1998	1999	2000	2001	2002
Agriculture (in PhP billion, constant 1985 prices)	185.0	173.2	184.5	190.7	199.6	206.2
Industry (in PhP billion, constant 1985 prices)	320.7	313.8	316.7	332.3	348.2	361.2
Services (in PhP billion, constant 1985 prices)	387.5	400.9	417.0	435.5	454.0	478.7
Exports	465.3	367.4	380.8	448.1	430.3	445.8
GDP (in PhP billion, constant 1985 prices)	893.2	887.9	918.1	958.4	1,001.7	1,046.1
GNP (in PhP billion, constant 1985 prices)	930.7	934.4	969.3	1,016.1	1,073.1	1,121.0
Remittances (in US\$ million)	5,741.83	4,925.30	6,794.64	6,050.45	6,031.27	6,932.68
Remittances as % of GNP	6.69	7.16	8.42	8.63	8.11	8.76
Remittances as % of Exports	22.76	16.70	19.39	19.27	20.40	19.56

Asian Development Bank (2003); Aldaba, Fernando (2004)



At the global level, OFWs and their remittances have been a big help as countries worldwide strive to become integrated in the global world. An annual Globalization Index survey of 62 countries, conducted by A.T. Kearney and the *Foreign Policy* journal, saw the Philippines rising 21 places in its year-to-year rankings (i.e. from 54<sup>th</sup> in 2002 to 33<sup>rd</sup> in 2003). While country ranked poorly in the survey's criteria such as such as trade (16<sup>th</sup>), portfolio investments (32<sup>nd</sup>), foreign direct investment (44<sup>th</sup>), and investment income (36<sup>th</sup>), the Philippines ranked first in the indicator "remittances and personal transfers" (see table 13) (Galang, 2004; A. T. Kearney and *Foreign Policy*, 2004). The results of this survey further boost the projection of OFWs as the so-called "heroes" of the Philippine economy

**Table 13: Results of the A.T. Kearney / Foreign Policy Globalization Index 2004**

Category	Ireland	Singapore	Switzerland	Netherlands	Finland	Philippines
2004 rankings	1	2	3	4	5	33
2003 rankings	1	4	2	5	10	54
Change from 2003 rankings	0	2	-1	1	5	21
<i>Economic Integration</i>	<i>1</i>	<i>2</i>	<i>9</i>	<i>3</i>	<i>7</i>	<i>32</i>
* Trade	3	1	18	9	28	16
* Portfolio Investments	1	6	8	2	4	32
* Foreign Direct Investment	1	7	18	5	6	44
* Investment Income	1	2	3	6	12	36
<i>Personal Contact</i>	<i>2</i>	<i>3</i>	<i>1</i>	<i>11</i>	<i>15</i>	<i>20</i>
* Telephone	3	1	2	6	14	39
* Travel	5	6	2	16	11	51
* <i>Remittances and Personal Transfers</i>	<i>4</i>	<i>48</i>	<i>2</i>	<i>43</i>	<i>39</i>	<i>1</i>
<i>Technology</i>	<i>14</i>	<i>10</i>	<i>7</i>	<i>8</i>	<i>4</i>	<i>47</i>
* Internet Users	24	3	19	4	6	48
* Internet Hosts	16	10	11	3	2	48
* Secure Servers	7	9	5	15	8	46
<i>Political Engagement</i>	<i>11</i>	<i>40</i>	<i>33</i>	<i>14</i>	<i>12</i>	<i>51</i>
* International Orgs.	23	59	13	12	11	50
* U.N. Peacekeeping	5	21	60	17	14	48
* Treaties	9	44	44	44	30	9
* Government Transfers	26	38	10	8	16	47

For details of the survey, visit [www.atkearney.com](http://www.atkearney.com)

Remittances, as we zoom in to their micro-economic benefits, have helped poor communities that have overseas workers raise income levels. There have been anecdotal evidence and some micro-level studies proving these (Opiniano in Añonuevo and Añonuevo, 2002; Frank, 2002; Pertierra, 1991), but sorely no economic studies have been produced on this regard. What have been studied were how rural towns improved because of remittances, and the transnational linkages forged by migrants with their townmates back home. Remittances from migration are the main source of income of some 2.6 million Filipino households that have OFW members in it (de Vera, 2003). For members of local communities, they would bat for migration as a means of economic advancement. That was what Asis (1995) found in her survey and interviews with households with migrant workers and without migrant workers in four areas (Sta. Elena, Laguna; San Rafael, Batangas; San Miguel, Pampanga; and San Fabian, Iloilo). When respondents were asked to look forward to one and five years, more respondents from migrant households in Asis' study anticipated better economic conditions, than respondents from non-migrant households (see table 14).



**Table 14: Perceived economic status of families:  
Migrant and non-migrant households**

Period / economic status	Migrant	Non-migrant	Total
Five years ago			(N=145)
* Low	17.4	25.0	19.3
* Medium	62.4	58.3	61.4
* High	20.2	16.7	19.3
Present			(N=128)
* Low	13.7	9.1	12.5
* Medium	63.2	69.7	64.8
* High	23.2	21.2	22.7
One year hence			(N=160)
* Low	25.4	23.7	25.0
* Medium	21.3	44.7	26.9
* High	53.3	31.6	48.1
Five years hence			
* Low	26.3	23.7	25.6
* Medium	9.3	29.0	14.1
* High	64.4	47.4	60.3

Asis, Maruja (1995)

Respondents came from Sta. Elena, Laguna; San Rafael, Batangas; San Miguel, Pampanga; and San Fabian, Iloilo. Interviews were conducted from 1993 to 1994; derived from answers to the question of where respondents would place the economic position of their families on a 10-point ladder (1-lowest, 10-highest). Respondents of 1-3, 4-6 and 7 and up were coded as low, medium, and high, respectively.

The benefits of remittances to the Philippine economy, however, are not without criticisms. A paper for a conference organized by the International Monetary Fund (Chami, Jahjah and Fullenkamp, 2003) wrote that remittances may create a “moral hazard” for both individual recipients as well as governments. The findings were culled from looking at the aggregate data on remittances from 113 countries, and up to 29 years, coupled with the use of econometric formulas – testing a unified model for examining the causes and effects of remittances. The authors contend that altruistically motivated remittances intend to compensate their recipients for bad economic outcomes, but also create incentives that lead to moral hazard problems. In economics, “moral hazard” means an economic agent becomes “careless or negligent” if there is an assurance of support or subsidy during periods of risk and uncertainty (Aldaba, 2004). In the case of remittances, households that have become too dependent on them will see some of its members reduce work effort or cut search time to be involved in productive jobs in the domestic labor market. At the macro-level, government ignores economic imbalances (such as trade deficits) and fails to pursue needed economic reforms in anticipation of more remittances (also in Abella, 2002). The IMF conference paper was able to prove through econometric formula and empirical estimations that remittances tend to be compensatory in nature, and have negative effects on economic growth. The paper authors add:

At the very least, we have demonstrated that remittances differ greatly from private capital flows in terms of their motivation and their effects. Remittances, at least currently, do not appear to be a significant source of capital for economic development (Fullenkamp, Jahjah and Chami, 2003).

The observation of the three authors brings forth the challenge of channeling remittances to investments that would benefit economic development. But they contend that this is likely to be



a difficult task given the economic circumstances of most immigrant-sending households such as those in the Philippines. It is to note that while these private transfers benefit households, the use of remittances by recipients is another matter altogether. Many studies have documented that consumption and daily sustenance are the primary directions of migrants' remittances, giving a possible explanation why remittances do not contribute to output growth (Kapur, 2003; Bagasao, 2003; World Bank, 2003). This is where the lack of "observability" of the recipients' actions to the remittances received is a fundamental problem (Fullenkamp, Jahjah and Chami, 2003).

The paper supports the observations of civil society advocates that remittances tend to promote dependency of families and the macro-economy to these (Bagasao, 2003). What is "extremely painful" is that with continued and rising remittance inflows, government might even pursue politically beneficial but economically unwise policies – and this is something that is not far fetched given the way politics is practiced in the Philippines (Aldaba, 2004). Abella had a similar observation:

Some might look at migration for hope to makeup for (the Philippines') failures with agrarian reform, and for the past excesses at political power to correct our social and economic inequalities. Indeed, spending out of remittances could energize our countryside, just as powerful as a transfer of lands to our peasantry could have brought about. But is it possible that, because of its selectivity, migration might have, in fact, exacerbated our problems with inequalities? More problematically, the inflows of remittances might again allow us to postpone necessary but painful reforms in governance, in improving income distribution through direct equity measures, and in facing up to the need for population control (Abella, 2002).

Another economic problem that international migration brings about is the renowned "brain drain" problem – i.e. the exodus of skilled labor will undermine domestic economy activity, especially in identified sectors. At the moment, the recognition of brain drain as a problem is one that is mentioned out of common knowledge (Alburo and Abella, 2002), though others hold the observation that because of the country's excess supply of labor, there seems to be no brain drain problem. A careful study of the brain drain phenomenon – to find out if this truly prevails in the Philippines, as well as discovering the levels of economic losses to the country – is wanting.

In a sense, a study on skilled labor migration by the International Labor Organization (ILO) can help provide some indicative trends and clues leading to the brain drain phenomenon in the Philippines:

- In the last decade (1990 to 1999), the number of professional workers who went abroad exceeded the net additions to the professionals in the workforce. This implies that many of those who migrated were already in the labor force and had come from the stock of professionals of the previous decade;
- A look into the broad profile of OFWs would show that they have higher educational attainment than those who were employed. When compared to the population as a whole, the proportion of OFWs with tertiary education is far greater than the proportion in terms of secondary education; and
- There is evidence that a large portion of the Filipino workers abroad belong to the most productive age groups, when compared to those employed in the country (Alburo and Abella, 2002).



The brain drain problem can also be glaring to some identified professions. Currently felt is the rising exodus of nurses and doctors owing to increased demand abroad, after it came from a period (mid-1990s) when overseas demand was low. There was a dramatic expansion of demand in the computer sciences field, while there was a slight fall of demand for engineers abroad (Alburo and Abella, 2002). Research and development (R&D) in the sciences remains moribund owing to the exodus of scientists overseas, and the lack of support to science and technology in the country. If the Philippines is to make labor migration continue, this is where experts are of the view that the country should anticipate domestic and overseas labor market demands - even if doing these kinds of projections is easier said than done.

But the exodus of professionals has costs to pay. Stalker (in NOVIB, 2003) is of the view that developing countries are subsidizing the human capital needs of developed countries – and the estimate is US\$60 billion. The Philippines is an obvious loser since elementary and secondary education is predominantly provided by the public sector (Alburo and Abella, 2002). For example, in the case of nurses, one estimate (*see table 15*) has it that societal losses due to overproduction amounted to P28.9 billion (Tenorio, 2002).

**Table 15: Societal losses due to the overproduction of Philippine nurses, 1998**

	<b>Median cost of nursing education (in PhP)</b>	<b>Surplus of nurses</b>	<b>Loss (in PhP)</b>
State nursing schools	152,629.40		2.2 billion
Private nursing schools	222,165.80		26.7 billion
Total		134,696	28.9 billion

Source: Lorenzo, Marilyn, et al. "Analysis of Policy Options in Addressing Nursing Surplus and Globalization Effects in the Philippines," *The UP Manila Journal*, Vol.5 No.1 January-March 2000 (in Tenorio, 2002)

Nevertheless, while some clues have been provided, as well as public knowledge of the brain drain problem, continued brain drain has always eluded policy solutions and remains a vexing problem in the Philippines (Alburo and Abella, 2002). There is no prevailing policy with regard to managing the brain drain problem, although government has offered its reintegration program to address the needs of returning skilled migrant workers and harness the skills they acquired overseas.

To the view that remittances compensate for the loss of skilled labor in a country, Kapur (2003) says these monies will never recompense the effects of the brain drain phenomenon to the sending country. Remittances do not go directly to the sectors or professions affected by the exodus of skilled labor, but benefit the families of these skilled workers. No additional public expenditure can go to health and education so that it allays the effects of the migration of medical and allied professionals and teachers. Migration, of both the skilled and unskilled, may have positive developmental effects on source countries – and countries such as the Philippines in the long term, experience a net gain from migration (Addy, Wijkstrom and Thouez, 2003).

But what many analysts fear is how the loss of these human capital will, in the long term, undermine the country's own potential for growth and development. If skilled emigration continues, the loss of human capital might reach beyond an optimal point that will be detrimental to the domestic economy. It should be realized that the continued departure of skilled workers in



the domestic economy not only reduces the Philippines' overall productivity, but affects investments since capital will only flow in economies with perceived adequate supply of skilled labor in key sector. The supply of human capital is definitely one major determinant of foreign direct investments (Aldaba, 2004). One economist even made mention of the loss of skilled workers who suffer very high unemployment rates within the country, and who opted to use their acquired skills overseas (see table 16).

**Table 16: Educational level of OCWs, emigrants and local workforce (1995)**

Level of Education Reached	OCWs	Percent to Total	Emigrants	Percent to total	Employed in RP (000)	Percent to total
Grade School	90,782	11.6	10,016	17.8	10,877	42.3
High School	244,044	31.2	14,851	26.4	8,518	33.1
Post Secondary	86,922	11.1	3,201	5.7	NA	NA
College	342,929	43.8	22,288	39.6	5374	20.9
Post Graduate	2,942	0.5	1,265	2.3	NA	NA
Others	14,671	1.8	4,638	8.2	908	3.5
Total	782,297	100.00	56,259	100.00	25,677	100.00

Aldaba, Fernando (2004)

**The social costs of migration.** Estopace (2002) defines the social cost of migration as “the net effect of migration at the micro- (forced separation of individuals) and macro-levels (degenerative changes in Philippine socio-political dynamics).” Thus saying, the social costs of migration can refer to the impact of migration to traditional institutions such as the family, sectors (e.g. children, women, and elderly), and to other social sectors. In the case of migration, where a prominent social cost is the break-up of the traditional Filipino family, there are a host of other social costs that have been bred.

- For Aldaba (2004), as skilled workers seek higher returns in foreign countries with supply constraints, the social costs of continued migration affect the sustainable growth of the economy. The economy, in this respect, will be unable to replace the productivity of the skilled workers who either migrated temporarily or permanently. If the country will be unable to produce replacement workers at the same rate as the exit of these same workers overseas, shortages will occur and it will affect the country's growth potential.
- Another social cost is the loss of human capital investments for the Philippines since these workers who migrate also bring with them investments in health, education and nutrition. If workers decide to stay permanently, or even at least longer, abroad the loss of these human capital investments exacerbate (Aldaba, 2004).
- What has been known to be the growing dysfunction of the traditional Filipino family (also in Abella, 2002), as others call this the destruction of social capital in Filipino families and communities (Aldaba in Lanzona, 2002). Migrant civil society advocates frequently cry out the effect of migration into the Filipino family, although some assert that extended family systems (e.g. “shadow families”) help ease the pains brought about by parental absence (Go, 2002b). Families endure poverty alleviation through migration, but this is at the cost of family unity (what with numerous anecdotal accounts of families wrought by migration, and the effects on child rearing, marital relations, and family development). The increasing feminization of migration also exacerbates these social costs since women are more reliable than men in taking care of the needs of the family (*Inter Press Service*, 2003; University of the Philippines,



2003; Añonuevo and Añonuevo, 2002; Go, 2002b). These kinds of costs are the most prominent when there is made mention of the negative effects of migration to the country. The difficulty, however, is that it is hard to quantify the social costs of migration unto Filipino families. Because of the difficulty in quantifying these, studies in this area have been few and the results mixed and inconclusive (Go, 2002). With this gap in research, and the inconclusive findings of micro-level studies on migration and family relations, this is where more research is necessary – especially those carrying methodologies such as time-series and having a nationwide, random survey of these families with overseas workers. Nevertheless, these social costs of migration to the traditional Filipino family, as well as the overseas migrants themselves, are the cost of the pursuit to earn more overseas – and remains to be a valid social issue. The households that have remittances as their main source of income endure these social costs, and these may manifest debilitating in the medium- and long-term. Care is also advised in projecting about the gains of migration to the country, as this would lead to a false sense of security that the social benefits of migration outweigh its social costs (Aldaba, 2004). Migration thus breeds the undermining of the strength of the basic unit of Filipino society, and for some, they look at the magnitude of these social costs (Abella, 2002).

- Another consideration of the social costs of migration is its effect on identified social sectors. Prominent sectors here are education and health, most notably the latter. The SARS epidemic that hit the country in 2003 unraveled the lack of medical personnel in rural areas and its effect on providing basic health services to Filipinos. Principals have also been noted to be leaving the country's educational sector to become teachers in overseas lands, and their numbers reach to over 15,000 (Aureus, 2003). Another critically affected sector is science and technology, one of the under-supported sectors of Philippine socio-economic activity. R&D specialists, and scientists are going abroad since other countries can provide ample training and support to them. While we have yet to quantify these kinds of social costs, these support the undermining of productivity in the domestic economy.
- While this may seem to be of another category, some are of the view that migration also represents a "political loss" to the country. Aldaba (2004) asserts that the quality of the Philippine electorate has also been deteriorating over the years as our more educated workforce leave the country. He points to the relationship between the exodus of educated people such as OFWs and the election of what he calls "unqualified" and "popular" candidates into office<sup>5</sup>. This is where Aldaba thinks that migrants should be included in the country's democratic processes since presumably, they will vote more wisely (2004).

**Remittances, poverty reduction and social protection.** Remittances are not only the substance of the projected heroism of overseas Filipinos to the country. They are the most obvious benefit of migration. However, deciphering the positive and negative impacts of remittances on poverty reduction carries different views (Kapur, 2003; Ghosh, 1997). On one hand, migration is an important source of social insurance for families (Kapur, 2003) and capital for poor communities (World Bank, 2003). However, remittances also breed inequality in origin communities of migrants (Adams and Page, 2003).

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<sup>5</sup> The first staging of the overseas absentee voting exercise will hopefully answer this problem, although only over-200,000 overseas Filipinos voted during the last election.



In the Philippines, there have been limited studies looking at the positive and negative impacts of remittances on families and communities. Although, the economic returns to labor migration vary across skills and country destinations because foreign wages and placement costs vary accordingly. Another influence is the duration of overseas employment (Tan, 2001).

Looking at data on poverty incidence, number of migrants in the domestic regions of the country, and income and expenditure levels of households, Go (2002a) provided the following observations of how migration is linked to poverty and inequality in the Philippines:

- International migration benefits a larger proportion of urban families than rural families. The percentage of urban families whose main source of income are remittances from abroad is much higher than that of rural families;
- Regardless of urban-rural residence, the wealthier the families, the greater the likelihood that their main source of income is remittances;
- A closer look at the overall difference in the participation rates of urban and rural sectors to international migration indicate that the percentages of families receiving income from abroad in the lower end of the income groups tend to be higher in the urban areas than in the rural areas;
- A larger proportion of families from the richer regions of the country, compared to the poorer regions, have reported income from abroad as a major source of income. Included here are the National Capital Region and Central Luzon. Ilocos Region is the exception here since despite a high poverty incidence, the region reported the highest proportion of families that rely on remittances; and
- Families from the higher income groups also receive larger proportions of income from abroad than the lower income groups. In marked contrast, the lower income groups derive the largest part of their income from domestic resources.

While her study is admittedly not an empirical one, what these findings suggest is that the economic benefits of migration have not trickled down to the poor and less developed regions of the country. As far as the direct effect of international migration is concerned, the richer regions and classes have benefited disproportionately from the economic gains. Inasmuch as it is hoped that migration will perform an equilibrating function, it seems that migration has bred inequality (Go, 2002a) (*see figures 7, 8, 9 and 10 for graphs related to Go's study*).



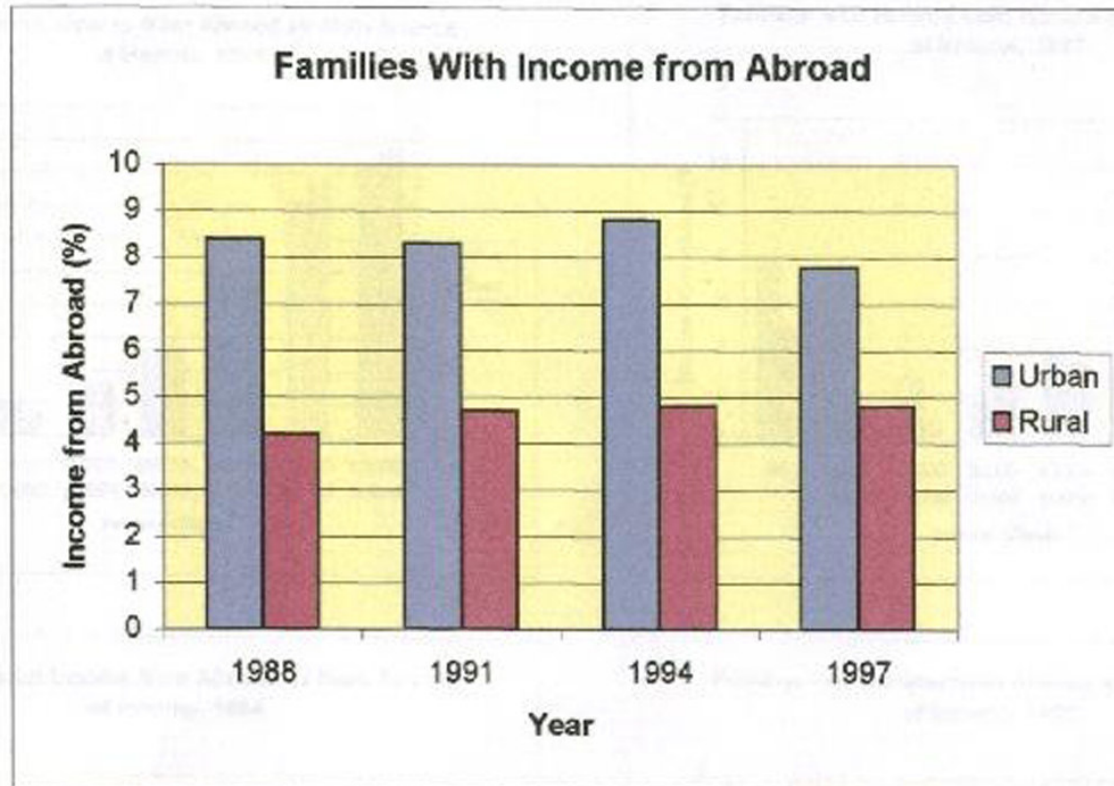


Figure 7: Families with income from abroad (from Go, 2002a)



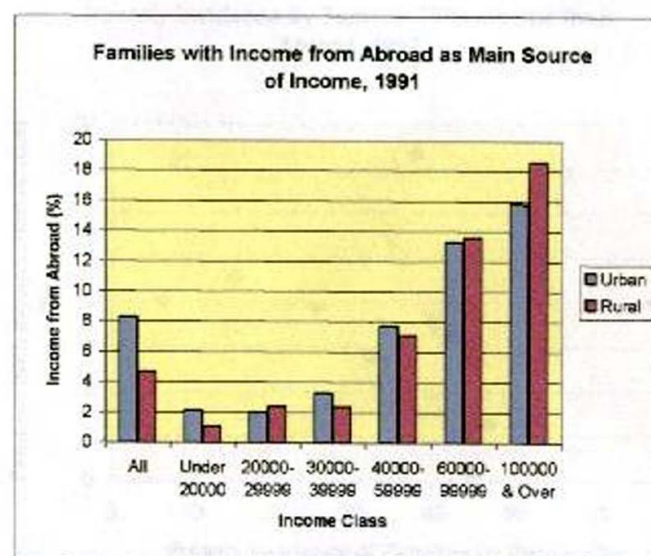
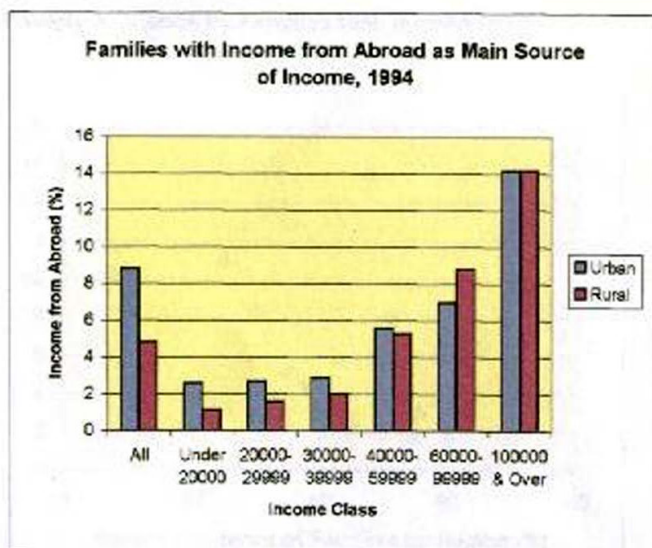
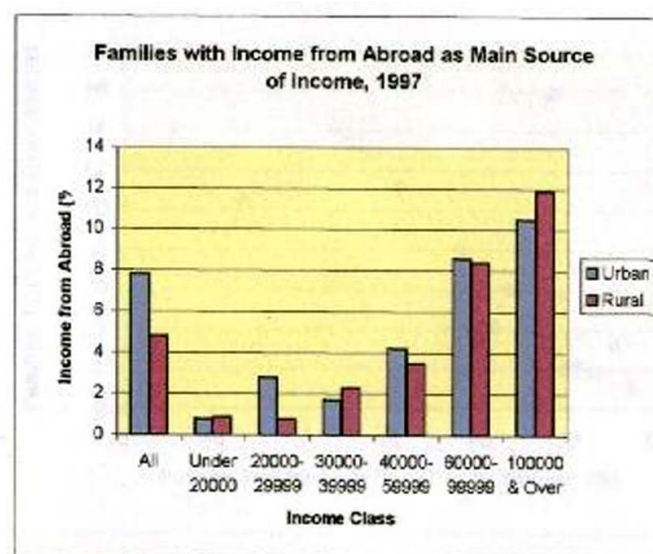


Figure 8: Families with income from abroad, multiple year data (from Go, 2002a)



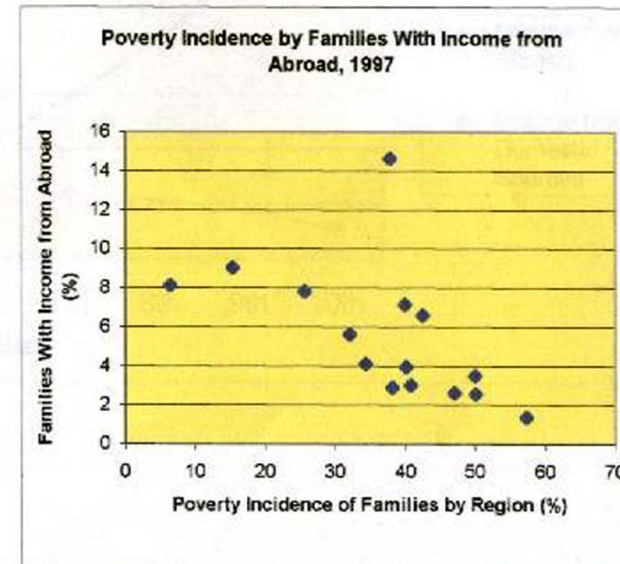
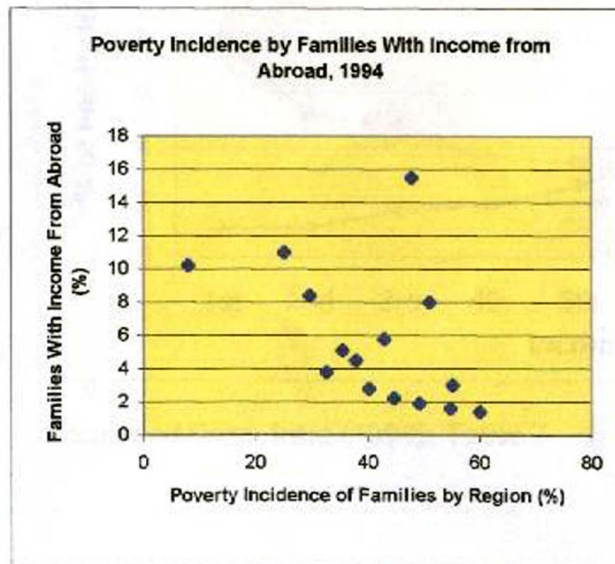
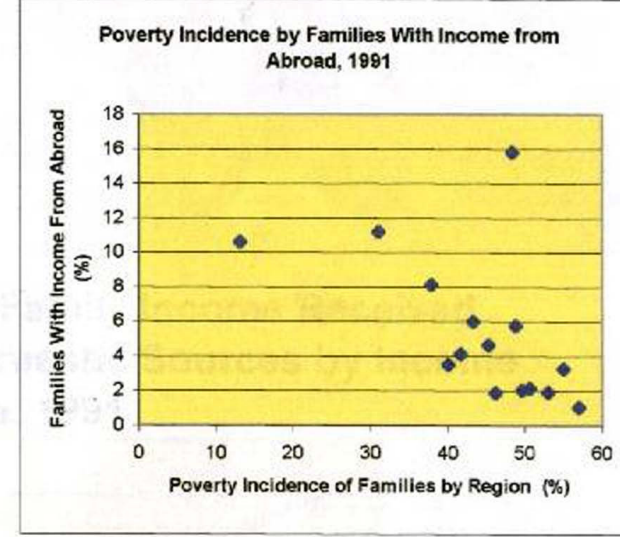
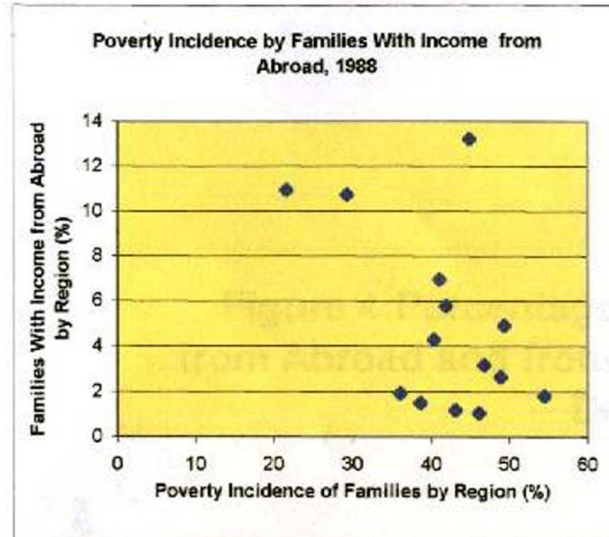


Figure 9: Poverty incidence and families with income from abroad across regions (from Go, 2002a)



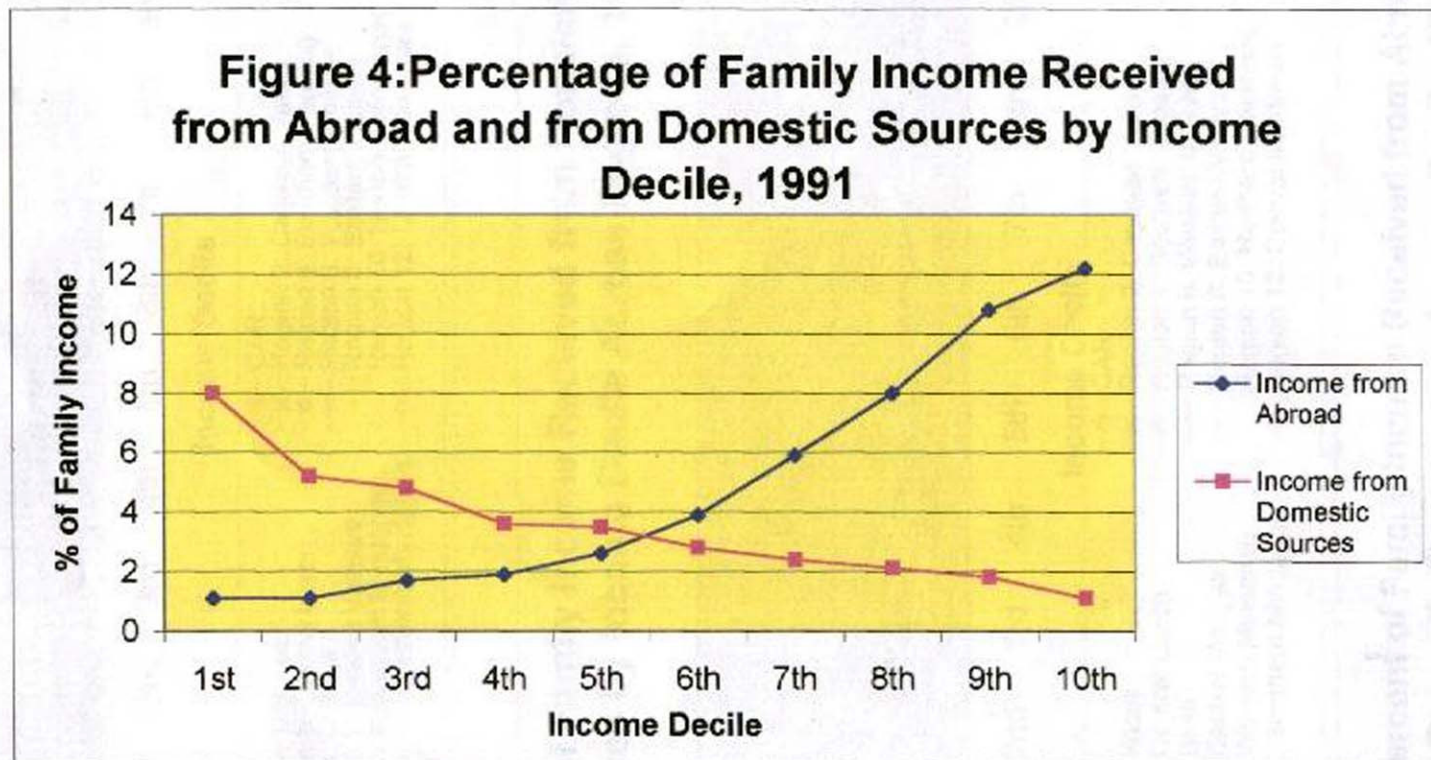
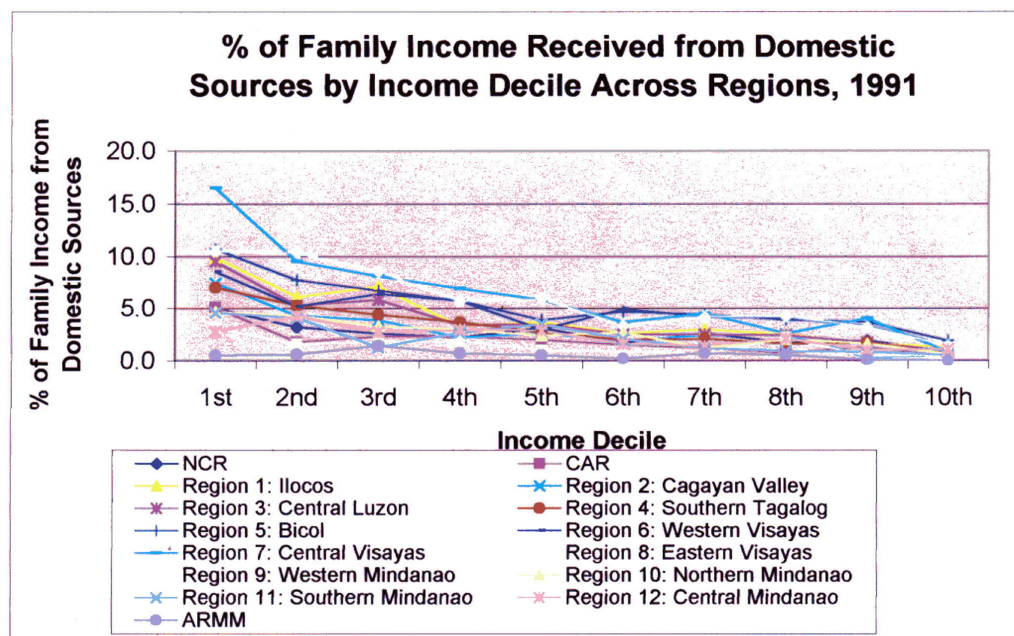
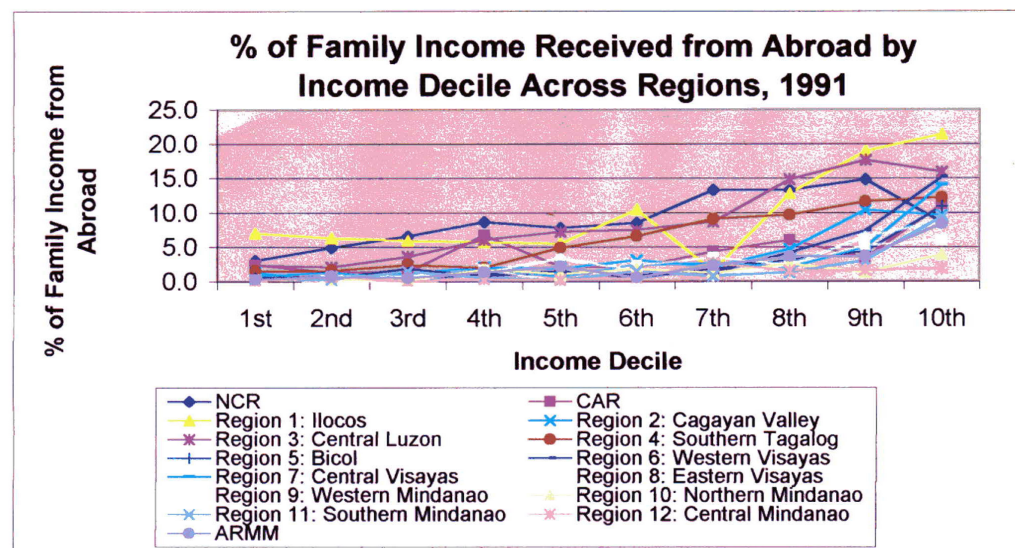


Figure 10: Percentage of family income received from abroad and from domestic sources, 1991 (from Go, 2002a)

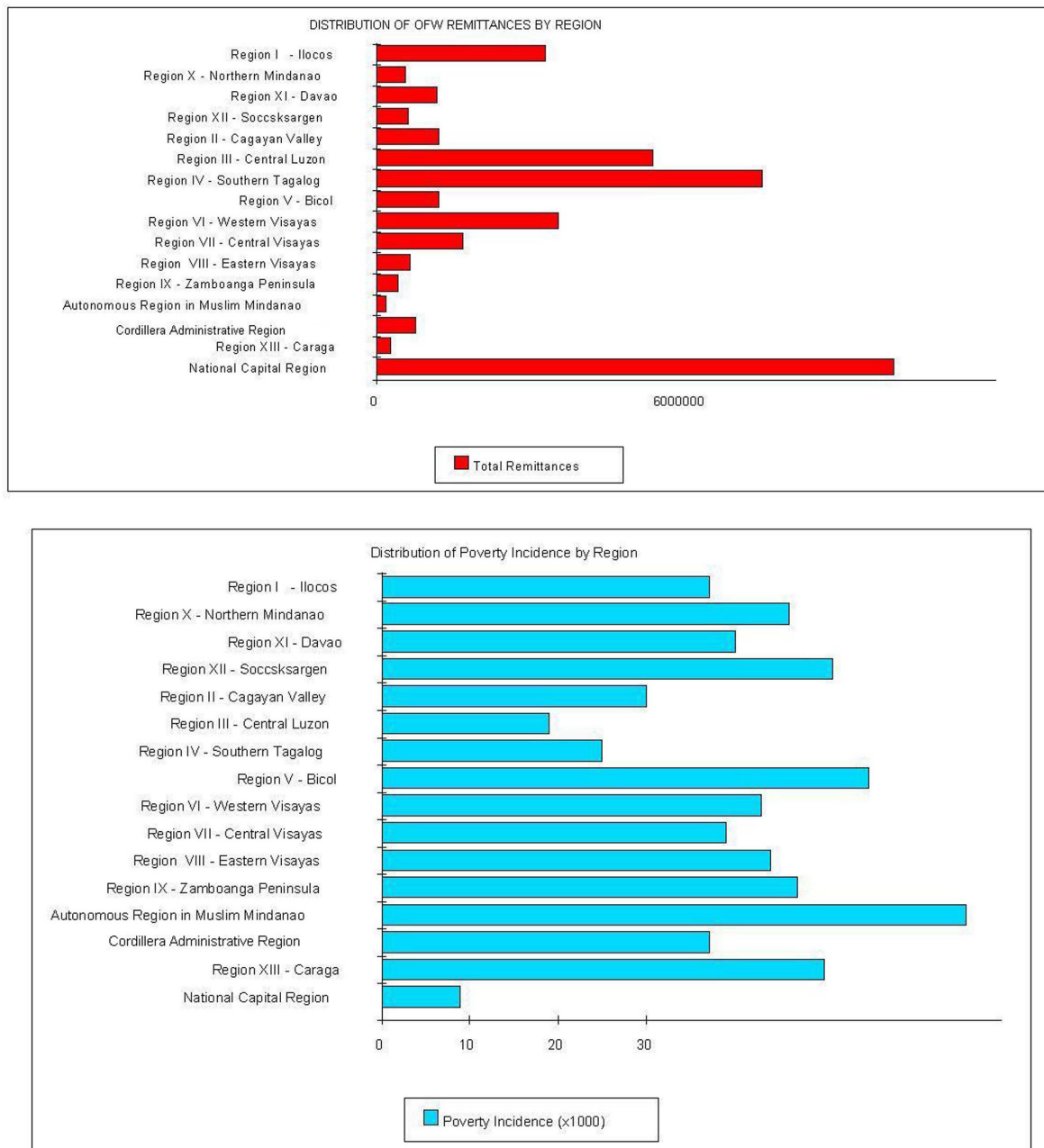




**Figure 11: Percent of family income received from abroad and from domestic sources by income decile, 1991 (from Go, 2002a)**



There was also an exploratory map done by the Environmental Studies for Social Change (ESSC), the Economic Resource Center for Overseas Filipinos (ERCOF), and the OFW Journalism Consortium, Inc. that looked at remittances, the number of OFWs per region, and the poverty incidence of regions. Similar almost to what Go (2002a) found, the migrants are concentrated in regions with low poverty incidence (with the exception of the Ilocos Region). The top sources of migrants are the National Capital Region, Southern Tagalog, Central Luzon, and the Ilocos Region (*see figures 12 and 13*).



**Figure 12: Distribution of OFW remittances and poverty incidence by region**



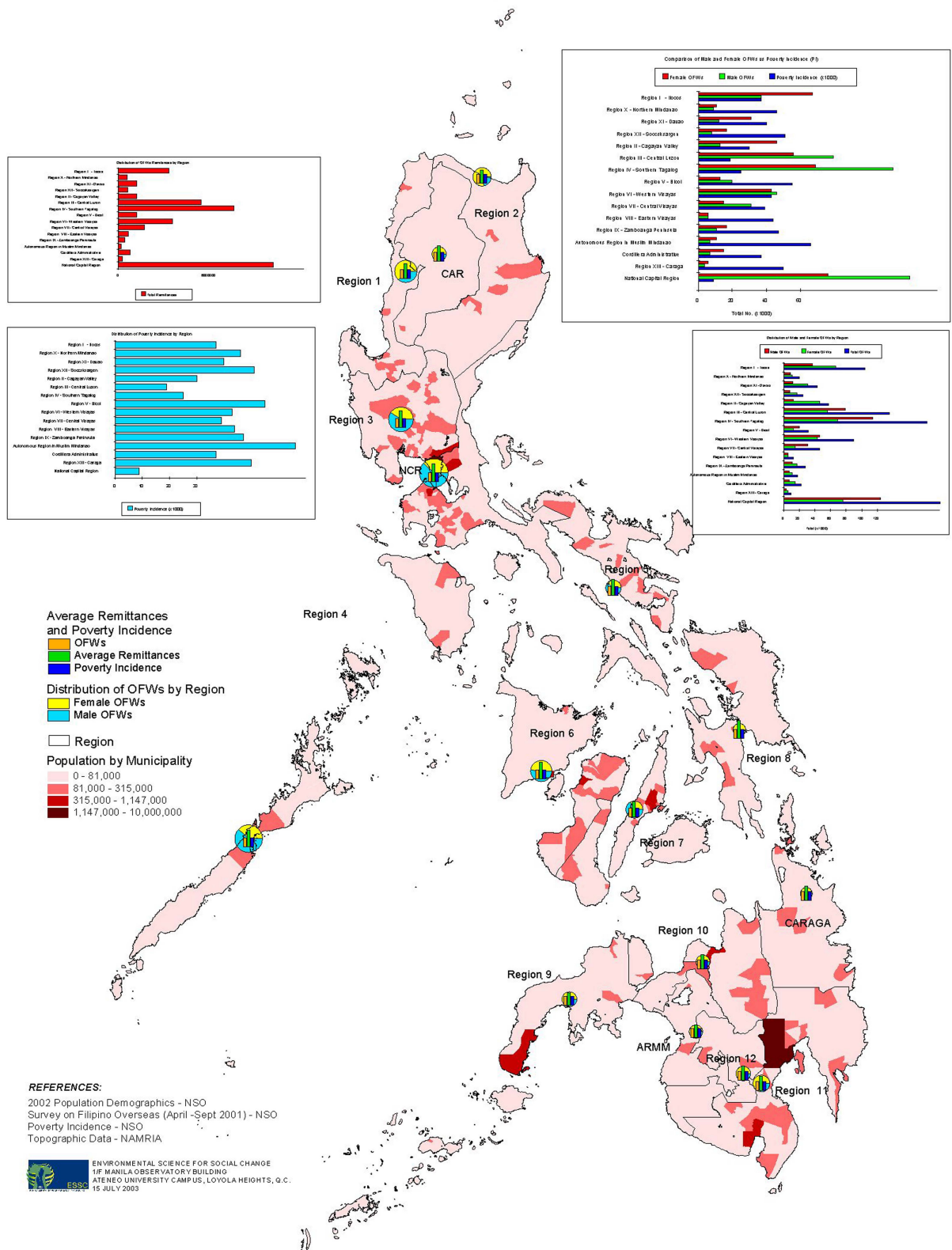


Figure 13: OFW remittances, number of migrants and poverty incidence by region



The study of Rodriguez (2000) supported the conclusion that migration beeds inequality, through his own econometric study of how non-migrant households from the Philippines benefit from migration. Looking at household data, particularly the 1991 Family Income and Expenditures Survey (FIES), Rodriguez observed that migrant households (as compared to non-migrant households) are predominantly urban and has a higher total income and expenditure than households without remittances. Households receiving income from abroad have slightly older heads (who are likely to be female), and have heads who are less likely to be employed (but who have more education than heads of non-recipient households. With these data, migration may exacerbate inequality and worsen income distribution in the Philippines since migrants come from better educated, wealthier and urban households, and the non-migrant households are less educated and are in agricultural occupations (Rodriguez, 2000) (*see table 17*).

**Table 17: Philippine non-migrants (resident population and labor force) and migrants permanent and temporary migrants) early 1990s (in percent)**

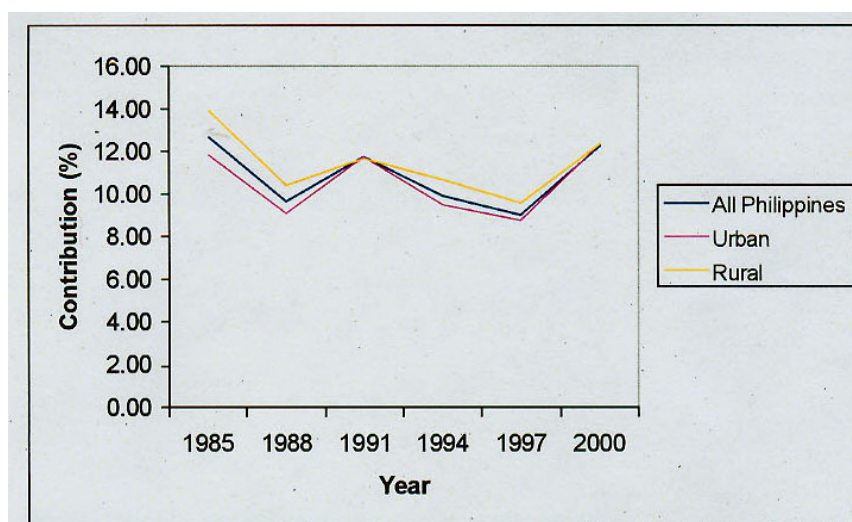
		1990 Total Population	1991 Labor Force	Permanent Migrants (1991)	Temporary Migrants (Oct. 1991)
Host countries	USA			70.2	3.6
	Saudi Arabia				43.2
	Canada			11.5	1.7
	Japan			6.3	9.3
Gender	Men	50.2	62.5	39.6	59.6
	Women	49.8	37.5	60.4	40.4
Age group	Under-14	39.8		17.9	
	15-24 years	20.5	26.4	22.0	16.5
	25-34 years	15.1	24.3	25.0	40.4
	35-44 years	10.4	21.1	11.9	28.8
Occupation	Professional		5.3	12.0	12.7
	Managerial		1.1	0.7	0.4
	Clerical/sales	59.4	16.6	9.0	5.0
	Service		8.2	3.1	37.1
	Agriculture		39.6	2.2	0.5
	Production		19.1	4.9	44.4
	Unemployed	7.0	10.6	15.7	
	Out of labor force (housewives, retirees, students, minors, and armed forces)	33.6		52.7	
Education	No education		3.8		0.2
	Primary		44.9		9.1
	Secondary		31.1		34.9
	College		8.9		27.2
	University		11.3		28.2

Rodriguez, Edgard (2000)

Ravanilla and Robleza (2003), in their more recent paper for the University of the Philippines School of Economics, employed a decomposition analysis (supported by econometric formula) to find out if remittances contributed to income equality in the Philippines. The authors contend that when total income inequality is decomposed into its sources (remittances included, migrants' earnings contributed to income inequality, these monies appeared to increase inequality – and more so, according to the authors, for rural than urban areas. However, remittances had become less inequality-increasing over time. The study also showed how the



magnitude of remittances' contribution to total inequality in the Philippines was determined by the fluctuating share of remittances to total income, the highly unequal distribution of remittance incomes, as well as the rank or position of remittance-receiving households in the income distribution. In addition, by virtue that remittances account for the smallest share of total income (*see table 18*) among all sources (including domestic wages), remittances have made the smallest contribution to income inequality (*see figure 14*). FIES data from 1985 to 2000 were taken as the authors utilized the Gini coefficient as the formula for decomposition (Ravanilla and Robleza, 2003).



**Figure 14: Contribution of remittances to total income inequality, in percent (Ravanilla and Robleza, 2004)**

**Table 18: Contributions of income sources to the Gini coefficient computation of the Ravanilla and Robleza study (2003) (in percent)**

Category	1985	1988	1991	1994	1997	2000
<i>All Philippines</i>						
* Wages	39.69	45.82	45.04	48.75	50.52	51.02
* Entrepreneurial Income	22.16	23.17	23.68	18.95	21.09	17.70
* Other income	25.50	21.31	19.48	22.38	19.42	19.07
* Remittances from Migrants	12.65	9.70	11.79	9.92	8.97	12.21
Total	100.00	100.00	100.00	100.00	100.00	100.00
<i>Urban Philippines</i>						
* Wages	39.29	42.71	43.20	47.03	48.38	49.37
* Entrepreneurial Income	21.28	23.48	24.27	19.16	22.35	18.15
* Other income	28.62	24.73	20.83	24.31	20.51	20.14
* Remittances from Migrants	11.82	9.08	11.71	9.50	8.76	12.34
Total	100.00	100.00	100.00	100.00	100.00	100.00
<i>Rural Philippines</i>						
* Wages	33.56	44.27	39.90	46.44	46.96	18.51
* Entrepreneurial Income	35.00	32.35	33.99	28.66	27.56	24.51
* Other income	17.55	12.93	14.46	11.40	15.92	14.67
* Remittances from Migrants	13.90	10.46	11.66	10.65	9.57	12.31
Total	100.00	100.00	100.00	100.00	100.00	100.00



But for families that receive remittances, as another economic study showed this time, the benefits of these remittances. Yang (2004) looked at how migrant households in the Philippines would respond to changes in economic conditions, particularly during the period 1997 to 1998 (or the height of the Asian financial crisis). Using data from the Labor Force Survey, the Survey on Overseas Filipinos (SOF), Family Income and Expenditures Survey (FIES), and the Annual Poverty Indicators Survey (APIS), Yang found that even if exchange rates rose (what he calls as “favorable exchange rate shocks”), it led migrant households to make more investments, especially “riskier” investments. Previously credit constraints (at a period when the exchange rates were low prior to the Asian crisis) prevented migrant households from making investments.

Below is a summary of Yang’s findings (2003):

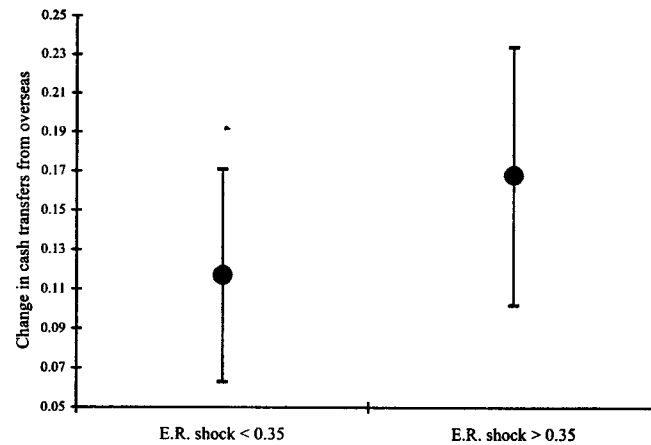
- Receiving favorable exchange rate shocks entices migrant households to put money into much riskier investments, rather than waiting their money to grow in risk-free investments;
- These favorable shocks, in addition, benefited migrant households in terms of improved child schooling, reduced child labor, increased educational expenditure, and increased ownership of durables such as vehicles;
- However, household investments seem less responsive to those higher-income households, possibly due to the greater availability of credit and insurance. On the other hand, those with favorable exchange rate shocks saw a dramatic increase in the total household hours worked in self-employment, though this did not raise the household entrepreneurial income; and
- The favorable impact of the results of his study hinged on households that had already some business activity before the financial crisis struck. A migrant household may have already made some investments prior to the crisis, but since the exchange rates improved, it pushed them to switch to risky entrepreneurship endeavors, from risk-free ones. This has resulted into a higher entrepreneurial labor supply, but more volatile income from these investments (*see diagrams in figure 15*).

The Yang study (2004), while it revealed surprising results with respect to how remittances are used amid the sharp fall of the exchange rate, supported the perspective that remittances indeed benefited households. That is even if these remittances have bred inequality in sending regions and communities of migrants. The findings also point to the observation that remittances are indeed a favorable source of social insurance for lower- and middle-income families. Unfortunately, what seems to be noticeable is that the poverty divide becomes more glaring, and the supposed benefits of remittances to communities where migrants come from do not spill over them.



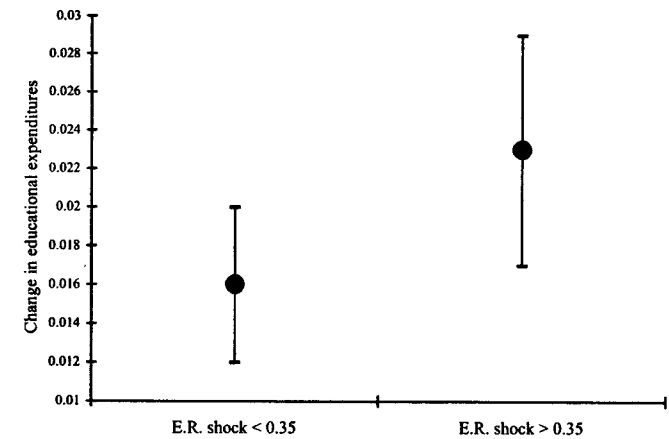
## Figures 1A - 1D: Impact of exchange rate shocks on household outcomes

**Figure 1A: Change in cash receipts from overseas**



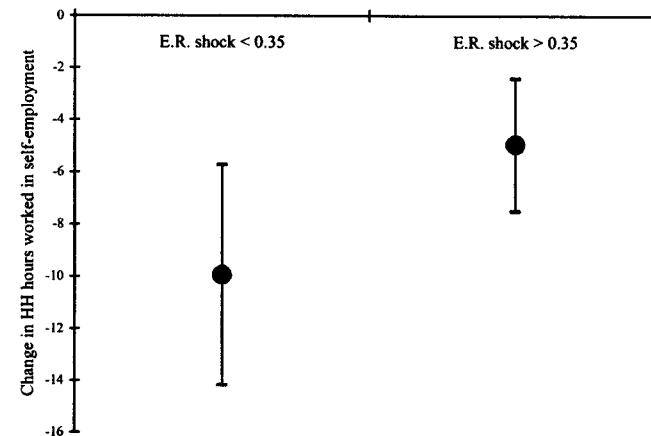
NOTE-- Change is between Jan-Jun 1997 and Apr-Sep 1998, expressed as share of pre-crisis total HH income.

**Figure 1B: Change in educational expenditures**



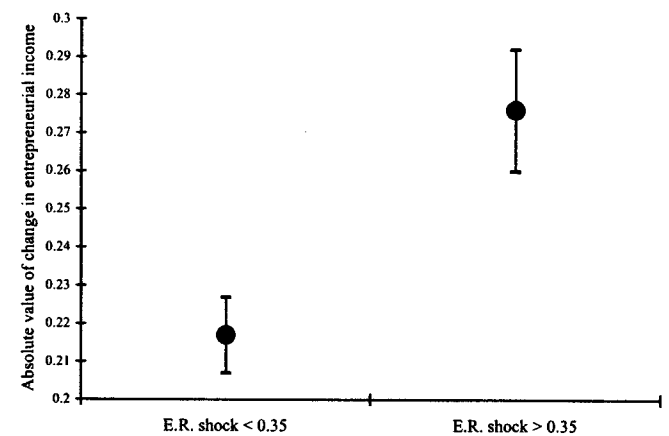
NOTE-- Change is between Jan-Jun 1997 and Apr-Sep 1998, expressed as share of pre-crisis total HH expenditures.

**Figure 1C: Change in hours worked in self-employment  
(only HHs with nonzero pre-crisis entrepreneurial income)**



NOTE-- Change is between Jul 1997 and Oct 1998.

**Figure 1D: Absolute value of change in entrepreneurial income  
(only HHs with nonzero pre-crisis entrepreneurial income)**



NOTE-- Change is between Jan-Jun 1997 and Apr-Sep 1998, expressed as share of pre-crisis total HH income.

**Figure 15: Impact  
of exchange rate  
shocks on migrant  
households' incomes  
(Yang, 2004)**

Note for all figures-- Black dot is mean change in an outcome for households with given exchange rate shock. Dashed vertical lines indicate 95% confidence intervals (standard errors clustered by overseas location of household's eldest overseas worker). See Table 3 for definition of exchange rate shock and definition of sample households.



Other exploratory studies have also looked at the impact of international migration on the labor supply of migrant workers' non-migrant relatives at home (Rodriguez and Tiongson, 2001). Through econometric analyses of 1991 data – specifically covering the National Capital Region - from the Family Income and Expenditures Survey (FIES) the Labor Force Survey, and the Survey on Overseas Filipinos, Rodriguez and Tiongson (2001) have found that migrants reduce the labor supply of non-migrant relatives (i.e. thus, making them non-productive domestically while their migrant worker members send remittances). This translates into lower earnings from local labor markets, as households substitute income from migrants for more leisure (though the authors contend that this represents an additional benefit of emigration that has not received enough attention in the literature).

The effect even varies by gender: Male labor participation declines when migrants belong to the nuclear family. Among women, having a migrant reduces their chances of working, but if the migrants are educated, the possibilities that households will work are high. Authors' estimates show that participation declines by up to 18.5 percentage points for men (and only 5.7 percentage points for women if migrants have tertiary education (Rodriguez and Tiongson, 2001). These reductions in labor participation represent declines by 27.7 percent for men and 12.5 percent for women (a decline in the probability to work implies lower labor earnings for these households). Meanwhile, remittances also reduce the labor supply of non-migrants. While income effect is small, this is relatively stronger for men than for women. Rodriguez and Tiongson (2001) said that an additional thousand pesos on per-capita remittances reduces non-migrant household members' chances of working by 0.2 percentage points for women and 0.3 percentage points for men. The said study further supports the observation that households, by virtue of having an overseas worker family member, is dependent on remittances and it decreases their productivity in the homeland. This study further justifies the moral hazard argument of Fullenkamp, Chami, and Jahjah (2003), with family members reducing their work effort or cut search time for productive jobs in the domestic labor market (Aldaba, 2004).

International migration also brings to the fore new sources of social insurance for communities and families in the homeland. Unfortunately, no studies have been made on remittances for social protection and social insurance, though data presented in earlier portions here can provide some benchmarks and preliminary observations. But on top of the private remittances that migrants send to immediate families, migrants also send remittances that stand to benefit their origin communities and other institutions such as NGOs, government bodies and agencies, and other groups. This is known as diaspora philanthropy, or the monetary (as well as non-monetary) support migrants give to groups and causes in the homeland. Diaspora philanthropy happens individually, is unorganized, remains largely undocumented, but its volume is a potential. A look at the country's balance of payments data (where diaspora philanthropy flows are part of "current transfers" under the country's current accounts, of which these are labeled as "workers' remittances") would show that remittances as diaspora philanthropy are on a rise in the last five years. The 2003 figure was \$218 million, a five-year high (Opiniano, 2004a), and it gives the impression that the biggest donors to socio-economic development causes in the Philippines are overseas Filipinos, not the corporations or the domestic-based high net-worth individuals (*see table 19*). Experts are currently finding out how to tap resources from diaspora philanthropy and channel these to development initiatives, especially in an era of almost nil resources from the government to provide services.



**Table 19: Current transfers data from the Philippines' balance of payments, and the scale of diaspora philanthropy (in million US dollars) (in Opiniano, 2004)**

ITEMS IN THE CURRENT ACCOUNT	1999	2000	2001	2002	2003
<b>TOTAL</b>	<b>512</b>	<b>437</b>	<b>447</b>	<b>503</b>	<b>612</b>
* Receipts	607	552	517	594	682
* Payments	95	115	70	91	70
<b>General Government</b>	<b>275</b>	<b>164</b>	<b>112</b>	<b>74</b>	<b>100</b>
* Receipts	295	183	132	105	123
* Payments	20	19	20	31	23
<b>Other sectors</b>	<b>237</b>	<b>273</b>	<b>335</b>	<b>429</b>	<b>512</b>
* Receipts	312	369	385	489	559
* Payments	75	96	50	60	47
<b>Workers' Remittances</b>	<b>45</b>	<b>53</b>	<b>92</b>	<b>155</b>	<b>218</b>
* Receipts	102	125	124	192	236
* Payments	57	72	32	37	18
Other transfers	192	220	243	274	294
* Receipts	210	244	261	297	323
* Payments	18	24	18	23	29
<b>Annual Average Peso-Dollar rates</b>	<b>39.0890</b>	<b>44.1938</b>	<b>50.9927</b>	<b>51.6036</b>	<b>54.2033</b>
<b>Computed Peso Equivalent of Workers' Remittances in Current Transfers – Other Sectors sub-item (per year – in million pesos)</b>	<b>1,759.005</b>	<b>2,342.2714</b>	<b>4,691.3284</b>	<b>7,999.488</b>	<b>11,816.3194</b>

Notes from the Bangko Sentral ng Pilipinas:

1. Current transfers – refer to unilateral transfers, in which cash, goods or services are provided for nothing in return. A transfer is considered current if the money or goods are intended for consumption by the recipient.
2. General government transfers – comprise transfers between governments of different economies or between government and international organizations. Included here are donations for relief efforts, gifts, contributions, and fees paid by member governments to international organizations.
3. Transfers of other sectors – cover those outside government (NGO's individuals, etc.)
  - (i) *Workers' remittances* – transfers by migrants who are employed abroad and are already considered as non-residents of the compiling economy.
  - (ii) *Other current transfers* such as relief goods, cash donations and other regular contributions (including membership dues) to charitable, religious, scientific and cultural organizations.
4.
  - (i) Under the current transfers account, **workers' remittances**, according to the Bangko Sentral ng Pilipinas (BSP) - Department of Economic Research refer to gifts and donations coming from either workers or Filipino migrants. These data are sourced mainly from bank reports which contain information on the nature of foreign exchange transactions. Data on remittances in the current transfers account are reported separately from the OFW remittances in the income account (and not included in OFW remittance volume of \$7.6 billion in 2003).
  - (ii) However, banks' reports indicate only the underlying transactions of the foreign exchange acquisition and not on the intended use of the foreign exchange received.
  - (iii) The computation of the equivalents of the workers remittance flows under the current transfers item is the author's extrapolation. The average peso-dollar exchange rate was taken from Bangko Sentral data.
  - (iv) Amid the gradual changes in the way the Balance of Payments has been computed (that have led to more specific classification of remittances as compared to other types of foreign exchange), the current presentation clearly distinguishes remittances that are treated as income from Philippine export of labor, from those that are regarded as mere receipt of cash gifts and donations from Filipinos who have settled abroad.



What these exploratory studies on remittances, poverty and social protection imply is that there is a need to further examine the links between and among each other. As a consolation, the effect on remittances to poverty reduction (just as how migration influences development) is complex and hard to precisely understand (Adams and Page, 2003). In fact, in a cross-section of 74 low- and middle-income countries (including the Philippines), Adams and Page made some conclusions with respect to the effect of remittances to poverty reduction – pointing to a minimal positive impact. Among their conclusions was that international migration has a strong, statistically important impact on reducing poverty in the developing world (on average, a 10 percent increase in the share of international migrants in a country's population will lead to a 1.6 percent decline in the share of people living on less than US\$1 a day). Philippine-level estimates similar to Adams and Page (2003) are not currently available.

These poverty and migration studies, however, indicate the disturbing observation that remittances (while these help individual households and communities, especially if these are invested or donated to socio-economic causes) are entailing costs. These include worsening or more glaring inequality, rising income inequality, having unproductive households in the homeland, and providing a minimal impact unto poverty reduction that affects broader communities and regions. Given these observations, continued migration will have minimal impact in combating the causes of structural poverty, and seem to be helpful to individual households in the short-term (or in the long-term, pending the extended stay of the migrant abroad). As Kapur observed:

Remittances are one of the most visible – and beneficial – aspects of how international migration is reshaping the countries of origin. In a variety of settings these are quietly transforming societies and regions, and are the most manifest example of self-help undertaken by poor households in the global arena. Remittances, of course, simply go directly to households and, in that sense, their immediate poverty alleviation impact – through increased consumption – can be greater than traditional foreign aid, depending on the income characteristics of the receiving household. However, their long-term impact may be more questionable, especially if few productive assets are being created. Thus it would appear that remittances are a better instrument to address transient poverty (which arises due to shocks whether at households or at the national level), rather than structural poverty (Kapur, 2003).

This brings to the fore daunting development challenges to the Philippines, thus going back to the country's economic performance. For international migration in the country to reach what is called a "migration hump" (Stalker in NOVIB, 2003) or "migration transition" (Abella, 2002), this requires sustained economic growth for the country so that jobs are generated, investments boom, and an enabling environment for resources to reach the poor. The estimates show that a developing a country must have an annual per capita income of US\$5,000 for it to realize that migration hump (Stalker in NOVIB, 2003); for the Philippines, it must even have a 10 percent economic growth (i.e. gross national product) in the next 23 years for it to reach a transition (Abella, 2002). Unless these happen, Filipinos will continue to migrate – and while the country will continue to enjoy the gains of migration, especially in the short term, migration's social costs and impacts on poverty reduction will give the country a disadvantage in the long run.

This forecast also has an impact on OFWs' return migration and migrants' efforts related to socio-economic reintegration. Unless positive socio-economic conditions prevail in the Philippines, ecological factors will affect individual migrants' reintegration. Ensuring returning



migrants' socio-economic reintegration entails a massive overhaul of the country's socio-economic situation. An additional question would be "will the overseas Filipino (temporary contract worker, immigrant, undocumented migrant) ever go back home?" That remains to be a personal choice, and the consequences are shouldered by individuals, including their efforts to support their origin communities as part of their reintegration (Opiniano, 2002).

### ***Migration, culture and national identity***

Stalker (in NOVIB, 2003) sees a growing culture of emigration by citizens as among the negative effects of international migration. The numbers migrants alone in the Philippines – over 7.6 million – reflect that growing culture. What adds up to that is the influence of networks in the immigration country (known in the literature as the network migration theory), where community or family members abroad form support systems to encourage a family member or friend back home to migrate (also in Añonuevo and Añonuevo, 2002).

In a sense, hopelessness in the Philippines becomes a stimulus for many to consider migration. That was what a Pulse Asia survey showed – in 2002, the ratio was one out of five Filipinos wants to migrate, while its 2003 survey showed an increase to one out of four. What this also breeds is succeeding generations of migrants, including would-be domestic workers and entertainers. Anecdotal evidence in migrant communities showed tales of children of migrants, in primary and secondary schooling, not wanting to finish school in order to become nannies abroad like their mothers (Frank, 2001). A life path exercise made by two migrant NGOs to some five children of OFWs also revealed qualitative findings that these children have expressed a strong desire to work abroad. That strong desire came about even if they have been directly affected by the absence of their parents. The NGOs Atikha, Inc. and BaliKaBayani Foundation observed: "(Children of OFWs) lamented being physically separated from their parents but at the same time, they recognized that their lives would be difficult without somebody in the family working abroad. Slowly, they have come to terms with the fact that despite the cost, work abroad is the only road towards a better life. The aspiration to migrate and become migrant workers is driven by their desperate need to earn bigger income" (Añonuevo and Añonuevo, 2002). If what this implies is a nation that cannot provide the needs of its citizens, and it allows the permanent loss of substantial groups of citizens, this is a "national shame" (Aguilar, 1996): the Philippines is incapable of providing an acceptable life to its citizens, and emigration also reflects a national weakness.

The hopelessness, or even disassociation with a fellow Filipino, can also be felt when one is abroad. Migrants who have settled there already as immigrants, or even as former temporary workers who were able to obtain permanent residency status, have expressed their dismay over the future of the country. "There is no more hope for the Philippines," some migrants from Toronto, Canada remarked. Another migrant, a doctor from the United States who is active in development efforts for his hometown in Butuan City, had this observation: "I have met a lot of Filipinos who left the country with bad tastes in their mouth. They have nothing to say but negative things about the country, with no desire to give back to the home communities. Very few Filipinos who have found wealth in other countries will ever think of coming back (home). We have the attitude of just wanting to take and not to give back." These people are what Castles (in IOM and UN, 1998) calls "as people who betray the nation by taking their energy and skills away from national development" even in an era of transnational belonging and consciousness. Meanwhile, in some countries, Filipinos of different professions and statuses in life elude co-nationals' efforts to seek succor and companionship (such as higher-status migrant



workers exerting every effort not to associate with low-status migrant workers, like nannies), leading to fragmented overseas Filipino communities (Aguilar, 2003).

For Estopace (2002), there is a deeper meaning, and a negative one at that, into projecting migrants as “heroes.” Literally they are, owing to migrants’ remittances. But masquerading this crass nomenclature unto migrants breeds the following: a) for government officials to take advantage of the OFWs’ sense of “being a Filipino” to raise funds for so-called development projects (“as these same government officials try to wash off responsibility over OFWs while establishing claim over their remitted money” [citing Israel, 2002]); b) by calling OFWs as heroes, that including domestic workers and entertainers, the messages being conveyed include “it was all right for them to work as maids abroad,” and that “abuses and maltreatment are made to appear as part of their heroism;” and c) supporting the notion to justify the supply of Filipino labor to other countries by tolerating and maintaining an educational system that effectively molds children into future domestic workers, or working into traditionally-assigned gender stereo-typed roles. The imprint of calling migrants into “heroes” implies challenging values education and gender sensitivity efforts to counter the culture attendant to emigration (Estopace, 2002).

Remittances also breed their own cultural effects, most especially dependency, non-productivity (which Rodriguez and Tiongson [2000] showed through economic analysis), and indolence (Henderson, 2000). This trend also challenges migrants, whose families are now awash with improved lifestyles, to maintain or further improve these through continued overseas work (Añonuevo and Añonuevo, 2002). For another analyst, continued dependence to remittances gives the impression that Filipinos have lost the ability to believe in themselves (Bagasao, 2003).

Many harp at the feminization of migration, being one of the most striking features of the Philippines’ migration profile. Filipinas (including educated ones) deskilled themselves into domestic work, care-giving, and even entertainment-related jobs. In addition, family roles and responsibilities are altered – and the contribution of women to development hampered. Overseas, Filipinas endure the negative tags fostered unto them – as “lowly” maids in Hong Kong and Singapore, as “prostitutes” in Japan. Then we continually see the state “facilitating” the employment of these women workers to such professions, even if some civil society groups have called for the stoppage, for example, of deploying Filipinas as overseas performing artists (OPAs) in Japan. On the part of the state, even with pictures showing nightclubs being named after Filipinas and styled from the Philippine flag, some officials retort that there is nothing wrong if Filipinas are seated beside Japanese men inside these bars. Now the pursuit of being an entertainer (locally called *Japayuki*) has proven to be a legitimate profession – with many women undergoing training in dancing and singing, and government even lowering the minimum age requirement for OPAs.

But as a consolation, transnationalism brings possibilities (including developmental possibilities) for migrants to reconnect themselves with the homeland. In some cases, Filipino cultural traditions are done in the receiving countries (e.g. Independence Day celebrations, folk dance events, Catholicism and fervent prayer inside Catholic churches) – and these are even springboards for these Filipinos to extend whatever assistance they can provide to those in the homeland. Diaspora philanthropy efforts positively promote the values of hope, industry and civic duty (Nicolas-Lewis, 2003), especially in a transnational setting. Diaspora philanthropy has also become a mechanism for Filipinos to revive traditions and continually establish links in the homeland (Opiniano, 2002).



Yet continued migration by Filipino citizens, reinforced by a “norm” called the culture of emigration (Castles in IOM and UN, 1998), is projecting the loss of national self-worth and is tolerating national denigration. This is beyond the national policy surrounding international migration and national development. Even legislators who crafted a confusing declaration of policy in the country’s Migrant Workers Act (“that the Philippine government does not promote overseas employment as a means to sustain economic growth and achieve development”) may be aghast at admitting that Philippine development, as it happens now, is based on women domestic workers and entertainers (Estopace, 2002). The economic and social costs of migration to the country have been exhaustively enumerated, but migration also gives the country an unquantifiable loss to Filipinos as a race, that no amount of pontificating the Filipino worker (e.g. Filipinos as hardworking, caring, preferred to by foreigners, as heroes) can offset. Says Henderson (2000):

The flow of Filipinos abroad would seem to be different given the context of globalization of the international economy and the explicit and implicit labor export policy of the Philippine government. Overseas Filipinos are encouraged to work abroad, glorified as national heroes, and welcomed home for the holidays. Yet they are neither inside nor outside the core of what it meant to be Filipino, existing in a cultural never-never land of lost self-esteem, cultural identity, and illusory dreams.

The global migrations of overseas Filipinos have created a painful discontinuity among nation, culture, identity, and place. Given the disruptions, it is amazing and admirable that Filipinos around the globe continue to be so loyal to their homeland. Indeed, many identify with their roots more so in exile than they ever did when they lived at home. Benjamin Anderson, one of my old Cornell professors, coined the term “imagined community” to describe what happens when cultural self-definitions are recreated and new notions of who and what you are come to the fore. Unfortunately, such academic formulations aren’t much help for the lonely Filipino sitting in the window seat of a jumbo jet taxiing down the endless runway, gazing wistfully out across the dreary, damp tarmac, fighting back the tears and gently humming that old pop refrain: *Cause I’m leavin’ on a jet plane / Don’t know when I’ll be back again / Oh babe I hate to go.*

### ***Migration and development issues – a summary***

To summarize all these migration and development issues in a nutshell, a newly-formed nonprofit organization working in the migrant sector – the Institute for Migration and Development Issues (IMDI) – pointed out resounding challenges on the country’s future with international migration beside it:

International migration resolves liquidity and unemployment problems of both sending and receiving countries. On one hand, it provides a safety valve for surplus production (families, as well as overseas Filipino workers or OFWs, have increasing purchasing power), for undesirable jobs, for increasing women’s productivity, for cultural explosion, and for social conflicts (e.g. migrants as escape goats). On the other hand, international migration emasculates the culture and development consciousness of the sending country by dictating educational preference, tolerating dependence and indolence, and restricting



women to “3D” (dirty, dangerous, demeaning) jobs. International migration likewise maintains socio-economic inequity in the sending country, supports a profitable recruitment, service-based, and non-manufacturing industry, abets deskilling of the potential and actual labor force, and sustains people’s dependence to an underground, consumer-based economic and finance network.

Existing law and industry structures have a symbiotic or parasitic relation with these factors abetting temporary overseas work (TOW). TOW, meanwhile, supports a consumerist society that, in turn, justifies overseas migration, and that helps the labor export industry to flourish. All in all, the sending and receiving governments, and those in the legal traffic of human labor, wittingly - or unwittingly - support each other mutually in sustaining the labor export industry’s dynamism.

Simply put, all of us - even migrant workers and their families - benefit from international migration. But who benefits the most in the end? Government officials have asserted that they do not push Filipinos abroad. However, the mere presence of two government agencies whose boards of directors exclude OFWs, or put limited OFW participation, immediately links migration as a public arena. If labor export is an industry, then it should be in the hands of the private sector, with governments providing regulation through an agency similar to the Securities and Exchange Commission (SEC). If labor migration is a government function, then it should be under the foreign affairs department since foreign travel is a concern of such an agency.

If we speak of migration and development, however, then there should be *a national policy and program about harnessing the development potentials of a programmed labor migration*. This was what South Korea did in its 10-year development plan, the same with Indonesia in its five-year development plan. Migration and development also speaks about the eradication of the factors that allow the labor export industry to flourish. A main factor is the absence of fulfilling and wage-competitive jobs in the domestic economy. This, however, is related to the structure of industries in the Philippines, which is dependent on trading partners’ demands.

Migration and development is also about eliminating the factors that bring about underdevelopment, and that push and maintain Filipinos overseas. In this perspective, this is where the migrants, their kin and their allegiances play a role. In fact, evidence has shown that migrants and their groups have been helping their origin geographical regions, and the Philippines as well, through their economic resources and social networks. In the home country, returning migrants and their kin have been utilizing these same economic resources and social networks to help themselves and their localities” (Institute for Migration and Development Issues, 2004 [unpublished]).



## **The migration and development challenge for the Philippines**

Given these gains and costs of migration to the Philippines, analysts think that the country has not confronted the issue of Filipinos' international migration head on. Now that migrants have built that attention in many ways (e.g. political influence through overseas absentee voting), this is where challenges are forwarded to put migrants and international migration head on in the development agenda (Zobel de Ayala, 2003). Take note, however, that for so long a time, migrants – through their contributions, especially remittances – have long been involved in national development (Bagasao, 2003). At this point of the country's history, the overseas Filipinos sector is simply too large to be ignored, and the same goes with migration's positive and negative effects to the country.

Confronting the migration phenomenon and its issues is never easy, and since this is not a neutral phenomenon, it is difficult for many to think whether it is truly good or bad for the Philippines. But this paper contends that while migration has brought short-term benefits to Filipinos and the country as a whole (especially economic gains), Filipinos' forced migration should not prevail in the medium- and long-term. The benefits of migration to the country, as observed, are not only short-term, but are not spilled-over to benefit greater communities where the migrants originated. The benefits are also for immediate needs of families and the country (e.g. daily sustenance, liquidity flows for the country). But time and time again, since 1974, international migration has not proven to be a sustainable thing for the country, especially so that consumption is the nation's main economic driver. Thirdly, even with the remittances that migrants bring, the costs are huge – millions of families vulnerable to domestic problems, contribution to prevailing inequality, denigration of national identity, undermining the productive capacity of Filipinos such as would-be migrants and those left behind, national hopelessness, and even stagnation of economic and political reforms.

The country, especially in its current state, truly benefited from the gains of international migration. But have we ever wondered who truly benefited from migration? Have these benefits spilled over strategically to benefit greater Philippine society? Government benefited from migration, whether it admits it or not, because this safety valve has averted many of the country's employment and liquidity problems. At the same time, government agencies get money from OFWs, as their promised programs and services for them still leave much to be desired. The business sector also benefited, especially the recruitment industry, as different arms of the profit sector are now chasing the migrants (e.g. banks, pre-need industry, real estate and housing, travel, manufacturing). While the migrants benefited, their immediate communities did not get much benefit (except if migrants extend themselves to help their home communities, which is not wrong in itself). If migration truly benefited the country, the Philippines could have a much improved domestic economic performance. As it is always the case, the domestic economy is the problem, and migration has always been the savior to this struggling nation.

While this analysis prevails, migration will never stop. Globalization will fuel it more, especially with the increasing demand for skilled workers – putting to a test the country's domestic capacity to sustain itself while more skilled workers migrate. If labor migration is truly the niche of the country, and the call is to flaunt the Philippines' competitive edge in labor (Zobel de Ayala, 2003), then the country must now think of ways how to get returns from Filipinos' migration. This is where a policy and a program to harness the potentials of a programmed labor migration are important at this age for the Philippines. And for the government, whose policies are either



lacking or unclear, this will challenge its shortsightedness in looking at the migration phenomenon and its place in the country's development. Migration and development is beyond the phenomenon's economic benefits to the families and the economy, and merely having more of these.

## **Government**

International migration posits a great loss to the country because the Philippines has not yet translated the positive impact of migration to especially benefit wider segments of society. To quote an overseas Filipino key informant, "the gains still remain to be seen but it seems the government is not bothered about this – for as long as remittances continue pouring to keep the economy afloat." If this is a migration-and-development vision that the government carries, this is a short-sighted perspective. It is not enough that protection is accorded to nationals abroad, and ensuring that their welfare and of those left behind in the country are ensured. The phenomenon has brought multi-faceted development effects, and government cannot be blind to these.

Government efforts strike at the heart of public policy. Its non-explicit admission of sending Filipinos abroad has led to what others view as hypocrisy since reality shows a different thing. Now, government has been called to undertake a different tack on putting international migration as a strategy of Philippine development.

But surely, the continued export of citizens for overseas work will be the state's approach – the "easy-way out" for government to easily get the short-term gains of migration, even if migration will not prove to be beneficial in the medium- and long-term. Government has to realize that while there are efforts to accelerate broad-based development and poverty reduction, and international migration continues, migration will exact a cost onto these. Thus saying, Philippine migration, to quote an overseas Filipino-key informant, "is a wasted investment – like mopping a wet floor with an open faucet." The respondent added:

You send people abroad, (use) remittances to non-creating jobs, consumables and non-sustainable activities without a coherent reintegration program, migration is indeed more of a cost than a gain.

Now, the more that government has to think long and hard of how migration will not leave the Philippines too much in a deficit. In the medium- and long-term, continued migration will provide much costs (even economic) – and might even be seen as the culprit that hampers economic growth. Says another overseas Filipino-key informant: "Our country will be left with a social, moral and economic time bomb."

This where the state is challenged to undertake a more careful and open-minded assessment or flashback of how overseas migration has helped or cost the country. From its short-sighted perspective on the place of migration in development, the government is challenged to formulate an all-encompassing policy on migration and development.

For example, private remittances can be harnessed in many different ways. Migrants themselves, and the civil society groups working for migrants and outside of the migrant sector, have shown varied examples how to harness remittances to benefit local economies (Bagasao, 2003) and migrants as well (Unlad Kabayan, 2003). To be fair, one government agency – the



Commission on Filipinos Overseas (under the Department of Foreign Affairs) – has long been doing this through a systematic diaspora philanthropy program that has generated over a billion pesos to benefit social development areas<sup>6</sup>. However, harnessing these resources from migrants should never, ever be a replacement to government's supposed programs and services for local citizens, especially the poor, nor rely on these so much. Remittances are a bonus, but not the main pillar of development. While migrants can do a lot to help the country, says an OF-key informant, "they should not do it alone, and refuse to do it alone. It is not fair for migrants who work very hard to earn a living for their family, and they also have to bear the brunt of solving the economic problems of the country."

In the end, government remains a critical institution. It all redounds to better governance, not just of managing the migration phenomenon, but leading the pursuit of broad-based development for the country. Widespread public distrust, however, challenges the state. If government wants to encourage migrants to support the country in various ways, it has a whole lot to prove to them – from the national to the local levels. Political opportunism is certainly not among the best showcases for the state to flaunt its work and performance to its citizens, migrants included.

## ***Business***

Their contributions at national development are desired, but it does not mean the means are well done. Within the migrant sector, the business sector will (unfortunately) be continually conceived or looked at critically by some sectors, especially the migrants. Their vision for overseas employment – which is to promote it to the fullest – clearly points to the profit orientation, even while they aim to police and protect their own ranks as a sector. Some of these recruitment and manning agencies asserted they should also be called "heroes" for helping broker the jobs abroad that have become a safety valve for the Philippine economy. As a consolation, with the continued migration of workers, it points to the impression that amid the costs of the phenomenon, many Filipinos still want out and they rely on the private sector for this.

With the recruitment industry continually profiting from labor export, and given the varied gains and costs of migration to the country because of labor migration, recruitment agencies should realize that they owe a big responsibility to the greater society. While they help facilitate overseas employment opportunities, this push for labor export will continue to exacerbate the costs of migration to Philippine socio-economic and cultural life. The labor export industry should realize that if they want the Philippines to aggressively promote overseas employment, deregulate the industry (Alunan-Melgar, 1999), and professionalize and modernize the OFW sector (Zobel de Ayala, 2003), the costs to development are high and, probably, irreparable.

We have also come to an age where the OFW is now the "flavor of the month," an untapped but "significant" market for business (Estopace, 2003). International migration has created industries (travel, banking, real estate, pre-need, private educational institutions). In a consumerist economy, business will naturally say that the trickle-down effects of remittances to purchasing power, personal consumption and the domestic economy have been phenomenal – leading to robust sales and growth figures for many local industries (Zobel de Ayala, 2003). By challenging government to include OFWs in a development agenda of modernization and competitiveness,

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<sup>6</sup> This is the *Lingkod sa Kapwa Pilipino (LinKaPil)* program. It asks overseas Filipinos to donate their resources to areas such as education, infrastructure, disaster relief, health, and livelihood.



it reflects that businesses want to get a slice of the pie from OFWs' remittances. In this regard, the question of values props up, and this is where the business sector will have to prove to the public, especially to OFWs, how noble-intentioned they are and their roles in the country's development. Migration surely benefits them, but as to how these benefits spill over to the greater communities is a challenge they must answer beyond the profits they can get from remittances. Apart from the recruitment agencies, other sectors in the business community should realize that if business is indeed part of national development (or they should be among those sectors that protect the welfare of OFWs), the "conflict of interest" angle will always be perceived unto them.

### ***Civil society – both within and outside of the migrant sector***

The struggle to fight for the rights and welfare of OFWs and their families never ends for civil society organizations that work within the OFW sector. Their varied types of interventions – from rights-based advocacy to economic advancement projects – remain valid, and these will continue to be their involvement. This is because the public and private sectors remain threats in ensuring the welfare of OFWs and their families.

These groups must not only continue their usual civil society interventions for the sector. They should also put the OFW agenda (not just rights and welfare) on a *development plane* so that these groups can leverage for better terms for OFWs and their families. The Overseas Absentee Voting law is a relevant example of how migrants can be involved in national development, given the political influence – as well as prospective wind of change – they can bring to the country.

But as the migration phenomenon continues, the more that the attendant costs will continue. The situation does not only call for respect and appreciation of what each and every migrant group does for the sector. It calls for a broader base of civil society involvement and intervention<sup>7</sup>. This is about building groups such as self-help organizations – whether based here or overseas – as social institutions<sup>8</sup> (World Development Report, 2000/2001). These kinds of groupings can be mobilized to help reduce poverty (whether theirs and the community's) by drawing on and strengthening their collective efforts and identity. If these overseas Filipino organizations based locally and overseas have a strong collective identity, and are willing to collaborate with outside agents to forge new solutions, these groups can work to increase not just their access to services, but improve their living conditions, raising their incomes, and do something for their immediate communities (World Development Report, 2000/2001). OFW associations, whether formal or informal, are the "missing civil society" for the country's migrant

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<sup>7</sup> The Philippines has over 300 self-help organizations of returned OFWs nationwide, and these groups can be encouraged to be part of the civil society effort, while intermediary groups working for OFWs can provide them with support (e.g. economic assistance, capacity building). Meanwhile, the over-12,000 recorded Filipino associations and groups abroad are a potential force for civic action directed at the Philippines (OFW Journalism Consortium, 2003). For example, OFW groups in Saudi Arabia are frequently airing their concerns to labor officials.

<sup>8</sup> Social institutions – kinship systems, community organizations, and informal networks – greatly affect poverty outcomes. They do so by affecting the productivity of economic assets, the strategies for coping with risks (e.g. international migration), and the extent to which particular voices are heard when important decisions are made. Social institutions can help the poor people, or even sectors such as migrants, get by and get ahead. However, these social institutions can also place barriers between the socially disadvantaged and the opportunity and resources they need to advance their interests (World Development Report, 2000/2001).



sector, as well as the greater civil society sector in the Philippines (Opiniano, 2004b) – that if their efforts are harnessed, it will broaden the democratic space and widen civil society action. Of course, the greatest challenge here has always been the disunity of these groups.

Nevertheless, with migration still a growing problem (a development issue, at that), the more that this calls for increased civil society presence to help existing civil society organizations working in the OFW sector. Perhaps migrant civil society organizations can learn from civil society organizations in other sectors in working for migration-and-development approaches<sup>9</sup>

At the sidelines, civil society groups outside of the OFW sector are now expressing interest in the OFW phenomenon, particularly with how the remittances can be channeled to support social development. Unfortunately, many of these groups have a shallow understanding of the OFW phenomenon – apart from knowing them as “heroes” and as “victims” of the tragedies of migration. Yet they are happy to hear about the efforts of overseas Filipino groups supporting home communities, NGOs and peoples’ organizations, and other public and private/nonprofit groups. These developments challenge the greater civil society sector to plunge themselves in understanding and analyzing the links between Filipinos’ international migration and the country’s state of development – that “OFWs are a symptom of the country’s wider problems” (Thomas Crouch in *Khaleej Times*, 2004). Migration is obviously a social development issue for the Philippines, and greater civil society should see that as also affecting their work for specific sectors (e.g. urban poor, informal sector, peasants, women and children, environment, health, education, population). As a starting exercise, they can ask their constituencies if they are families or relatives of overseas workers, or if they receive remittances. That will make these groups realize that they, unknowingly, help OFWs and that their problems are linked to greater development concerns.

From thereon, non-migrant civil society groups can work with (and help) overseas Filipino associations and migrant civil society organizations in harnessing the development potential of migration. The harnessing of this development potential benefits both parties – in the pursuit of supporting social development, and in the goal of eradicating the factors that cause underdevelopment that push and maintain Filipinos abroad. All these groups also share the same goal of improving the country, and not seeing more Filipinos being “forced” to migrate as a “last and desperate option.” At the same time, this prospective collaboration will strengthen civil society in the Philippines, making it transnational. Says Opiniano (2004b):

This prospective cooperation can strengthen civil society advocacy, which will now become transnational – putting more pressure on the government to cater to the needs of the poor. There can even be a synergy of ideas between these groups with regard to designing programs that benefit the poor. Migrants carry with them the experiences overseas that the Philippines can replicate, while domestic civil society groups have their varied creative ways of addressing development issues. It is also hoped that non-migrant civil society groups will help the migrant nonprofit groups, particularly with respect to meeting the needs of migrants (e.g. education, health, housing, social security).

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<sup>9</sup> Migrant NGOs such as Unlad Kabayan Migrant Services Foundation, sister groups BaliKaBayani Foundation and Atikha Overseas Workers and Communities Initiative, and the Economic Resource Center for Overseas Filipinos (ERCOF)-Philippines are showcases in trying to work together with groups outside of the OFW sector to meet the needs of migrants.



## ***Overseas Filipinos***

For so long a time, overseas Filipinos have fought hard to make themselves recognized as stakeholders in the country's affairs and future. They should be. Their contributions to national development are truly phenomenal, and without them the country could have long been in dire economic despair. Yet it does not mean that overseas Filipinos are placed at the pedestal in migration and development. Migrants can even be a problem.

To be sure, it will even be difficult to convince overseas Filipinos to go beyond their usual family needs and do something for fellow Filipino migrants and for the homeland. Immigration status matters, and undocumented workers are at a disadvantage. Meanwhile, migration is a "personal decision" – whether by choice or as an option (albeit a last and desperate one) – and the same goes with going back home in the country, for example, or doing something for the country. Even many Filipinos have found the Philippines a hopeless case, and would rather endure decrepit situations (e.g. war) and discrimination overseas instead of going back home. As a local survey has already shown the domestic hopelessness that prevails in the country, the migrants add up to it – and it may not lead to anything good.

For an overseas Filipino-key informant, the challenge lies "primarily on the motivation of a person why he or she left the country." She added:

If one leaves for personal reason without regard for national development, then the eight million migrants would continue to exist as individuals. Each on his own, never mind the others. The gain (to the country) would just be a trickle.

In this situation, awareness campaigns on the migrants' role for their families and communities are called for, says the key informant. And even while migrants can be a problem to realize a strategy for migration and development, another overseas Filipino-key informant thinks they should be "at the center," the "prime players" in migration and development. This calls for migrants' participation and empowerment in policies, programs and endeavors that not only benefit the migrants, but the country as a whole.

The message of the speech by public speaker Patricia Evangelista (2001) strikes at those migrants who carry the attitude, according to another overseas Filipino-key informant, of "just wanting to take and not give back." That, among many other things, is a phenomenal migration-and-development challenge. Add to that the angle that development means many things for many people – from the individual, to the societal. This may determine their involvement or non-involvement.

Nevertheless, to make overseas Filipinos active actors in migration and development for the Philippines, the challenge is to reconnect with them, and animate their imagination to make migrants feel a stake to improve the country. This is not intended to burden OFWs with the responsibility to look at the needs of fellow Filipino migrants and of the homeland, but to make migration-and-development a collective Filipino effort, a collective responsibility.



## Conclusion

Migration is a development challenge in itself. It has gained and cost the country, and yet we have yet to face it head on. Thirty years hence, our country's future beside the continued exodus of Filipinos will be challenging – and the overarching solution is to fix the domestic economy. Never can migration be a permanent solution to national development<sup>10</sup>. Migration can only do a supplementary, yet relevant, role for national development.

The paper is an initial look at the complex issues of migration and development for the Philippines. What this exploratory and preliminary analysis brings forth is the need to *formulate an alternative framework on migration and development for the country*. That formulation must be a product of open, frank and multidisciplinary perspectives from varied sectors, and initiatives in this regard should be supported. This migration-and-development framework will be a big first step for the Philippines to find ways of harnessing the development potentials of a programmed labor migration. The introduction of strategic approaches related to migration and development will hopefully follow and be mainstreamed - that being a reinforcement to benefit the country and eradicate the factors that push and maintain Filipinos overseas.

As Filipinos' international migration continues, the Philippines should stop seeing herself lose much in the end. The country will lose much if migration continues, and if the prevailing trend of not preparing for the migration's probable development outcomes, and not harnessing its benefits for the long term, goes on.

Yet maximizing the gains of migration so as to minimize its attendant costs is a difficult thing to do. This challenges everyone, including overseas Filipinos. We have ourselves as probable enemies to it. For a nation that has long endured the economic, social and cultural costs of migration, we have to prove that "we can do it," no matter how difficult. That is the greatest challenge for a strategic migration-and-development scenario in the world's largest labor exporting nation.

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<sup>10</sup> For his part, Tigno (1990) says labor migration does not lead and cannot substantially contribute to development. He adds: "Labor export is an unsound development policy. In terms of welfare, investment and employment targets, labor export cannot achieve genuine national development objectives or broad-based development. The unfortunate aspect is that migration as a function of free market forces is but a myth, just as migration as a vision for obtaining national development is a false and dangerous panacea."



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## **Respondents**

### ***Two-round focused panel discussions with selected migration-and-development experts***

- Atty. Ildefonso Bagasao - Economic Resource Center for Overseas Filipinos (ERCOF)-Philippines, president
- Atty. Manuel Goyena - Economic Resource Center for Overseas Filipinos (ERCOF)-Philippines, legal officer
- Dennis Estopace - OFW Journalism Consortium, founding member; *Today*, business reporter

### ***Face-to-face key informant interviews***

- Ellene Sana - Center for Migrant Advocacy (CMA)-Philippines, officer-in-charge
- Armi Magat - National Commission on the Role of Filipino Women (NCRFW), executive assistant
- Atty. Golda Myra Roma – Commission on Filipinos Overseas (CFO), senior emigrant services officer
- Dr. Fernando Aldaba – Ateneo de Manila University-Department of Economics, chairperson

### ***Online key informant interviews with selected overseas Filipinos***

- Leila Rispens-Noel – Netherlands Organization for International Development Cooperation (NOVIB), programme manager, Bureau of Popular Campaigning (migrants and refugees)
- Dr. Lorenzo Alaan – Butuan City Charities Foundation of Southern California (BCCFSC, USA), president
- Engr. Rafael David – Filipino Community in Yanbu (FILCOYAN, Saudi Arabia), president

### ***Participants to a focus group discussion in Toronto, Canada***

- Linda Javier – Filipino Center in Toronto, president
- Agnes Manasan – Catholic Community Services of York Region (CCSYR), coordinator
- Mercy Maligalig – Filipino Parents' Association in Toronto, president
- Hon. Alejandro Mosquera – Philippine Consulate in Toronto, consul-general
- Hon. Julius Torres - Philippine Consulate in Toronto, consul
- Ms. Indhira Bañares - Philippine Consulate in Toronto, vice consul
- Rolando Rico Olalia - Philippine Consulate in Toronto, consular officer in labor