

## **Migration and Development: Opportunities and Obstacles**

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Since the mid-1970's, the number of Filipinos going abroad for employment has been steadily increasing. From 36,029 Filipinos deployed for work abroad in 1975, this figure rose to 933,588 in 2004 <sup>1</sup>.

To date, there is an estimated 8 million Filipinos or about 10% of total Philippine population living overseas scattered in about 190 countries all over the world. With this number of Filipino migrants working abroad legally or undocumented, Filipino migration has been described as a diaspora. Technically, diaspora means the involuntary displacement of people as an effect of persecution, war or famine. For Filipinos however, it has come to mean journeys to other nations, expatriation, and exile, often for economic reasons.

The poverty incidence in the country in 1991 is 39.9%, 35.5% in 1994, 31.8% in 1997, and 34.2 in 2000, while unemployment rates for the same years are 10.5%, 9.5%, 7.9%, and 10.1%, respectively<sup>2</sup>. Human poverty index in 2003 was pegged at 35%, and unemployment rate as of February 2005 was 11.3%. It is therefore not surprising that many Filipinos consider overseas work as an option to escape from poverty.

In 2002, a Pulse Asia survey revealed that one in five Filipinos has lost confidence in the country and would live abroad if given a chance. In a survey of 1,200 Filipino adults

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<sup>1</sup> Source: POEA 2004 Annual Report

<sup>2</sup> Taken from Philippine Migration Journalism: A Practical Handbook. Quezon City: OFW Journalism Consortium, 2003.

nationwide, it was found that 19 percent agreed with the statement that the country is hopeless and they would like to migrate to another country<sup>3</sup>.

The stories of Maricris Sioson (1991), Flor Contemplacion (1995), Sara Balabagan (1997), Angelo de la Cruz (2004), and Guen Aguilar (2005) have come to symbolize the millions of Filipinos driven by poverty to leave their families and take their chances abroad. Some are looked down on as modern-day serfs while others are treated with dignity. But all are where they were/are because of their desire for a better life, because they want to escape poverty in the country.

### **Historical Background of Filipino Overseas Migration**

The Philippines has a long history of overseas labor migration. Ninety-nine years ago, 15 farm workers left the Philippines to work in sugarcane fields in Hawaii. They formed part of the so-called first wave of Filipino migration, which started in 1906 when representatives of the Hawaiian Sugar Planters Association came to the Philippines to recruit manpower. Since then the number of Filipinos in the United States grew, not just in Hawaii but also in mainland USA. Between 1906 and 1930, there were 120,000 Filipinos working in the United States<sup>4</sup>.

The first wave of Filipino migrants were those skilled in farm labor, factory work and blue-collar service in American military facilities.

The second wave of migration filled a labor shortage in the US mainland, and this included professionals. This was the time when the United States engaged in the Vietnam war in the 1960s. The Vietnam war brought about a scarcity in American males because they were being drafted as soldiers. It was during this period that many Filipinos were encouraged to pursue their studies in the US through exchange programs and other scholarships.

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<sup>3</sup> Pulse Asia Survey of 1,200 respondents conducted between 22 March and 10 April 2002.

<sup>4</sup> Cabuag, Villy. "Four Centuries of Philippine Migration," in *Philippine Migration Journalism: A Practical Handbook*, 2003.

The second wave, although short-lived, made a dent in the Philippine labor force as academics, doctors, engineers and other professionals and skilled workers left the country in what came to be known as the “brain drain.”

The third wave of Filipino migration began in the 1970s, when thousands of Filipino construction workers and other blue-collar professionals left for the Middle East. This opportunity was brought about by an oil embargo imposed by the OPEC against the US in 1973 for meddling into its affairs. With the higher prices of oil during that time, the Arabs had so much money. They began to import labor to develop their petrochemical industry and other infrastructure projects.

Seeing the opportunity, President Ferdinand Marcos issued in 1974 Presidential Decree No. 422 or the Labor Code that created the Overseas Employment Development Board and the National Seamen Board.

Thus by the late 1970s, the Philippines experienced relatively high economic growth due mainly to remittances of Filipino workers abroad.

From the US and the Middle East, the market for migrant workers expanded to other places. Entertainers were hired by Japan, medical practitioners were recruited by Canada and the United Kingdom, domestic workers were in demand in Europe, Hong Kong and Singapore. This period was marked by a heavy demand for semi-skilled and unskilled workers.

Up to the mid-1980s, the vast majority of migrant workers were men, but by the late 1980s, when the demand for service grew in the international arena, more women workers started to join the migrant work force. This era marked the feminization of migration. The percentage share of women OFWs increased from 12 percent in 1975 to 47.2% in 1987. This

climbed to 50% in 1992 to a high of 69 % in 2002<sup>5</sup>. In 2004, this figure rose to 75%, with an increased demand for women service workers.<sup>6</sup>

The movement of workers out of the country continued during the Aquino, Ramos, Estrada and Arroyo administrations.

### **Overseas Deployment**

The number of Filipinos deployed overseas for work has continuously and steadily risen since the 1970s. In 2004, a total of 933,588 documented OFWs were deployed to 190 countries worldwide<sup>7</sup>. This does not yet include the number of undocumented Filipinos.

The top 10 list of OFW destinations for the year 2004 are the following: Japan 71,166 (newly hired); Saudi Arabia 58,363; Taiwan 34,030; UAE 26,653; Kuwait 22,640; HK 16,511; Qatar 10,919; Lebanon 6,155; Bahrain 3,683; and, South Korea 3,516<sup>8</sup>.

For the first semester of 2005, deployment of Filipinos abroad rose by 6.8 percent to 527,573. Land based workers increased by 6.1% to 40,332 from a year ago while deployed sea-based workers rose by 9.2% to 125,241<sup>9</sup>.

There are no indications that the figures would drop considering the government's relentless pursuit to create one million overseas jobs for the year 2005<sup>10</sup>. Deployment is expected to grow as the POEA and the Philippine Overseas Labor offices in various sites abroad have been engaged in marketing missions looking for employment prospects abroad.

### **Overseas Deployment Policy of the Philippine Government**

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<sup>5</sup> POEA Statistics

<sup>6</sup> In 2004, 90% of newly hired OFWs in the service sector were women

<sup>7</sup> DOLE. See also "DOLE aims to Generate 65,000 Jobs for OFWs," Manila Bulletin, 8 April 2005, p. B-1.

<sup>8</sup> POEA statistics, 2004

<sup>9</sup> POEA

<sup>10</sup> See "Government Target: 1 Million OFWs," Philippine Daily Inquirer, 19 February 2005.

The policies of the Philippine government with regards to the migration process emanates from the Philippine Constitution. The 1987 Constitution states that it is the mandate of the State “to provide full protection to labor, both local and overseas, organized and unorganized.” It is also the State’s mandate to promote full employment and equality of employment opportunities for all.

Aside from the Constitution, the actual migration experiences of Filipinos also provide strong bases for the formulation of policies, as well as the situation overseas, particularly in the receiving country. The employment and economic situation in the Philippines are reasons why Filipinos go abroad, and therefore also affect the government’s deployment policy.

The signing of the Labor Code of the Philippines into law on May 1, 1974, during the Marcos administration, signaled earnest government involvement with overseas employment. Prior to its signing into law, there was minimal government participation and control in the overseas employment industry since the number of Filipinos going abroad to work was not that significant.

The 1974 Labor Code institutionalized government participation in overseas employment. It created the Overseas Employment Development Board (OSDB) and the National Seamen Board (NSB) to undertake a systematic program for overseas employment. The OEDB and the NSB were mandated to be the responsible agencies for market development, recruitment and placement for Filipino workers.

But with the continued demand for Filipino labor abroad, government was forced to relinquish total control over overseas employment. It had to relegate the recruitment and placement of Filipino workers to the private sector<sup>11</sup>.

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<sup>11</sup> PD 1412 was signed in 1978 renewing the participation of the private sector in the recruitment activities

In 1982, President Marcos signed Executive Order No. 797 creating the Philippine Overseas Employment Administration (POEA). The POEA took over the functions of the OEDB and the NSB. It was also given jurisdiction over cases involving contract workers.

The increase in the number of contract workers meant a corresponding increase in remittances from abroad. To regulate remittances and ensure that they pass through official financial institutions, EO 857 was signed in December 1982. With the signing of EO 857, it became a mandatory requirement for overseas workers to remit part of their earnings to their families in the Philippines.

To protect the interest and well-being of Filipino overseas workers and their families, Letter of Instruction No. 537 was signed on May 1, 1977, creating the Welfare Fund for Overseas Workers (Welfare Fund). The Welfare Fund was established to provide social and welfare services to Filipino overseas workers, to provide skills and career development services to Filipino overseas workers, to undertake studies and researches for enhancement of their social, economic and cultural well-being, and to develop, support and finance specific projects for the benefit of Filipino overseas workers.

During the Aquino Administration, a new Philippine Constitution was crafted, replacing the 1973 Constitution.

Philippine labor policy was clearly defined in the 1987 Constitution. Article XIII states that “The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.”

In 1986, there were about 378,000 Filipinos deployed to work overseas. President Aquino hailed overseas Filipino workers as the country’s new heroes (*Bagong Bayani*). In recognition of

their vital role, President Aquino signed Proclamation No. 276 on June 21, 1988 and proclaimed December as “the month of overseas Filipinos.”

Under the Aquino government, RA 7111, known as the Overseas Investment Fund Act was signed into law on August 22, 1991. It created the Overseas Workers Investment Fund Board. The Board is “to encourage the greater remittance of earnings of Filipino workers overseas and to safeguard and oversee the participation of said workers’ remittances and savings in the Government’s debt reduction efforts and other productive undertakings.” RA 7111 also provides incentives such as scholarship grants, housing program, credit assistance, and other programs.

The Philippine economy, under the Ramos administration, experienced a boom. GNP growth rate was 5.3% in 1994, 5.0% in 1995, and 7.2% in 1996<sup>12</sup>. And bulk of this growth was from the remittances of overseas workers.

The flow of remittances enhanced the desirability of overseas migration. Migration has raised the income of millions of Filipino workers and their families. Consumer spending among OFW families increased, and many OFWs were able to send their children to private schools. Many were also able to pay their debts and build their own houses. As more Filipinos were deployed abroad more opportunities surfaced, but at the same time more problems surfaced, too. Emerging issues such as illegal recruitment, welfare and protection of OFWs, welfare of the families of OFWs, plight of “illegal”/undocumented workers, vulnerabilities of women migrant workers, rights of migrant workers, to name a few, came into focus.

In 1991, Maricris Sioson, a 22-year old overseas performing artist (OPA) in Japan, came home dead. Sioson was deployed on a 6-month contract and was legally employed in a Japanese

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<sup>12</sup> POEA statistics

club. During her stay, she became increasingly ill and was admitted to the Hanawa Welfare Hospital in Fukushima. Within a week she died. The official cause of death, according to Japanese authorities, was multiple organ failure arising from fulminant hepatitis. The remains of Sioson were autopsied by Dr. Floresto Arizala of the Philippines' National Bureau of Investigation and he identified the cause of death as traumatic head injuries, raising the possibility of homicide. Dr. Fred Jordan, the Chief Medical Examiner of the State of Oklahoma in the United States reviewed the autopsy report and other available medical records of Sioson and concurred with the findings of Dr. Arizala.

The death of Sioson compelled government to take a look at the dangers of deploying entertainers to Japan. But even prior to the death of Sioson, there were the cases of Jocelyn Guaneza and the 300 entertainers "hostaged" in Lebanon.

In 1995, the sentencing to death by Flor Contemplacion, a domestic helper in Singapore, over the killings of fellow Filipino Delia Maga and her ward, 4-year old Nicholas Hung, made headlines in many international papers.

In the same year, Sara Balabagan, a 15-year old girl who entered the UEA on a forged passport, was on trial for the murder of her 85-year old male employer. She said that her employer raped her in 1994 and that she killed him in self-defense. In 1996, she was sentenced to death by the UAE Shariah Court. After an appeal by the Philippine government, her sentenced was reduced to 100 cane lashings and twelve months imprisonment.

The story of Contemplacion struck a chord of sympathy with millions of Filipinos who depend on overseas remittances to survive. Contemplacion has come to symbolize the lives of many Filipinos, who due to poverty were compelled to go abroad and take on jobs that are

spurned by other nationals. It also resulted in a reorientation of the Philippines' overseas employment policy.

Thus, in August 1995, President Fidel Ramos signed into law Republic Act 8042 otherwise known as the Migrant Workers' Act, which brought a promise of better protection for overseas Filipino migrants in general, and women migrants in particular. The Act was seen as the first concrete public commitment of the Philippine government under the Ramos administration to protect the rights and promote the welfare of OFWs.

Article I Section 1 (c) of RA 8042 states that "While recognizing the significant contribution of Filipino migrant workers to the national economy through their foreign exchange remittances, the State does not promote overseas employment as a means to sustain economic growth and achieve national development. The existence of the overseas employment program rests solely on the assurance that the dignity and fundamental human rights and freedoms of the Filipino citizen shall not, at any time, be compromised or violated. The State, therefore, shall continuously create local employment opportunities and promote the equitable distribution of wealth and the benefits of development."

The other provisions of the Act tackled issues on deployment, illegal recruitment, and services for OFWs. The implementing rules and regulations of the Act even declared June 7 of every year as Migrant Workers Day.

Three important laws concerning overseas Filipinos have been passed by the Arroyo Administration. These are the Absentee Voting law, the Dual Citizenship law, and the Anti-Trafficking law.

The Absentee Voting law, which was passed in 2003 paved the way for overseas Filipinos to participate in Philippine national elections. Thus, in May 2004 some overseas Filipinos exercised their right of suffrage.

The dual citizenship law, also known as the Citizenship Retention and Reacquisition Act, was passed in the same year as the Absentee Voting law. Under this law, natural-born Filipinos who became naturalized citizens of other countries are deemed not to have lost their Philippine citizenship. They can re-acquire their Filipino citizenship, while at the same time not losing their other citizenship. To date, more than 6,000 former Filipinos have reacquired their citizenship after the implementation of the law.<sup>13</sup>

The anti-trafficking law passed in 2003 was hailed as one of the most comprehensive and progressive anti-trafficking laws passed. This act adopted the UN definition of trafficking in person.

### **Philippine Overseas Deployment and Remittances**

Remittances is a central factor in the relationship between migration and development. Remittances from abroad still remain the major source of foreign currency earnings. Foreign exchange infusion from overseas workers comprises nearly 85% of the country's gross earnings<sup>14</sup>.

In a survey by the NSO in 2000, about 7.25% of Filipino households or approximately 1.1 million derived their main source of income from cash and other assistance from abroad<sup>15</sup>.

In 2004, the remittance of Filipino international labor migrants amounted to about US\$8.5 billion. This year alone, OFW remittances are up by 22% to hit US\$5.8 billion in the

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<sup>13</sup> See "6,000 Reacquire Filipino Citizenship," Manila Bulletin, 4 August 2005.

<sup>14</sup> Bangko Sentral ng Pilipinas data, 2003

<sup>15</sup> 2000 NSO survey

first seven months of the year from US\$4.7 billion a year ago<sup>16</sup> due to higher deployment of skilled workers and improved access to banking channels. Not included in this figure are remittances coursed through informal channels. There is no doubt that OFW remittances have made labor export the single biggest dollar earner of the country. It is not surprising therefore that the government refers to overseas workers as modern-day heroes.

In a forum sponsored by the Asian Development Bank (ADB) with the UNDP and the Multilateral Investment Fund (MIF) recently, experts said that “overseas remittances from workers in developed countries have outstripped foreign direct investment (FDI) and official development aid (ODA) as sources of funds for developing countries<sup>17</sup>”.

### **Conclusions and Recommendations**

As the number of Filipinos opting to work overseas increase, their contribution to the economy will also increase. But at the same time, problems related to migration will continue. There is therefore the need for continued support to migrants and their families, and monitoring of the rights of our migrants.

1. ***Migrants in the Labour Market.*** During its inception, the Philippine overseas employment program was initially envisioned as a temporary program designed to promote economic growth within the country, generate foreign revenues from mandatory remittances, and reduce levels of unemployment and underemployment. To date, overseas employment has become a state policy because of poverty and the lack of decent job opportunities and livelihood. The Philippine Government never admitted that it regards labor migration as a permanent solution to the country’s economic problems. But as it seizes every opportunity to send Filipinos to work abroad, government is communicating that labor migration is here to stay.

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<sup>16</sup> “OFW Remittances up 22% to \$5.8B,” Philippine Star, September 16, 2005

<sup>17</sup> Macaraig, Mynardo, “Remittances Outstrip ODA, FDI Flows,” Manila Bulletin, September 13, 2005

Unfortunately, migrants have become mere commodities in a global labor market in the receiving countries.

Migration should be a choice and not a necessity, but in the case of the Philippines, it has become a forced and first option for many Filipinos. There is a need for the Philippines to focus its energies more on reviving its domestic economy in order to create more jobs and livelihood opportunities for its men and women. Equal importance should be given to the export of labor and local employment as a development strategy. The State should also offer alternatives to overseas employment, like encouraging livelihood projects and extending assistance such as capital formation, counseling and training.

2. ***Migration and Development.*** Overseas Filipino workers (OFWs) are partners of government in development and nation-building. For many years, their remittances have helped buoyed the sagging Philippine economy.

The primacy of protection and welfare of OFWs remains an indispensable policy and cannot be compromised. The government has the legal and moral responsibility to protect OFWs from the perils posed by overseas employment.

There is a need for the identification of legal and practical mechanisms with which to optimize for the benefit of the country the experiences, trainings, knowledge and information gained by Filipinos who worked abroad upon their return. Trade and investment incentives must be extended to them and their families. There is a need to strengthen the re-integration programs for returning migrants. The government should encourage OFWs to invest strategically in small and medium enterprise (SME) and likewise empower them professionally, thus enabling them to acquire new information, skills and technology useful for reintegration program. Remittances can be tapped to support the creation of cooperatives or source of investments.

3. ***Irregular Migration.*** States should address the factors that promote irregular migration and take action against recruiters and employers who propagate irregular migration. Information dissemination is necessary. With regards to the issue of human smuggling and trafficking, countries should be more vigilant and perpetrators should be apprehended and prosecuted.

4. ***Migrants in Society.*** Migrants contribute to the socio-cultural, political and economic well-being of both the labor sending and receiving countries. As such they must be given due recognition and protection in terms of socio-cultural and economic, political policies and programs.

Migrant integration based on equal opportunities and non-discrimination policies and practices for both citizens and migrants is laudable and paves the way for tension-free harmonious multi-cultural society.

We should strengthen and regularize pre-departure and post-arrival orientation and comprehensive briefing of migrants from the country of origin and destination, respectively, to facilitate adjustment and acculturation.

5. ***Migration and Human Rights.*** We should also look into the issue of the vulnerability of our women in the migration process. Women, especially those in the domestic service and entertainment industry are more vulnerable to abuse and exploitation. Despite the passage of several laws for the protection of women and migrants, many fall prey as victims of human trafficking. There are many Filipino women working in Japan and Korea as “entertainers” whose jobs do not actually require them to sing or dance. Rather, they perform hostessing jobs.

The Philippines is a signatory to many international instruments for the protection of women, workers and migrants. It is a signatory to the UN Convention on the Protection of the Rights of All Migrant Workers and Members of their Families. The said convention is already

being enforced. However, the 33 countries<sup>18</sup> that have ratified it are sending countries; no receiving country has signed it.

The Philippines should lobby for the ratification by the receiving countries of international instruments for the protection of migrant workers and their families.

6. ***National, Regional and International Governance.*** The protection of Filipino nationals, wherever they may be should be a paramount duty of the State. With the current overseas situation, it is necessary for government to regulate and monitor the migration industry. We cannot leave the fate of our OFWs in the hands of the foreign employers alone. We have been witnesses to abuses and exploitation of our OFWs. The current situation calls for regulation and not deregulation. Sections 29 and 30 of the Migrant Workers' Act (RA 8042) should be repealed. "Deregulation is only sensible and effective in an environment where there is pertinent information available to OFWs and prospective migrants, most especially in situations where overseas migration is taken as an option."<sup>19</sup>

We also see the need for more participation of the migrant sector and civil society in governance. Government cannot do it alone. Government's partnership with the private sector, the unions, the NGOs/Civil Society, and the media in the area of information dissemination and education of the public should also be recognized.

The Philippines has many good laws and policies related to migration and overseas Filipino workers and migrants. In fact, its laws and policies are models for other sending countries. We have one of the best, if not the best, anti-trafficking law in the world. However, a law cannot be said to be a law if it cannot be implemented properly. Implementation means the

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<sup>18</sup> On September 16, 2005, Lesotho became the 33<sup>rd</sup> country to ratify the UN Convention on the Protection of the Rights of All Migrant Workers and Members of the Families

<sup>19</sup> PMRW Statement on deregulation, March 2005

people know and understand the law, the rules are followed and enforced properly, and no one is exempt from it.

At the International level, there is a need to pursue more bilateral agreements with receiving countries. There is the need to pursue bilateral negotiations on social security and health and safety issues with receiving states and likewise multilateral initiatives with UN agencies and donor agencies at the regional and international levels to facilitate social dialogues to address mutual migration issues between and among sending and receiving countries, thereby making labor migration as a potent tool to bring about peace and security to OFWs, their families, their country and the international communities as a whole.

The plight of OFWs also covers the issue of our diplomatic relations with governments hosting our OFWs. Despite RA 8042, our government has few bilateral labor agreements with their host countries and therefore, our OFWs become more vulnerable and more prone to abuses.

Overseas migration is here to stay. Migration has considerably contributed to the Philippine economy. But the social costs of migration are painful reminders that overseas migration cannot be a substitute for national development. Once the country is developed, then it can provide jobs, competitive wages, and livelihood opportunities to its people. Once the country is developed, then migration would become an option and not a solution or a means to escape from poverty for many. The challenge is therefore for the government to provide meaningful and productive jobs at home that will entice its citizens to stay put and help develop the country.