

**MIGRATION FROM THE PHILIPPINES:
BETWEEN DEVELOPMENT AND PROTECTION**

(draft)

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The Philippines is, with Mexico, perhaps the most studied emigration country. The large number of migrants who leave annually (over one million), the share of population abroad (about 10 percent), the comprehensive institutional framework to manage migration and the large amount of remittances make it an example for countries intending to pursue labor export. It is also a case study to assess the impact of migration on development, normally to indicate the complex, but in the end disappointing, results of such relationship. With so much attention given to migration from the Philippines, it is common to come across to different angles of observation but similar conclusions. Such repetition is not only the result of limited resources for appropriate research or limited imagination for original suggestions, but also of the problematics inherent to migration management, which are common to other origin and destination countries. This paper will be no different, also because of its modest objective: to present an overview of migration from the Philippines, understood as an example of the labor migration system. After reviewing the growth of overseas labor from the country, it will reflect on the impact on development and on the initiatives the Philippines has taken to provide protection to its migrants. The paper argues that the tension between development and protection remains problematic, but that such concern is inherent to the labor migration system. Normally, it is protection that is giving the way in favor of development and the current international crisis will emphasize it even further.

1. Labor migration from the Philippines: 40 years of growth

As the heading indicates, we will only consider labor migration. In fact, the Philippines is an important country of origin also of permanent migrants, who settle in the traditional destination countries, particularly in the U.S. On average, 56,000 Filipinos have settled permanently abroad since 1981, almost 70 percent of them in the U.S., 14 percent in Canada and 6 percent in Australia (Asis 2008a). In the last two years the number has reached 80,000 (72,596 in the U.S.). A specific category of permanent migrants is constituted by spouses or partners of foreigners, over 20,000 a year, 40 percent of them to the U.S. and 30 percent to Japan in the past three years. The importance of the U.S. as destination for permanent migrants is due, among others, to the colonial legacy.

a. The growth of annual outflow

Since its inception in the early 1970s, labor migration from the Philippines has constantly increased in a seemingly unstoppable expansion (Table 1). There are some stages that can be traced in the times series spanning almost 40 years. The stages are determined by internal policies or external factors, which had a direct impact on migrant outflow.

The first period goes from the early 1970s to 1978, when the government direct management of overseas labor was discontinued, after been instituted in the 1974 Philippine Labor Code, which created the overseas employment program as a stop-gap measure to relieve unemployment and generate foreign exchange. Although the number of land-based overseas Filipino workers (OFWs) reached 50,000 in that year, the growth paled in comparison to the jump during the following stage. After allowing the involvement of private recruiters, the entrepreneurship of the private sector coupled with increasing demand in the Gulf countries led to a peak of labor export in 1983 (380,000).¹ The peak was followed by three years of decline, because of the decrease in demand in

¹The increase in number is also due to an improvement in reporting by the POEA between 1982-83.

the Middle East, after the major construction projects had been terminated. The ousting of Ferdinand Marcos in 1986 closes this second stage.

The following stage was to be characterized by economic growth, facilitated by the return of a democratic government in the country. However, after two years of growth the presidency of Corazon Aquino was marked by uncertainty, generated by coup attempts and natural calamities, which brought unemployment to 15.1 percent in 1991. The search for overseas labor increased through a diversification of destinations. The Gulf war of 1991 generated a modest temporary setback to labor outflow, but was aggressively utilized by the Ramos administration that succeeded in obtaining an increase in labor export particularly in Saudi Arabia. This stage ends in 1995, when the Migrant Workers Act was adopted. This piece of legislation, hastily compounded to respond to the crisis created by a highly publicized execution of a Filipina domestic worker in Singapore, constitutes a difficult mingling of two objectives: the increase in the protection of OFWs and the liberalization of the overseas labor program, in line with the prevailing neoliberal ideologies of that time. The immediate result was a contraction of labor export, as the labor market came to terms with the new spirit, followed by a further and constant expansion which continues today. The current administration of president Gloria Macapagal-Arroyo has contributed to the growth by indicating for the labor export industry the target of one million annual leaves, which was reached in 2006.

A note of caution is due regarding labor migration figures from the Philippines.² First of all, the overall number includes both labor migrants as well as seafarers. As the country who places the highest number of seafarers on board of ships, the Philippines has increasingly deployed seafarers, who account for one fourth of all annual labor outflow. Since the typical seafarer contract runs for 10 months, it is reasonable to consider that the number of seafarers refers very often to the same persons, year after year. A second warning is due for the number of land-based OFWs, which comprises also persons (61 percent in 2007) who are leaving again after a short period of rest in the Philippines, which is mandatory in many migration systems in Asia at the end of the contract. Figures, therefore, refer to contracts, rather than people, and it is possible that for some short-time contracts, such as those of entertainers, the same persons are counted twice within one year. As we are speaking of circular migration, numbers refer to some extent to the same persons within a span of, usually, two years.

b. The growth of geographic diversification

As indicated previously, labor migration from the Philippines was generated initially by demand in the Gulf countries. The Middle East has remained the most important destination for Filipino workers (60 percent of land-based deployment in 2007), in spite of the cultural distance for many of them and of declining in wages (Table 2). Already with the decline of labor demand in the Middle East in the 1980s, the Philippines diversified destinations for its overseas labor. Japan, Singapore, Hong Kong and Malaysia became alternative routes, mostly characterized by female labor employed in domestic services or entertainment. In the 1990s, two new opportunities opened up in Taiwan and South Korea. Currently, East and Southeast Asia constitute the second labor market (27 percent in 2007). Migration to Europe has remained of lesser relevance (5.6 percent). It is driven largely by demand for nurses, domestic workers and caregivers. The major difference of migration to Europe is that it allows for settlement. Consequently, Filipinos in Europe are becoming a permanent community. The spread of destinations for Filipino migrants indicate, in addition to the adaptability and skills of the Filipino workers, that migration is a structural component of the Philippine society and economy, but also that it is somehow equipped to withstand setbacks for economic or political reasons in specific regions.

² For a detailed discussion on migration data from the Philippines, see Asis 2008a.

c. The growth of female migration

When it started in the 1970s, labor migration from the Philippines was predominantly of young male workers. The change from construction to maintenance workers in the Middle East brought more involvement of female labor in that region. Subsequently, the expansion of labor migration in Southeast Asia was increasingly for occupations traditionally attributed to women. Specifically, women were heavily predominant in the flow of entertainers to Japan and domestic workers to Singapore and Hong Kong. The additional expansion of migration to Taiwan and South Korea was more balanced, as workers were hired also in factories, but domestic work and caregiving had also a considerable role. Migration to Europe is also heavily determinate by domestic work and male workers figure as secondary migrants, arriving because of family reunification. Already in 1993, when gender characteristics of newly hired OFWs became available, women were in the majority (54 percent). This imbalance increased constantly and reached 75 percent in the year 2004 and then declined sharply in 2006 (59 percent) (Table 3) because of the decline in entertainers going to Japan, and even further in 2007, when the proportion of women became after many years lower than that of men, as a result of the new policy concerning the mandatory minimum wage for domestic workers and the increase of male workers for construction jobs in the Middle East.

The decline of entertainers to Japan, which was the almost exclusive destination of this category of migrants, was precipitous in the last few years, decreasing from 70,628 in 2004 to 38,533 in 2005, 6,672 in 2006 and 4,592 in 2007. In the last year performing artists increased in South Korea from 487 to 1,350.

The decline of domestic workers affected particularly the deployment to the Gulf countries (over 70 percent less than in the previous year) and it was only modestly compensated by deployment of domestic workers to Italy, where the Philippines were assigned for the first time 5,000 visa in the decree of the Italian government concerning annual admission of migrants.

The highest destination for caregivers is Taiwan (44 percent), with a sudden increase to Canada, probably as a re-direction of domestic workers from the Gulf countries, while that of nurses is Saudi Arabia (73 percent).

d. The growth of the migration stock

Since 1993 the Commission on Filipinos Overseas (CFO) has undertaken the task of estimating the stock of migrant Filipinos abroad. The total number, 8.7 million in 2007 (Table 4), is comprised of three groups: permanent migrants (3.7 million) are mostly in North America (almost 3 million); temporary migrants (about 4 million, half of them in West Asia); and irregular migrants (about 900,000), with the U.S. (155,000) and Malaysia (128,000) as the top two countries. While figures concerning permanent migrants are largely derived from official foreign sources, the ones on temporary migrants come from the assumption that an OFW remains abroad for seven (since 2007 ten) years on average (Asis 2008a). Sources for data on which to base assumptions, in addition to officially collected data, are Philippine embassies and consulates and reports of migrant organizations. In spite of the uncertainties concerning such estimates, there has been a progressive refinement of data collection and a better use of foreign data, when available. The end result (10 percent of the Filipino population living and working abroad) is an acceptable approximation. From 2001 to 2007 the total number of Filipinos abroad has increased by 1.3 million.

Summary reflections on the overview of migration from the Philippines indicate that Filipino workers are increasingly going abroad; that they are pursuing new places to work (they are present in 193 countries) although the bulk of labor migration heads toward the Middle East and East and Southeast Asia; that migratory flows are affected at least temporarily by domestic policies and external shocks; that migration has generated a consistent Filipino population overseas, which is equivalent to 10 percent of the population; that labor migration is a temporary experience which lasts on average about ten years; that migrant women are strongly represented in specific occupations (nurses, domestic services, caregiving),

and are increasingly participating in the migratory experience, although some flows are being affected by policy decisions, not necessarily in a permanent way; that irregular channels are a common experience for many migrants, who eventually find regular status, although perhaps ten percent of them remain in an irregular situation.

2. Migration and development

The connection between migration and development is the flavor of the day, particularly after the international community has discovered the huge size of migrants' remittances and has concentrated on maximizing its potential for development. However, there is more than remittances in the migration-development connections and there is more than economic growth in the idea of development. This is particularly clear in regards to the Philippines, the economic development of which has been disappointing for many years. Next to a growing migration trend there is some economic growth but insufficient to respond to the population growth and to reverse labor export.

a. Inflow of remittances

Like migration, remittances have grown steadily and actually have picked up a much faster growth pace. The total number of OFWs has doubled between 1990 and 2007. The amount of remittances to the Philippines in the same period has become ten times bigger (Table 1). The Philippines rank always among the top five countries as destination of remittances. Official figures do not report the complete reality, as earnings are sent home in different ways and forms, although Filipinos seem to utilize bank and money transfers more than other groups.³ Improved capacities by formal channels to catch remittances, with services of e-banking and even cellular phone transfers, a larger stock of migrants in developed economies and more sophisticated reporting of data are responsible for the growth, which cannot simply be attributed to the higher number of OFWs or to an increase in their salaries.

Remittances have been studied time after time, but conclusions tend to be the same. They are private money, spent by migrants for basic consumption, improvement of housing, and education of children (Orbeta 2008). This does not imply that remittances are not invested in productive projects, as countless migrants have started small businesses, mostly in local transportation, retail, agriculture and food production. However, they are generally survival businesses that do not create additional jobs. Experiments to turn migrants into entrepreneurs or to attract them into savings schemes have been less successful, because migrants lack the knowledge, sufficient resources, and risky attitude required for such change and because the environment opportunity for productive investment has not been favorable. Many interesting attempts have been tried, including NGOs inviting migrants to increase their savings and direct them to cooperative initiatives (among them the Migrants Savings for Alternative Investment (MSAI), which helped more than 5000 families in ten years – Bagasao 2008) and programs linking migrant savings with the promotion of enterprises (like the Philippine Consortium for Migration and Development (Philcomdev) – Dizon-Añonuevo, 2008), but with limited results.

If remittances should not be overcharged with expectations, a positive impact on the economy in general and on the life of migrant families in particular has always been acknowledged. Specifically, studies have tried to determine whether remittances can take families out of poverty. A recent study (Ducanes and Abella 2008) has concluded that having a member of the family abroad made the family rise by 6 percentile points in the income/expenditure distribution. From this, it inferred that in the past ten years between 525,000 to 850,000 families were taken out of poverty by overseas labor. It also ascertained that at least 20 percent of the increase of OFWs between 1997 and 1998 come from households belonging to the poorest 30 percent of the population. The ability

³ See the example of Italy.

to cross over from poverty belonged in particular to migrants with better education and work experience.

Together with its impact on poverty, remittances are held responsible for an increase in inequality, based both on the fact that only the better off can migrate as migration is costly (in fact, 50 percent of OFWs belong to the richest quintile of the population - Ducanes and Abella 2008), and that OFWs come mostly from the provinces with the lowest incidence of poverty. Conversely, remittances flow disproportionately to the richest regions. At the same time, two aspects could be better researched: the fact that domestic transfers are directed mostly to the poorest regions and that migrant women more than men come from poorer regions, suggesting the hypothesis of a secondary impact of migration on households of origin and of the relevance of women for poverty reduction (Battistella 2003).

b. Disappointing economic development

When the overseas labor migration program was initiated, it was not intended to solve all the problems of the Philippine economic development. It was expected to be a relieving measure against the harsh effects of the economic crisis of the early 1970s and to export potential discontent. Along the way, it became apparent that the program did not have alternatives and it was made permanent. After almost 40 years the program has expanded to unprecedented levels and it is expected to make the country take the qualitative jump toward a higher level of development. In fact, the almost 40 years of history have been marred by many setbacks – international crises, natural disasters, ethnic turmoil, political upheavals, widespread corruption – to the point that little has changed in the fundamental structure of the economy (Table 5). While a lot has been written to explain the Philippine malaise, the convergence of political will and economic interest was always missing at the moment to take the final turn. In this context, migration and remittances have done their part, relieving potentially unsustainable unemployment and expanding consumption, with large multiplier effects. Consequently, the economy has grown, particularly in recent years. For this growth to become decisive it has to translate into infrastructure and production investments. This is what could happen, with an improving fiscal capacity by the government (after the 2004 reform in which VAT was adopted), increased gross domestic savings and a current account surplus, but it is not happening decisively enough.

The whole situation has been aptly caught by Magnoli Bocchi (2008), who has observed how the Philippines, although having an open economy and posting economic growth, was also experiencing declining domestic investment. His explanation for this puzzling situation was that the government *could not* invest (debt interest payments make up 32 percent of the budget and interest payment exposes the economy to swings in financial market sentiments); the capital-intensive private sector *does not want* to invest because it expects little returns – since the economy is dominated by oligopolies (in agriculture, transport, power and cement, mining and banking), protected by political favoritism – and because infrastructures are not adequately developed, due to insufficient public investment; the rest of the private sector *does not need* to invest. It is the service sector (telecommunication, electronics assembly, call centers) which has grown considerably (8.7 percent in 2007); it is responsible for 50 percent of GDP and export of electronics accounted for 62 percent of merchandise export in 2007 (ADB 2008); it is a less protected sector and has attracted foreign direct investment, but does not need investments above GDP growth and does not absorb sufficient work force. Therefore, unemployment has remained higher in the Philippines than neighboring countries (almost 8 percent in 2006) and workers continue to migrate, supplying remittances which fuel consumption and are responsible, together with the service sector, for the growth of the economy. At the same time, wages remain comparably higher than in neighboring countries, while 50 percent of workers are unpaid in the agricultural and private households. The conclusions of Magnoli Bocchi is that the economy is in a low-capital equilibrium, which is not sustainable in the long run. To grow further it should move to

a high-capital equilibrium, for which reforms are necessary to liberalize the protected conglomerate economy, to attract investment and to increase revenues, with better fiscal management, to invest in infrastructure development. Migration and remittances, in other words, perform a *crucial* but *transitional* role, because an economy dependent on remittances cannot develop appropriately. On the one hand, overseas labor should be factored in the development model of the Philippines, as it provides an extended labor market and the necessary boost to consumption which can sustain production; on the other hand, the real choices should be directed at the fundamentals of the economy, making migration and remittances unnecessary in the long run.

c. Social aspects of development

Development cannot be understood simply in economic terms. The concern of the impact of migration on the social dimensions of the Philippine society has been raised often, particularly by NGOs preoccupied with the hardships imposed by migration on the life of migrants, their families and society. Research, often limited by methodological constraints, has not been conclusive on these aspects.

Migration is inherently a vulnerable condition, because migrants are to provide flexibility to the labor market with lower wages and working conditions. Among migrants, women are particularly in a vulnerable condition, also because of the occupations in which they are involved. Protection from government policy is insufficient and abuse is rampant, particularly toward irregular and trafficked migrants. Nevertheless, migration continues to be a primary choice for many persons from the Philippines, even creating a “migration culture” (Asis 2006), by which youngsters tend to see themselves as OFWs in the future.

The most direct impact of the migration culture has been on education and occupation-specific overseas labor (Asis 2008b). The demand for nurses in foreign countries has multiplied school for nurses (enrollment between 2006-2007 and 2007-2008 has increased by 28 percent), even to the point of offering programs for doctors to become nurses and nursing review centers to prepare graduate nurses to pass the licensure examination. Another popular occupation is seafaring, which has generated too many maritime schools and an oversupply of seafarers who find it difficult to obtain placement and cannot be absorbed by the local market. While nurses leave for abroad, some rural clinics and hospitals have shortage of nursing personnel. Such distortions in the education system also create lack of other skills for the domestic market. Others pursue their dream to work abroad by completing their studies in foreign countries and remaining there afterward.

The Philippine society has been sensitive on the impact of migration on the family. Several studies have been conducted on the impact of parental absence on the children left behind. Anecdotal stories of disruption on the education of children have not found much corroboration in research projects, although an emotional strain because of parental absence is experienced and the long term effects are not easy to measure. In general, adverse effects of migration on children are mitigated by the role of the extended family, which is particularly effective when fathers are abroad, as children would prefer that mothers remain at home (Asis 2008b). Less available and conclusive is knowledge on the impact of migration on spouse relations (aside from the potential empowerment of migration on the role of women), although empirical knowledge suggest an increase in marital infidelity, and on the care of elderly and relatives.

Even more difficult is to assess the change of culture because of migration, since it is very difficult to isolate migration as the independent variable when it comes to cultural change; longitudinal studies in this respect have not been conducted.

In the end, the evaluation of the relation between migration and development for the Philippines is a mixed one. There are obvious economic benefits for individual and families, even allowing for a portion of them to come out of poverty. There are also benefits for the country, as remittances are one of the factors sustaining current economic growth. There also are costs, particularly for individuals who get involved in unprotected labor, for families and society, although generalizations are difficult and should always be considered against staying at home, which is by no means costless. The perennial search has been for ways to increase benefits and diminish costs. The many government programs (among them the *Lingkod sa Kapwa Pilipino Program – LINKAPIL* – which tend to solicit solidarity from the overseas community and channel it to humanitarian needs in the Philippines) and NGO projects directed to encourage migrants to contribute to the country aim at increasing what is called the “diasporic dividend” for the Philippines (Aldaba and Opiniano 2008). They are laudable efforts, which cannot by themselves turn the development tide for the whole country. On the other hand, government agencies also acknowledge that migration is disconnected from development programs (Baggio 2008). This is particularly evident in the lack of effective return programs to allow for the reinsertion of OFWs in the local economy and society and to avoid their need to return abroad (Battistella 2004). The National Reintegration Center for OFWs, instituted in 2007, has been utilized only by a handful of returning migrants for reintegration advice and assistance. The impression is that there is no alternative to overseas labor and its benefits, but there is also no capacity to maximize its potential, also because migration remains entangled with many difficulties and problems.

3. Protecting the rights of migrants

The Philippine government approach to overseas labor was always accompanied by a concern for the protection of the rights of migrants. It can easily be argued that such concern was often induced by external events and civil society. It can also be sustained that such protection is in many cases ineffective, either because the capacity to provide protection outside of its legal jurisdiction is necessarily limited to any government, or because it consists often of rhetoric, without effective legal redress to abuse perpetrated against migrants. Nevertheless, the Philippines has developed a comprehensive institutional framework for the management of migration and various laws concerning migrants. If protection has not been more effective, it is, among others, because of the tension within its migration policy.

a. The institutional framework to manage migration

After the creation of the overseas labor program in the 1974 Labor Code of the Philippines and the initial experience of sole government handling of the program, through three agencies – the Bureau of Employment Services (BES), the Overseas Employment Development Board (OEDB) and the National Seaman Board (NSB) – recruitment and placement was privatized in 1978 and in 1982 the Philippine Overseas Employment Administration (POEA) was created, which absorbed the OEDB and NSB and was mandated with promotion, monitoring and protecting tasks, having exclusive jurisdiction over legal cases regarding overseas employment. POEA has functioned as a regulatory agency for the hundreds of recruitment agencies, has marketed Filipino labor overseas and provided some welfare services. However, the tension between promotion and protection has always accompanied its functioning. Its ability to provide protection, particularly to pursue illegal recruitment, has always been limited. Regulation of migration has become the subject of unending debate, to the point that POEA was perceived as part of the problem rather than the solution. Nevertheless, it continues to operate and its regulation can have clear impacts on overseas labor, as in the recent requirement of minimum wages for domestic workers. A sister agency, the Overseas Workers Welfare Administration (OWWA), which has no regulatory power and is in charge of administering a mandatory fund for the welfare of OFWs, has also been subject of much discussion and criticism, because of issues concerning its management. Among labor sending

countries The Philippines is considered a model of management of an overseas labor program. But the model is not without its discontents.

b. Relevant legislation

In addition to agency regulations, the Philippines has adopted formal legislation concerning migration. The most important one is the Migrant Workers and Overseas Filipinos Act of 1995 (Republic Act 8042), adopted in 1995 under public outcry because of the execution of a Filipina domestic worker in Singapore. The act was the fusion of different project laws designed for different beneficiaries (migrant workers and overseas Filipinos), different concerns (protection and deployment), different approaches (the traditional government regulatory tendency and the then popular neoliberal thinking on the primacy of the market). The result is a piece of legislation which has clear policy statements which are regularly ignored, mandated initiatives which have not been fully implemented and a deregulation which was disregarded and finally amended. Three are the main ideas of the bill: that overseas employment is not considered a means to sustain economic growth and national development; that skill is the best protection and therefore the government will favor deployment of skilled labor; and that working overseas is a matter to be left to the negotiation between the worker and the employer. The first principle is clearly ignored since the President gave POEA the explicit target to reach one million workers deployed every year (the target was reached in 2006). Deployment of skilled workers is also ignored as many Filipinos actually leave to be employed in unskilled occupations. The consequence of the final principle was that regulation was to become unnecessary. This section was amended in 2007 because of the NGOs opposition to deregulation and the obvious vested interest of the bureaucracy to maintain its role. Once again, this piece of legislation reveals the inner tension in the overseas labor program, caught between protection of rights and expansion of overseas work opportunities.

Additional measure to protect the rights of Filipino migrants were the ratification of the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families in 1995 and the adoption of the Anti-Trafficking in Persons Act of 2003 (RA 9208). The Philippines is recognized at the forefront of initiatives on the protection of migrants, also in the international community – among recent ones we can list the adoption of the Association of Southeast Asian Nations (ASEAN) Declaration for the Protection and Promotion of the Rights of Migrant Workers in January 2007 and the hosting of the 2008 Global Forum on Migration and Development. Domestically, however, it the government is regularly criticized by civil society for its inadequate enforcement of legislation.

Political rights of migrants have been recognized also through the Absentee Voting Act of 2003 (RA 9189) and the Citizenship Retention and Re-acquisition Act of 2003 (RA 9225). The actual impact of the two bills has not been spectacular. Only a portion of those who registered for elections actually participated in it⁴ and few of the naturalized citizens have reacquired their Filipino citizenship (about 51,000 since 2003). Nevertheless, the recognition of rights indicates the commitment to a program of overseas labor which does not simply rest on the economic benefits of it.

c. The Philippine migration policy

The Philippine migration policy is viewed differently by participants: for labor recruiters it is excessively regulatory, damaging the potentials of this industry, which could be even more successful; for civil society it is inadequate in its protective capacity and too skewed toward increasing export rather than assuring decent overseas jobs; for government officials it is the management of a phenomenon which the government cannot control. Such different perspectives are unavoidable when the policy tries to balance apparently conflicting objectives: development,

⁴ Migrants who registered for absentee voting were 364,187 in 2004, of whom 65 percent cast their vote, and 504,110 in 2007, of whom only 21 percent actually voted (Asis 2008b).

through increasing deployment of overseas workers; and protection of rights. In its history, like any policy, there have been moments characterized more by development and others by protection. The liberalization of the recruiting industry in the late 1970s, the heavy marketing of Filipino labor after the Gulf war in the early 1990s, the targeting of one million overseas workers in 2004 are the clearest expressions of the emphasis on export. The regulation of labor recruitment, the Migrant Workers Act of 1995, other legislations, several campaigns against illegal recruitment, the imposition of bans on deployment in specific countries are examples of the resolve on ensuring migrants' protection. In spite of the oscillation from one concern to the other, it is perhaps more correct to say that two have progressed together, with marketing as the proactive concern and protection as the reactive preoccupation. Thus to migration scholars the Philippine policy appears as one of labor export.

The latest example of protective regulation concerns the standard labor contract for domestic workers adopted in 2006. It mandated a minimum monthly salary for household service workers of US\$400.00, no placement fee and a minimum age of 23. The regulation is part of a general trend, already contained in the Migrant Workers Act, to deploy more skilled workers and to professionalize them. The impact of the regulation has been rather stark, a decrease of 52 percent in domestic workers going abroad, particularly to the Middle East, between 2006 and 2007. It is to be seen whether the policy will not be circumvented as it happened often in the past. The standard labor contract was always one of the pillars of the protective power of the government, intended to ensure fair salary and working conditions for its workers, depending on occupation and country of deployment. Considered often not sufficiently favorable by civil society, it was always disliked by recruiters, who claimed they were unable to comply with its conditions, particularly in some regions. Consequently, they generally convinced workers to sign the standard contract to be deposited with POEA and the real contract, with inferior conditions, to regulate their labor relation. It is one of the examples where policy generates irregular behavior and it raises the traditional discussion between protection and deployment. Ultimately, the issue is whether it is possible to have an overseas unregulated labor market and whether this is in the interest of migrant workers. In my opinion, some problems are not typical of the Philippines but inherent in the labor migration system and the Philippines might be considered a country which has tried to mitigate such problems.

4. Issues of the labor migration system

Labor migration has become popular again in recent years. It was recommended by the Global Commission on International Migration (GCIM 2005, 79), it was considered crucial in the 2006 UN High Level Dialogue on Migration and Development, taken up again at the Global Forum on Migration and Development held in Brussels in July 2007, and supported by scholars (Ruhs 2005; Ruhs and Martin 2006). Actually, the return of labor migration is in reference to North America and Europe, because in Asia it has been the main migration system. However, the recommendation to resume temporary labor migration is always accompanied with caution to avoid its problems of the past. In my opinion, such caution derives from inherent flaws in the temporary labor migration system, and therefore it should apply fully to labor migration from the Philippines.

The first flaw has to do with the failure of the system that was supposed to be temporary to remain so. Behind that reason was the wrong approach of destination countries attempting to meet a permanent demand for labor with temporary workers. This is repeated in Asia, which has succeeded in avoiding for now the establishment of large ethnic communities, mainly by depriving migrants of family life. But the experience of Taiwan, intending to avoid the German experience and maintain strict temporariness, is instructive: it started with the initial limit of two years for migrant workers, that was expanded to three, than to six and to nine.

The second flaw derives from the inherent requirement to laxly enforce employment laws. Temporary labor migration is an offset of the need to provide flexibility to the labor market. Strictly enforced regulation would diminish such flexibility and make temporary migration unappealing.

The third is connected with the limited interest to effectively regulate the role of intermediaries. Necessarily, international migration requires intermediation. What used to be handled by governments in traditional experiences is now largely managed by the private sector. Any return to a government control of recruitment and placement is considered utopia. The private sector interest in expanding deployment goes hand in hand with the government interest to increase the flow of remittances through migrant labor. Competition among other countries of origin makes it impossible to agree on common standards. The private sector plays on the desire of all partners for deployment, even if standards are lowered.

The fourth problem is the lack of negotiating power that migrant workers have in the temporary migration system. Before deployment, migrants have to accept the conditions offered, even if not corresponding with standards, because the alternative, staying in the country, is worse. After deployment, the tight conditions of work and stay and the need to make earnings sufficient to repay migration costs do not allow for hard negotiations with employers.

The fifth problem is that the system tends to generate irregular migration. It happened in the historical experiences of US and Europe and it is happening in the current schemes. Irregularity occurs in the recruitment, admission and employment stage. It is the consequence of unrealistic or incoherent policies. Lack of realism and coherence are contested to countries of origin, when demanding conditions that the market is not willing to offer, because of the wide supply of unskilled labor. They are also contested to countries of destination, when setting unrealistic admission targets or ignoring that temporary migration cannot sustain a life project as it remains temporary.

In general, the win-win-win scenario commonly depicted (governments, employers and migrants) does not reflect the same level of winning for all parts. Not only are migrants the ones winning less; they are also the ones paying the price for the winning of others. Although this is typical of any labor relation, it is excessively emphasized in the labor migration system.

The issues most affecting migrant workers, particularly in the Asian migration system, are well known. They go from abuse in the recruitment process (exorbitant fees, signing double contracts, receiving wrong information), to substandard conditions of work (confiscation of documents, long working hours, deprivation of liberty, non-payment of overtime, forced savings, loss of earnings, physical abuse). Among the fundamental problems in the system are: the brokerage system, which deprives migrants of relevant earnings and forces them into indentured servitude; the tying of job to only one employer; the lack of national contracts for some categories of workers; the possibility of a reasonable time to find employment in case of the loss of work; access to a system of redress if rights are violated. The list could continue. The question is: can a system be designed by which both objectives (development and protection) are achieved? Or is it necessary to let go of one to obtain the other?

This is the position of Ruhs and Martin (2006), who synthesized it in the formula: “numbers vs. rights”. In fact, demanding higher protection would put migrants from specific countries out of the market. Not only, but it would also decrease the number of migrants being deployed, as more rights equal more costs, both for employers and the State. If the dilemma numbers vs. rights is valid (and the authors provide some evidence of it), then “the major question is exactly how numbers and rights should be balanced, and whether and how to include the interests of migrants and their countries of origin in policy development” (Ruhs and Martin, 2006, 11).

The authors do not take position on that question, but argue that, while pro-migrant activists might in principle lean toward an increased protection of rights, they might not be in tune with migrants themselves, who prefer some loss of protection in exchange for the possibility to work abroad. In fact, it is not difficult to find similar examples in the Philippine experience of labor migration and at a certain moment the expression “willing victims” was coined for those who ventured into risky migration and became victimized. Similarly, it is not difficult to find governments that have accepted low standards for

their workers for fear of lowering the level of deployment. However, I would argue that the numbers vs. rights is not a completely inescapable dilemma.

First of all, there should be a level of protection granted to migrants which is not negotiable. Protection of fundamental rights and dignity should not be negotiable, regardless of the number of migrants that are admitted. If granting fundamental rights is not acceptable, then there should be no migration.

Second, if the level of protection granted to workers is below international standards, such level should not be allowed to the unilateral decision of government and employers in destination countries. If it is true that substandard treatment is provided in various regions, there also are differences in the level of protection afforded in those regions, while maintaining a high number of migrant workers. The low level of protection in Southern Europe is higher than the low level of protection in the Middle East, and yet the two are high migration regions. Agreements among countries of origin on basic conditions for migrant workers keep returning necessary. And “all stakeholders must join hands in this task” (IOM 2005, 71).

Furthermore, if low-level protection is motivated by the aim of employers for low labor costs, such aim should not go unchallenged, because there is no limit for the objective of employers to maximize their profits. Once again, the need to provide migrants with agency, so that they can be empowered to defend their rights, is crucial.

At the end, a tension remains between development and protection in the labor migration system, and the Philippines might be one of the best examples on how some balance has been reached in this tension. True development should rest on true protection, but this is not universally acknowledged by participants in the process and therefore it must be obtained by requiring some modification in the temporary labor migration. The most crucial one seems to be that temporary migration be organized in such a way as to provide possibilities for longer stay for the migrants who so desire, and length of stay should be accompanied by progressive protection of rights. Even the 2008 Asian Development Outlook (ADB 2008) seems to go in that direction when it says: “More Asian countries are likely to take a strategic approach to managing migration and will shift their focus from policies that focus on temporary migration flows to more formal, long-term policy frameworks that recognize the deeply embedded structural factors that are driving migration.” Perhaps the outlook is too optimistic, but the direction is correct.

Table 1: Annual Deployment of Overseas Filipino Workers (OFWs) and Remittances (1975-2007)

Year	Land-based	Sea-based	Total OFWs	Remittances (Million USD)
1975	12,501	23,534	36,035	103.00
1976	19,221	28,614	47,835	111.00
1977	36,676	33,699	70,375	213.00
1978	50,961	37,280	88,241	290.85
1979	92,519	44,818	137,337	364.74
1980	157,394	57,196	214,590	421.30
1981	210,936	55,307	266,243	545.87
1982	250,115	64,169	314,284	810.48
1983	380,263	53,594	434,207	944.45
1984	300,378	50,604	350,982	658.89
1985	320,494	52,290	372,784	687.20
1986	323,517	54,697	378,214	680.44
1987	382,229	67,042	449,271	791.91
1988	385,117	85,913	471,030	856.81
1989	355,346	103,280	458,626	973.02
1990	334,883	111,212	446,095	1,181.07
1991	489,260	125,759	615,019	1,500.29
1992	549,655	136,806	686,461	2,202.38
1993	550,872	145,758	696,030	2,229.58
1994	564,031	154,376	718,407	2,630.11
1995	488,173	165,401	653,574	4,877.51
1996	484,653	175,469	660,122	4,306.64
1997	559,227	188,469	747,696	5,741.84
1998	638,343	193,300	831,643	7,367.99
1999	640,331	196,689	837,020	6,794.55
2000	662,648	198,324	841,628	6,050.45
2001	662,648	204,951	867,599	6,031.27
2002	682,315	209,593	891,908	6,886.16
2003	651,938	216,031	867,969	7,578.46
2004	704,586	229,002	933,588	8,550.37
2005	733,970	247,707	981,677	10,689.00
2006	788,070	247,497	1,062,567	12,761.31
2007	811,070	266,553	1,077,623	14,449.93

Source: Asis (2008) from POEA data.

Table 2. Deployment of OFWs by Major World Group - New hires and Rehires, 2007 – 2006

World Group	OFW Deployment			% Share to total	
	2007	2006	% Change	2007	2006
ASIA	218,983	222,940	-1.8	20.3	21.0
MIDDLE EAST	487,878	462,545	5.5	45.3	43.5
EUROPE	45,613	59,313	-23.1	4.2	5.6
AMERICAS	28,019	21,976	27.5	2.6	2.1
TRUST TERRITORIES	6,674	6,481	3.0	0.6	0.6
AFRICA	13,126	9,450	38.9	1.2	0.9
OCEANIA	10,691	5,126	108.6	1.0	0.5
OTHERS	7	8	-12.5	0.0	0.0
<i>Workers with Special Exit Clearance</i>	79	231	-65.8	0.0	0.0
LANDBASED TOTAL 1/	811,070	788,070	2.9	75.3	74.2
SEABASED TOTAL	266,553	274,497	-2.9	24.7	25.8
GRAND TOTAL	1,077,623	1,062,567	1.4		

1/- Includes workers who exited thru Employment-based Immigration scheme (829)

Source: POEA, 2007 Overseas Employment Statistics, available at www.poea.org

Table 3. Deployment of Newly Hired OFWs by Skills Category and Gender, 2004-2007

SKILL_CATEGORY	2004			2005			2006			2007		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Professional and Technical Workers	80,470	13,677	94,147	51,988	11,953	63,941	24,046	17,212	41,258	21,761	21,464	43,225
Administrative and Managerial Workers	167	398	565	109	381	490	289	528	817	424	715	1,139
Clerical Workers	3,094	2,229	5,323	3,553	1,985	5,538	4,641	3,271	7,912	8,880	4,782	13,662
Sales Workers	2,761	1,189	3,950	2,973	1,288	4,261	3,112	2,405	5,517	5,389	2,553	7,942
Service Workers	102,080	11,343	113,423	123,241	10,666	133,907	128,186	16,135	144,321	86,241	20,894	107,135
Agricultural Workers	21	661	682	39	311	350	91	716	807	79	873	952
Production Workers	20,864	42,855	63,719	23,108	51,694	74,802	23,344	80,240	103,584	20,016	101,699	121,715
For reclassification	1	2	3	195	801	996	745	3,161	3,906	3,547	7,066	10,613
TOTAL	209,458	72,354	281,812	205,206	79,079	284,285	184,454	123,668	308,122	146,337	160,046	306,383

Source: POEA, 2007 Overseas Employment Statistics, available at www.poea.org

Table 4: Stock Estimates of Overseas Filipinos, 2001-2007

Type of migrant	2001	2002	2003	2004	2005	2006	2007
Permanent	2,736,528	2,807,356	2,865,412	3,187,586	3,391,338	3,556,035	3,692,527
Temporary	3,049,622	3,167,978	3,385,001	3,599,527	3,651,727	3,802,345	4,133,970
Irregular	1,625,936	1,607,170	1,512,765	1,297,005	881,123	874,792	900,023
Total	7,412,086	7,582,504	7,763,178	8,083,848	7,924,188	8,233,172	8,726,520

Source: Commission on Filipinos Overseas, Stock of Overseas Filipinos 2001-2007, compiled by Asis, 2008b.

Table 5: Selective social and economic data

	1997	2003	2004	2005	2006	2007
GDP growth rate	5.1	4.9	6.4	4.9	5.4	7.3
Per capita GNP (US\$)	1,160	1,080	1,170	1,300	1,420	
Current account balance (US\$ m)	-4,328	288	1,628	1,984	5,347	6,351
FDI (US\$ m)	1,222	491	688	1,854	2,921	2,928
GDI (% of GDP)	23.9	16.8	16.7	14.6	14.3	14.7
Debt service ratio ¹	10.4	16.9	13.8	13.5	12.0	9.9
Sector share fo GDP						
Agriculture	20.5	19.9	19.6	19.1	18.8	
Industry	35.9	33.5	33.2	33.0	32.5	
Services	43.6	46.7	47.2	47.9	48.7	
Unemployment rate	8.4	11.3	11.8	11.5	8.0	7.3
Employment share ²						
Agriculture		37.0	35.4	35.9	36.5	34.7
Industry		15.1	16.0	15.7	15.1	14.8
Services		47.9	48.6	48.4	48.4	50.5

Sources: Asian Development Bank, *Asian Development Outlook* 1997-2008; ² Philippines National Statistics Office, available at www.census.gov.ph

Note: ¹ Percent of export of goods and services.

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