

# Filipinos Beyond Borders

State of the Philippine  
Population Report 4

Population and Development Dimensions  
of Overseas Labor Migration

NEWS  
FEATURE

## OFWs: In Search of a Better Life

Miguel and Junjun had been childhood friends and classmates since elementary grades. Coming from poor families who could not afford to send them to college, they pegged their hopes on foreign employment to improve their situation. Opportunity knocked for both of them. Miguel got a job in Saudi Arabia while Junjun got employed in a plantation in Taiwan.

Millions of Filipinos are just like Miguel and Junjun, who consider jobs in other countries as a means of improving their present economic status. The number of overseas Filipino workers (OFWs) has been rising for the past ten years: from less than 3 million in 1997 to 3.8 million in 2006.

This growing trend in Filipino international labor migration will, sooner or later, necessarily affect the Philippine social and economic picture. The *4th State of the Philippine Population Report (SPPR4)*, produced by the Commission on Population with assistance from the United Nations Population Fund, thus looks into the phenomenon, particularly its population and development dimensions.

The report shows that there are now almost as many women as men working abroad. The National Statistics Office (NSO) Survey of Overseas Filipinos (SOF) shows that the males always outnumbered the females from 1995-2003, but in 2004 the females began to overtake the males. Records of the Philippine Overseas Employment Administration (POEA) reveal that more females are actually getting newly hired – 7 out of 10 of the new hires in 2000-2005, and 6 out of 10 in 2006, were females. This explains the increasing proportion of women now working abroad.

Most OFWs are young and in the prime of their productive years. The women are younger than the men – the biggest proportion of them are in the 25-29 age bracket, while among the men, those over 45 years old comprise the biggest number. The fact that a lot of the women are in service jobs (which include entertainment and domestic work) may account for the preponderance of young female workers. Among the men, the biggest number are production workers.

Although most OFWs have had a college education (44%), a good number of high school level workers (31%) also get hired for overseas jobs. There are even some (12%) who reached only grade school. It is no wonder then that a lot of young Filipinos are pinning their hopes on overseas jobs – and understandably so, because the income that an overseas worker gets is far higher than what a local worker with the same qualifications can get from local employment, if he or she gets a job at all.



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For the ordinary Filipino, foreign employment has been equated with a better life. Many families with at least one member working abroad rely on remittances as their main source of income. Figures from the National Statistics Office revealed that in 2004, total remittances for the year amounted to an average of P72,795 per OFW. With the remittances, migrant workers' families can afford basic needs such as food and clothing, as well as health care, education, housing (construction or renovation), home appliances, even cattle or land.

Apparently, international migration enabled numerous ordinary Filipinos to attain better economic status. But overseas employment also has its downsides. OFWs have to endure a lot of hardships while working abroad. Many, especially the women, become victims of maltreatment and exploitation in the hands of their foreign employers. They are also exposed to stressful and hazardous working conditions, and often face risks to health and life. The irregular or undocumented migrants are particularly vulnerable, because they cannot complain, and they are not covered by health insurance and social security.

Some find the life improvements that they seek, but for others, there are costly outcomes. Junjun has been working in Taiwan for the past five years. His family can now afford the college education of his siblings, as well as material amenities like a house and household appliances that many poor Filipinos can only crave for. Miguel was not as lucky. His family is still mourning his death. He was beheaded because he was accused of killing his employer who was maltreating him.

Surely, overseas employment holds much promise for a lot of ordinary Filipino families – the promise of a better life, a better future for the children. But it takes a large amount of attention, assistance and protection – particularly on the part of government – to fulfill the promise... so that the unfortunate, as what befell Miguel, does not happen.

*For more information:*

**Commission on Population.**

*Tel: (632)5316805/5316983;*

*fax: (632)5335122.*

*Email: [webmaster@popcom.gov.ph](mailto:webmaster@popcom.gov.ph)*

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### Remittances: Do They Compensate for the Losses?

Gina is a happily married woman with two beautiful daughters. Both she and her husband had good jobs. But three months ago, Gina decided to take on a two-year contract job in London. Asked why, she said, “The pay is too good to pass up. I cannot earn that much if I just work here.” But it broke her heart to be separated from her family, especially her two little girls; she could not stop crying as she left them at the airport.

The lure of a bigger income that promises a better life is hard to resist. The desire to be able to buy everything one needs, provide education and a secure future for one’s children, or give one’s parents a life of comfort is more than just a selfish dream. Often it is driven by a sense of responsibility to one’s family. Thus, fathers, mothers and grown-up children leave for foreign lands to earn the dollars that, to them, spell the answer to their families’ needs.

The *4th State of the Philippine Population Report (SPPR4)*, citing a study by the Asian Development Bank, says that overseas Filipino workers (OFWs), on the average, send home remittances amounting to \$340 monthly. Another source, the National Statistics Office (NSO), reports that average yearly remittances in 2004 came up to P93,613 per male OFW, and P51,420 per female OFW.

For whatever monetary value they have, these amounts certainly have increased the income of migrant workers’ families considerably and changed their standard of living. A study that used data from the Family Income and Expenditures Survey (FIES) revealed that a big portion (41%) of the OFW households belong to the Class D income bracket with monthly household incomes ranging from only P6,000 to P14,000.

The remittances, according to the Surveys on Overseas Filipinos (SOF), are spent on both basic and non-basic needs of the recipient families – food, clothing, education, health care, house construction or improvement, appliances, land, farm animals, and motor vehicles.

SPPR4, produced by the Commission on Population (POPCOM) with assistance from the United Nations Population Fund (UNFPA), looks into the benefits, costs, and population and development issues surrounding Filipinos’ international labor migration.

At the household level, remittances from abroad clearly resulted in financial and material gains for the migrants’ families. At the national level, records of the Bangko Sentral ng Pilipinas (BSP) indicate that a total of US\$87.64 billion



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worth of remittances had been sent in by OFWs from 1995-2006. (Prior to 2004, this amount included only remittances coursed through the banking system, not those sent through door-to-door, courier and personal channels, which are also popular among OFWs.)

This huge inflow of dollars not only boosted the country's gross national product (GNP). It also contributed to the country's dollar reserves which shielded the economy from foreign exchange fluctuations, helped finance imports, and propped up the value of the peso. If invested in small businesses by the recipient families, remittances can also generate jobs in the community, and help the economy.

But overseas employment and the large remittances it brings also have social costs and long-term negative effects – on the family, the bigger community, and the country's overall economic prospects.

Studies that explored the impact of international migration on migrants' relatives left at home found that due to too much reliance on remittances, these household members who are potential members of the labor force tend to stop working or do not look for work anymore – they have become nonproductive domestically. This translates to lower earnings for local labor markets, as households substitute income from migrants for more leisure.

This culture of dependence created at the household level can extend as well to the national picture. The initial economic boost resulting from the OFWs' remittances could lead to complacency in instituting needed fiscal and trade reforms, and postponement of macroeconomic measures to improve the domestic economy.

And while foreign employment provides jobs to many OFWs, these Filipinos comprise only a very small fraction of the country's fast-growing labor force. At the rate the country's total population is growing, increasingly more young Filipinos are entering the labor force each year. But the local economy's capacity to provide jobs is unable to cope with the rapid increase in its working-age members; hence, the unemployment rate continues to rise.

Meanwhile, millions of skilled Filipino workers and professionals are leaving the country to work abroad, resulting in massive brain drain for the nation.

Gina's husband continues to work and attends conscientiously to their daughters' needs. But for another OFW – Sheila, a singer in Japan, things turned out differently. The husband has stopped working, and depends completely on the money that Sheila sends. Sometimes he cannot pay the children's tuition fees on time, because he has spent the money for his own vices. He pays a neighbor to tutor the children, because he has no time to teach the kids – he spends the whole day playing games in the nearby computer shop.

A monthly remittance of \$340 could have been a big help to a family, even to the country, if put to good use. Otherwise, one wonders if it is worth all the costs.

*For more information:*

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## Feminization of Labor Migration: What Happens When the Women Leave?

Her heart bleeds whenever she thinks of the crying of her little children whom she had to leave in the care of her elderly mother. But does she have a choice? Food must be put on the table. The children must be sent to school.

Melanie is a single parent who sees working in a foreign country as the only way she can adequately provide for her children's present and future needs. She is just one of over a million Filipino women working abroad

The phenomenal rise in the number of Filipinos working overseas in recent years is also marked by a growing proportion of female migrant workers. Traditionally, the male overseas Filipino workers (OFWs) always outnumbered the females, although the numbers were close. The National Statistics Office's 2000 Census data showed that 50.27 percent of OFWs at that time were males, and 49.73 percent were females – a ratio of roughly 101 males for every 100 females.

But from 2000-2005, the Philippine Overseas Employment Administration (POEA) recorded that more than 70 percent of those getting newly hired for overseas jobs were females, so that in 2004 and 2006, the women actually outnumbered the men in the total number of Filipinos employed abroad.

This increasing feminization of Filipino international labor migration is one of the issues tackled in the *4th State of the Philippine Population Report (SPPR4)*, a periodic publication produced by the Commission on Population (POPCOM) with assistance from the United Nations Population Fund (UNFPA). The feminization of overseas employment gives rise to issues that are important to the health, welfare and development of Filipino women, as well as their families.

Women migrant workers bring benefits to their families. With the money they earn abroad, women are able to contribute substantially to the children's education and well-being, and to the family's general upkeep. And now their contributions are recognized in measurable economic terms, unlike before when their traditional housekeeping and childcare labors in the home were not credited with any economic value at all. This is surely uplifting for the women, who have acquired a new sense of self-worth, gained confidence, and become more self-reliant.

However, the jobs that women do abroad and the conditions they work in are not always what one would call empowering. Women sometimes experience



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gender discrimination in other countries. Many find their education and skills wasted because they have to take jobs that are way below their qualifications. Melanie, for instance, was an accountant in a Makati-based company but had to take the job of a domestic helper in Hong Kong.

Female OFWs are usually hired as domestic workers, entertainers, caregivers, nurses, and health service providers. In 7 of the top 10 destination countries of OFWs, the women predominate. And in most of these, the women are domestic workers. At the top of the list is Hong Kong, where 93 percent of OFWs are women doing domestic work. Second is Kuwait, with 74 percent of OFWs women, mostly also domestic helpers. In Japan, where 53 percent of OFWs are females, the women work mostly as entertainers.

Female labor migration exposes women to all kinds of abuses. These could range from being paid wages below the minimum, or being made to perform degrading or hazardous jobs, to sexual harassment, physical violence and other forms of exploitation. Trafficked women may be forced into prostitution and marriage.

Women migrant workers, some by the nature of their jobs, also run the risk of contracting diseases like HIV/AIDS. And when they acquire the disease or become pregnant, they are dismissed or deported.

In the meantime, back home in the families they left, significant adjustments in family roles are bound to take place. If the husband is the one left behind, he usually becomes the “houseband” who takes on the tasks of childcare and housekeeping normally performed by the mothers. The older children, or the grandparents, often also share some of these responsibilities.

Some families are able to adapt, but others are not as successful. There are documented cases of family breakdown, marital discord, neglect and underdevelopment of children. While some studies found no significant effect on children’s behavior, anecdotes cited in some migration studies indicate that children of overseas workers usually have early pregnancies and a tendency for juvenile delinquent behavior.

Perhaps, Melanie does have reason to worry in being away from her home and children. Maybe she worries, too, about herself. But as with most mothers, her children come before everything else. In spite of the hardships, she still feels that working abroad is the best way she can insure the future of her children. She simply has to look beyond the risks, and continue to hope, for her children’s sake.

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## 950 OFWs Departing Every Hour: What Are the POPDEV Implications?

Every hour, about 950 Filipinos leave the homeland to work abroad. And as they leave, the domestic scene changes. A reshaping of family structures, husband-wife relationships, women's status, standards of living, economic opportunities, and even the country's overall socioeconomic picture, takes place. The changes are, hopefully, always for the better, but unfortunately, sometimes for the worse.

The *State of the Philippine Population Report 4* discusses Filipino international labor migration as a population process that affects, and is affected by, the country's population situation and its social and economic development.

Does the country's population situation influence people's decision to migrate?

The Philippine population increased fourfold in the last 50 years, from 20 million in 1950 to the present population of 86.4 million, the 12th largest in the world. The National Statistics Office (NSO) projects that by 2010, there will be 94 million Filipinos, 103 million in 2015, and 142 million in 2040.

The main source of this rapid growth is continued high fertility. Although the average number of children born to a woman has gone down to 3.5 (from 6 in 1973), the large number of women born in the 1970s and 1980s and now of childbearing age keeps the population growing. Every year, about 2 million new-born babies are added to the population.

It is interesting to note that as more babies are born, more people are also going out of the country. Rapid population growth strains the capacity of families and the government to provide for their members – which makes overseas employment an attractive option for increasing this capacity.

OFWs tend to come from bigger families. A study using data from the 2000 Census of Population and Housing found that households with overseas workers were larger by one child than households without migrant worker members.

Overly rapid population growth also means more people entering the labor force. Every year, 1.5 million new jobs have to be created to absorb the large number of Filipinos entering the labor force. But the economy has failed to generate the needed jobs, resulting in a high unemployment rate. The lack of jobs in the local market compels many Filipinos to look for jobs abroad.



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The Philippines has a young population, with a big segment of the 0-14 age group. Half of the population is below age 21. This means a high dependency burden. The high unemployment rate worsens the situation, since many of those of working age are jobless and in reality continue to be dependents.

Each employed Filipino supports an average of two dependents. The opposite is true in our more progressive neighbors like South Korea and Thailand, where two employed persons support only one dependent. It would be noted that both South Korea and Thailand have much lower fertility rates than the Philippines.

How does international labor migration, in turn, affect population and development processes and outcomes? *SPPRA* discusses the following influences of overseas employment:

- Contributes to Philippine human capital formation because OFWs gain skills from abroad. However, the large number of skilled Filipinos going away also takes away from and lowers the quality of the country's human resources. With a lot of the trained teachers and health professionals leaving, there are less of them left to teach the children and care for the sick and elderly.
- Provides jobs to a lot of Filipinos but does not solve the unemployment problem. The OFWs comprise only a small fraction of the country's labor force.
- Brings in remittances, which, if spent on the health and education of children and family members, contribute to human resource development, and improve people's capacity to be more productive, get out of poverty, and contribute more to development. It has yet to be ascertained, however, what portion of the remittances is indeed spent on health and education, and whether this has actually made a significant impact on the families' prospects for advancement.
- Gives women greater empowerment, an increased sense of self-worth, and stronger bargaining power in the family. However, for women to be truly empowered, measures need to be taken to protect them from the discrimination, exploitation and abuse they often experience in overseas work.
- May lower fertility directly through the physical separation of spouses. Indirectly, it may help bring down fertility by improving the couples' economic status, access to family planning information, and ability to afford the means to achieve their desired number of children – all of which are expected to affect the fertility behavior of women and couples.
- May hasten the realization of the so-called demographic bonus because it provides employment and contributes to human capital formation. However, the demographic bonus will be attained only if local jobs are also generated, and population growth is kept low so that there will always be more working people than dependents in the population.

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