

THE CASE OF THE BAGONG BAYANI:

A History of Overseas Filipino Workers and an Analysis of the Philippines' Labor
Migration Policy

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Introduction

The story of the Overseas Filipino Worker is told in a variety of ways, oftentimes contradicting itself in each variation. The Philippines' government will boast its labor exportation industry, priding itself on being a prime source country for workers. Its citizens will tell the stories of poor working conditions, abuse, and exploitation, years spent away from family, communities breaking apart for the sake of sending pesos home. And in the middle – a country of many peoples unable to meet its need for infrastructural development and poverty alleviation as it chases offshore dreams. The story of the Overseas Filipino Workers is a complex one, one that calls for analysis from all sides – economic, social, and political. Overseas Filipino Workers, also known as OFWs, have existed for decades in many countries. These labor migrants – folks that have sought some kind of employment overseas as non-citizens – are the product of years of policies that have resulted in the construction of the now robust labor export industry of the Philippines.¹ As the industry has grown, conversations on workers' rights and protection have become increasingly important, especially as many OFWs face exploitation as they work abroad.² I would argue that as it currently exists, the Philippine government's labor export policy and the infrastructure that it has set up for labor migrants have encouraged and thus supported the exploitation experienced by its citizens seeking work. The Philippines government's policy actions have shown that it cares more for profit than its people.

¹ International Organization for Migration. (2013). Country Migration Report: The Philippines 2013, 3.

² Battistella, Graziano & Soo Park, Jung & Asis, Maruja. (2011). Protecting Filipino Transnational Domestic Workers: Government Regulations and Their Outcomes, 6.

I seek to contribute to the ongoing discussion of the Philippines' labor migration by emphasizing the interdisciplinary nature of this issue. It is necessary to address labor migration as both an economic and sociological issue; combining theories and analyses from both of these fields creates a more comprehensive analysis that allows more folks to be a part of the conversation. My paper seeks to perform a strong quantitative and qualitative analysis that ultimately centers the ways that the Philippines' labor export policy affects Filipinx families internationally.

The importance of this topic cannot be understated. Labor migration continues to increase day by day, especially in this current period of political instability and economic turmoil in the Philippines. With that comes an increased amount of danger that Filipinx folks are facing, as they risk their well-being and safety in order to seek methods of survival by leaving the country to make financial ends meet. My hope for this paper is that it emphasizes the sense of urgency needed when talking about OFWs. Families are being splintered apart, children are growing up with psychological trauma, and folks are dying. This is more than a discussion on economic policy; this is a conversation on human rights.

The structure of this paper is as follows: I first begin by laying down some preliminary context, including a briefing on what exactly labor migration is and all of the players involved in it. In this foundation, I go into what discussions have been had in current economic and sociological literature. After setting a framework for understanding the issue, I go into a detailed history of the Labor Code of the Philippines of 1974. I discuss the various contexts ultimately leading to the Philippines

becoming a major source of migrant labor. As I unfurl the history of the policy, I add in my own analysis on why I believe it has created great social costs for Filipinx families. I bring in testimonies and statistics to show the many ways that individuals and families have been harmed by this labor export policy.

The 1974 Labor Code of the Philippines: History, Analysis, and Implications

The 1974 Labor Code of the Philippines, also referred to as the Labor Export Policy, is at the core of this issue. This Labor Code came out of a need to protect Filipinx labor migrants. As mentioned before, many OFWs face abuse and exploitation by their overseas employers. The Philippine government thus sought to establish a set of guidelines and protections for employers to follow during what was supposed to be a temporary program of labor migration. Yet what was supposed to be a temporary solution to an economic crisis in the 1970s became what the government recognized as a profitable industry. Recent statistics show that 10 million OFWs are sending home a total of \$31 billion USD a year, making that 10% of the Philippines' GDP. In 2014, 1,430,842 OFWs were deployed and the number increases with each passing day. 6,000 migrant workers are deployed each day in search of better opportunities.³ OFWs are now present in 193 countries, although most of the labor migration is in the direction of the Middle East and East and Southeast Asia.⁴ An overwhelming majority of OFWs are domestic workers, with almost one in three newly deployed workers being

³ Commission on Filipinos Overseas." <https://www.cfo.gov.ph/>.

⁴ Battistella, Graziano & Soo Park, Jung & Asis, Maruja. (2011). Protecting Filipino Transnational Domestic Workers: Government Regulations and Their Outcomes, 6.

household workers.⁵ Other types of OFWs include construction workers, seafarers, service workers, and occasionally professionals. The labor export industry continues to grow under the encouragement of government programs alongside private labor export agencies.

The Labor Code sets in place a framework for both migrant workers and overseas employers to follow in order to expedite and safeguard the labor export process. The loosening of labor migration laws both by the Philippines and destination countries allowed for smoother exchange and thus larger numbers of OFWs began to emerge. However, as the industry grew, remittances, or money sent home by OFWs, become a significant contributor to the Philippines' economy. Thus, the labor export policies of the 1970s that were supposed to facilitate temporary labor migration from the Philippines ended up being even more solidified as the years pass, eventually setting in stone a legal framework for the labor export industry to grow even further despite clear issues with exploitation that had not been solved with the Labor Code.

Foundational Theory and Framework

Why do people choose to migrate? When discussing Filipinx migration patterns, it is important to recognize that no choice is made without influence from external factors. In the case of OFWs, many realized households who had migrant workers generally fared better than households who did not have migrant workers.⁶ Migrant workers are able to make significantly more abroad, though it should be noted they are

⁵ Battistella, Graziano & Soo Park, Jung & Asis, Maruja. (2011). Protecting Filipino Transnational Domestic Workers: Government Regulations and Their Outcomes, 7.

⁶ International Organization for Migration. (2013). Country Migration Report: The Philippines 2013, 102.

paid far less for doing the same kind of work as native workers. Despite this injustice, many decide to work abroad anyway, knowing the income they receive would far exceed that which they would have made at home.⁷

Sociological Theory

Migration theory in the field of sociology also gives us a good framework to understand why folks participate in the move overseas. Push/pull migration theory references the ways that individuals and families are both pushed to move due to factors occurring in one's home country (internal factors), and pulled to move due to environmental contexts beyond one's home country (external factors). The push factors that led to the phenomenon of OFWs are largely economic issues (though they are very intimately related to political ones). While the Philippines is classified as a middle-income country, 26.5 percent of the population falls below the poverty level, and unemployment rates have consistently been high even throughout political changes. For the past four decades, the Philippines' economic performance can be characterized by boom and bust, alluding to its economic instability over time.⁸ The Philippines has been diagnosed with three key problems: "high unemployment, slow poverty reduction stagnant investment – which stem from low productivity growth due to slow industrialization."⁹ This slow industrialization has led to a great deal of issues in regards to infrastructural inadequacies that have ultimately failed to support growth in

⁷ Attas, D. "The Case of Guest Workers: Exploitation, Citizenship and Economic Rights" (2000). *Res Publica*, no. 6, 75.

⁸ International Organization for Migration. (2013). *Country Migration Report: The Philippines 2013*, 2.

⁹ International Organization for Migration. (2013). *Country Migration Report: The Philippines 2013*, 26.

manufacturing and agriculture.¹⁰ All of these factors have contributed to making the Philippines extremely unstable economically, making it an incredibly volatile environment to try and find market work. Thus, Filipinx citizens are pushed to find employment opportunities overseas.

The factors pulling Filipinx folks out of the country are related to demands for labor in other countries. With the new industrialization that happened in East and Southeast Asia in the 1980s, as well as the rapid development that happened in the Middle East in the 1970s, there was a strong pull for more labor to build ambitious industrial projects.¹¹ As the Middle East's labor demands changed, so did the types of workers supplied. This reflects pull factors well – as the needs of destination countries change, the labor supplied by origin countries change as well.

Economic Theory

We can view immigration through a lens of utility maximization by both households and individual actors. Microeconomic theory of immigration asserts that labor migration is best understood as a rational response of individual actors to changing economic opportunities. Essentially, actors will migrate in response to wage differentials between places. Immigrants move in ways that allow them to earn the highest wages possible for their labor; in a household context, this may mean that a breadwinner for the family (or perhaps even more), will seek work abroad. Ultimately, “individuals migrate in search of higher wages from areas of capital scarcity and labor

¹⁰ International Organization for Migration. (2013). Country Migration Report: The Philippines 2013, 2.

¹¹ Battistella, Graziano & Soo Park, Jung & Asis, Maruja. (2011). Protecting Filipino Transnational Domestic Workers: Government Regulations and Their Outcomes, 3.

abundance to places with capital abundance and labor scarcity.”¹² What this results in flows of migrants from poor “developing” countries to more economically “developed” and industrialized countries.

Oftentimes folks are acting out of the recognition that they must be providers for their families – both adult men and women are choosing to become labor migrants in order to provide for their families. When viewing labor migration through the lens of households, we can see it as “a strategy adopted and exercised by the household unit through which family resources are allocated rationally to increase the flow of income and to decrease the scope of economic risk.”¹³

We also understand the issue of OFWs as one of supply and demand on a global scale, particularly when we address push/pull migration theory. The push factors result in a supply of labor migrants eagerly seeking employment. The pull factors represent a demand for employees by other countries. Thus, the Philippines holds a supply of labor while other industrialized countries have a demand for it. Naturally, by the law of supply and demand, needs are met through an exchange of labor.

The Bagong Bayani, the New Heroes of the Philippines

One wonders: with the amount of remittances received, why has the country not developed at a faster rate? Citizens wonder the same. The Philippine government has profited greatly off of taxation of the billions of dollars of remittances sent home, yet

¹² Semyonov, Moshe, and Anastasia Gorodzeisky. "Occupational Destinations and Economic Mobility of Filipino Overseas Workers." *The International Migration Review* 38, no. 1 (2004): 8.

¹³ Semyonov, Moshe, and Anastasia Gorodzeisky. "Occupational Destinations and Economic Mobility of Filipino Overseas Workers." *The International Migration Review* 38, no. 1 (2004): 8.

economic and infrastructural development has yet to be seen throughout the country over the past several decades in which labor migration has been a booming industry. According to the World Bank, “the Philippines tied with Mexico in third place, with remittance inflows of USD 24 billion each, after India and China.”¹⁴ Remittances are seen as a form of “self-insurance” in that there is a “tendency of migrants to send more remittances to their countries of origin following downturns in the economy, crises, natural disasters, or political and civil conflicts.”¹⁵ Recognizing this, it has built a culture of encouraging citizens to work abroad. Romanticization of migrant workers is perfectly encapsulated in the term “bagong bayani,” which translates to new heroes. The government refers to migrant workers as the bagong bayani of the Philippines, in that they are bringing prosperity and pride to their country as OFWs. December is even dedicated to migrant workers – a whole month spent recognizing the sacrifice of OFWs as they work abroad for the betterment of their country.

As this celebration happens, the Philippines fails to make structural and economic changes on its own land. The labor export industry has been used to sustain parts of the Philippine’s economy but not in ways that actually support the growth of the nation for the whole of its citizens. Despite recent economic upturns, a great deal of the Filipino population still struggles with poverty and unemployment. The encouragement of Filipino citizens to work abroad is thus a band-aid solution – workers will be able to make money abroad but will ultimately be unable to return to their home as it is never financially viable enough to return to lower wages and lesser job

¹⁴ International Organization for Migration. (2013). Country Migration Report: The Philippines 2013, 114.

¹⁵ Grabel, Ilene. "Remittances: Political Economy and Developmental Implications." *International Journal of Political Economy* 38, no. 4 (2009): 89.

opportunities. As it exists, the Philippines' labor export industry places Filipinx workers in a difficult position – they must leave the country in order to make enough money to sustain themselves, but in the process, they must submit themselves to abuse, exploitation, and allow their families to be broken apart.

Diving into the Consequences

The social costs of becoming an OFW far surmounts the benefits – yet Filipinx folks must continue to export their labor as it is their only means of survival. They must face poor working conditions, as most of the jobs they end up taking are classified as “3D jobs”: “Dirty, Dangerous, and Demanding.”¹⁶ These workers are likely to “be at the bottom of the social and economic order of the host societies, [...] are usually relegated to the personal service and declining-profit industries, where they take the lowest-paying jobs and lowest-status occupations, and they tend to live in the poorest neighborhoods.”¹⁷ Filipinx labor migrants are used by destination countries to fill “low-paying, undesirable jobs and occupations which the local population is unwilling to take.” In the case of recently industrialized countries in Asia, “young entrants to the workforce who are better educated are refusing to take manual jobs in small manufacturing firms, dangerous jobs in construction, or low status jobs in services,” thus leaving a demand for that kind of labor, which ultimately is filled by OFWs.¹⁸

¹⁶ Semyonov, Moshe, and Anastasia Gorodzeisky. "Occupational Destinations and Economic Mobility of Filipino Overseas Workers." *The International Migration Review* 38, no. 1 (2004): 10.

¹⁷ Semyonov, Moshe, and Anastasia Gorodzeisky. "Occupational Destinations and Economic Mobility of Filipino Overseas Workers." *The International Migration Review* 38, no. 1 (2004): 7.

¹⁸ Abella, Manolo I. "Asian Labour Migration: Past, Present, and Future." *ASEAN Economic Bulletin* 12, no. 2 (1995): 131.

As they are seen as members of low status in the destination countries, many OFWs have no bargaining power when it comes to their work. Employers are able to take advantage of the fact that they have financial control over their workers – they pay OFWs far less and treat them much worse. These workers are unable to represent themselves and unionize not because of their lack of will but because of their lack of structural power in their destination countries. Yet they must remain in these exploitative conditions because they have no other choice.¹⁹

Conclusion

I recall a conversation I had with an OFW at the Daehangno Philippine Market, a humble marketplace home to a small, tight-knit community of OFWs living in Seoul. Her name was Pinky, and she told me the story of her migration. She cries as she speaks. Nine years ago she left her accountant job in the Philippines in search of better economic opportunities and landed a factory job where she does menial work. She feels as if her work is much less significant than the work she did at home, but she makes three times the amount and thus feels compelled to stay in South Korea despite sorely missing her family. She struggles immensely with the language and cultural barrier and experiences racism from Koreans. When I ask, “Don’t you want to go home?” she replies with, “Of course. But I can be a better help to my family if I stay here. I can provide for them and that makes me happy.” Pinky’s story is not unique – the millions of OFWs abroad and the thousands that are deployed everyday venture

¹⁹ Orrenius, P.M. & Zavodny, M. (2009). “Do immigrants work in riskier jobs?” *Demography*, no. 46, 5536.

into harmful work to provide for their families in ways that they couldn't if they stayed at home. This exposes the issue with the Philippine's labor export policy; how can a country encourage labor migration when it breaks apart families and submits its citizens to exploitation? The Philippine government must shift its focus from the labor migration industry to bolstering its economy through boosting internal markets, rather than exporting its people for profit.

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Response to Peer Reviews

Peer Review: Cara Nguyen— Splintering Families and Growing Diasporas**By: Aryon Shahidzadeh**

Summary: This paper is an interdisciplinary exploration of labor migration patterns in the Philippines and how said patterns lead to splintering communities, families, and a growing international diaspora. Nguyen begins by setting the historical and systemic context of Southeast Asian labor migration. She discusses how the Labor Code of the Philippines (1974) sets objectives for labor migration and works with the private sector to facilitate migration. Then she goes into the consequences of Filipino migration: the global care-chain, remittances, and isolation/discrimination. The essay is a critique of the Philippines' economic dependence regarding labor migration. All three of the outlined sections show immense promise for a dynamic paper. Furthermore, it has implications for various communities with significant migrant populations (throughout South Asia, SE Asia, Northern Africa, Central/Latin America)— and the research can be broadly applied to current events regarding labor migration. I am particularly interested in how it focuses on the harm brought onto the migrants, rather than the harm or benefits of the countries receiving migrant labor.

Strengths

- I like how you're framing a significant/huge/broad issue and applying economics to it.
- The global care chain and remittance discussions are so, so interesting and directly relate to economics. (I don't know how much you can integrate the isolation section, but maybe you can in regard to occupational segregation.) I think there's a lot of room in your discussion for talking about the care chain and remittances from/different countries. The global-care chain section would also be interesting in terms of childcare policies from different countries. And of course, your mention of racial dynamics is going to lead to a very interesting discussion.
- *I added a more extensive conversation on remittances.*
- I can tell by your outline that you're an adept writer. I have no doubt that your paper will be clearly and concisely written.
- I like how you're incorporating a field interview from Seoul. It seems like a great case study and personification of labor migration's economic impact.
- Your organization of the paper makes it easy to track. I think there's also room for a lot of content! My favorite section is "diving into the consequences," which I think could be the bulk of your paper.
- *I expanded this section. I didn't make it the bulk as I wanted to ensure enough room to analyze the policies, but I think it's the most impactful part of my paper.*

Areas for Improvement

- I wonder if you could focus on a time period, a specific set of policies, and/or a specific group of migrants under the Filipino umbrella. For example, your discussion of remittances is really interesting. Would it be possible to expand that discussion to take up a chunk of the paper? Or maybe, to discuss remittances as they relate to different diasporic groups (Filipino Americans, Filipinos in US, Saudi, Malaysia, etc). I wonder how these policies impact these groups— especially cause the paper discusses global diaspora. But again, I'm not sure if this makes your paper broader or narrower. It completely depends on how you want to focus the paper.
- *I focused on how the policy was birthed out of a certain time period and what was happening in that time in relation to how the policy was shaped.*
- I wonder which specific economic theories we've discussed in class could apply to this paper. Broad discussions of occupational segregation and theories regarding gender-discrimination for migrant workers would be relevant
- *I added a discussion on utility maximization within the household, as well as a small discussion on supply and demand.*
- Do Filipinos and SE Asian migrants encounter forced labor when they migrate to places like the UAE and Saudi Arabia? I know that's a big issue for South Asian migrants who do manual-labor (they get their work visas withheld by employers upon arrival; Dubai/Abu Dhabi were built by-in-large via slavery— but that's just my pathos). Is this an issue when it comes to isolation, racism, and discrimination abroad (if you choose to keep that section). This isn't as much a "suggestion" as it is a *pondering.
- *I added small notes on discrimination and racism when referring to my field interview.*

Peer Review from Monica Kim:

Context: I enjoy the human geography emphasis in this section. It would be interesting to see the relationship between migration patterns and industry booms in both the Philippines and common migrated nations.

I expand on how the expansion of certain industries affected migratory flows of OFWs.

- An understanding of the migration policy of the Philippines: This would be a good section to address the historical timeline of policy and its quantitative data.
- *I added both history and quantitative data to this section.*
- Setting the stage: Why do so many Filipinos work abroad?: Will you address why it's difficult to find 'good work' in the Philippines? What factors outside of monetary constraints do potential Filipino migrants consider before finalizing their decision?
- *I speak on how economic and political instability contribute to migrants' decisions to move abroad.*
- The Consequences: Is the Philippines government addressing and providing aid to the ailments with overseas labor Filipinos face? What are trends seen in childcare from both parents who work abroad? Is this trend gender based?
- *I address how the policy is supposed to be doing this and how it's not working.*