

International Migration As State Policy: The Philippine Experience As Model and Myth

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International labor migration as a function of the free market is but an imaginary and false assumption. Already, the *laissez-faire* perception of migration from the Philippines has, within the past two decades, been transformed or broken down by state and state-dependent actors and institutions. Indeed, the so-called "market" has given way to such state and interstate forces. It is no longer possible to openly consider population movements across national boundaries as a natural mechanism in the market that played up to push-pull factors and tendencies through a pressure valve system that included notions of supply and demand. Hence, overseas migration, from the perspective of the Philippines, has now become one of the main areas of concern for state policy, intervention and structure.

Presumably, there are different categories for identifying the kind of migration process or processes taking place and hence the kind of migrant involved (e.g., internal versus international, temporary versus permanent, legal versus undocumented, economic versus politically-motivated migrant, etc.) However, at least in the case of the Philippines, the reality of the contemporary migration process has now been confined or generalized to mean migration for employment as supervised, monitored or coordinated by the state. Indeed, at no other point in the country's history has such intervention taken place: passports have to be secured, contracts have to be authenticated and approved by the corresponding government agencies, the proper documents have to be presented to customs and immigration officials for travel clearance as well as duties and tax exemptions, etc. All these highlight a pattern of growing involvement of the state in affairs that until now had been thought to be left to general preferences of individual choice and determination.

For developing countries like the Philip-

pinés, state policy is that generalized and systematic program of action closely associated with development. On the one hand, therefore, state policy is commonly made synonymous with development policy. On the other hand, the main thesis of this article is that international labor migration as a phenomenon of state policy (popularly called labor export policy) does not lead and cannot substantially contribute to development, i.e. popular upliftment and welfare.

International migration is essentially an historical construct moved by economic, social and political forces both within the country of origin (sending country) as well as related international phenomena (the receiving and host country/ies). The migration pattern is very much influenced by the dynamics of historic experience. For the Philippines, this historic experience refers to the country's colonial past and neo-colonial present.

Migration History

The migration phenomenon started long before the Philippine state was ever formally constituted. The history of the Philippine *diaspora* can be rather simplistically divided into three major periods: from the 1900s to the early 1940s; from the late 1940s to the early 1970s; and from the middle of the 1970s to the present. [1]

The first period or "wave" is mainly made up of Filipino peasants and urban poor lured by private contractors and recruiters to the pineapple and sugar plantations of Hawaii. After World War II and up to the early 1970s, changes in the demographic profile of the migrants took place. The bulk of migrants, though still directed towards the US, were now made up of professionals and relatives of the first wave migrants as well as Filipino soldiers and their dependents privileged enough to be

Table 1. Processed and Deployed Landbased Contract Workers By Major World Group

Country/ Region	1983	1984	1985	1986	1987	1988
Africa	1843	1977	1847	1856	2125	1958
Asia	38878	52838	72536	90434	96018	92648
Hongkong	17442	22020	25594	30811	32581	34793
Japan	11656	16029	24571	33791	36423	34793
Europe	3683	4067	3693	5643	6610	7614
Americas	2515	3744	4035	9614	7562	7902
Canada	220	273	560	1501	1724	1722
US	2214	3135	3006	3643	4254	5346
Middle East	250210	253867	286434	272038	306757	267035
KSA	200203	185837	184832	197219	224075	201451
UAE	9882	15093	20528	24168	26867	19484
Kuwait	11385	21167	22888	21377	23656	14211
Oceania	913	953	1080	1271	1344	1397
Trust Terr.	2397	3048	3892	5373	5465	3563
Total	553441	584048	655496	698739	775461	703413

Source: Policies and Progress Division Planning Branch, POEA

granted American citizenship after the war. The third wave is the one that is most evident and known today, contractual labor migration. At this point, the migration pattern shifts from the US mainland to a more diverse set of countries that included the Middle East; and from individual initiative to organized recruitment at the state or official level. Between 1909 to 1934, for instance, the Hawaiian Sugar Planters Association (HSPA) was able to recruit some 120,000 Filipinos. [2] By the 1980s, however, such a figure accounts merely for *annual deployments* at the very least. Even from an historical standpoint, the trend has been towards greater state or government monitoring or intervention resulting in the intensification of the migration process.

Current Trends and Contributions

From 1983 to 1988, the Philippines has been able to process and deploy [3] some 3.9 million workers for overseas jobs with no less than 65-70 percent of such going to the Mid-

dle East, specifically the Kingdom of Saudi Arabia. [4] (See Table 1.)

Remittances account for a very significant contribution of Filipino overseas contract workers (FOCWs) worldwide. Within the same period, some US\$4.6 billion have been remitted by workers overseas through formal channels, i.e., the banks (Table 2). Estimates from the Central Bank indicate that as much as twice this amount passes through "informal channels" commonly known as the blackmarket or *padala* system. At one time, in 1983, these foreign exchange remittances accounted for no less than 18 percent of the country's total foreign exchange earnings as indicated in Table 3.

The Corporatist Framework

Numerous migration paradigms have been found and expressed [5] but the main frame of analysis of this paper will be along the lines of emphasizing the role of the state in attaining national development goals as well as pursuing

Table 2. FOCW Remittances (in US\$ million).

	1983	1984	1985	1986	1987	1988	Total
Landbased	660.08	472.58	597.89	571.75	671.43	675.63	3649.36
Seabased	284.37	186.31	89.31	109.69	120.48	170.07	960.23
TOTAL	944.45	658.89	687.20	681.44	791.91	845.70	4609.59

Sources: (1983-1986) Department of Economic Resesarch, Central Bank of the Philippines.

(1987-1988) Central Bank of the Philippines and Programs Division Planning Branch, POEA.

the patterns defined for it by the international system. Alegado in his initial analysis of the Philippine migration experience provides a general understanding of labor movement within the setting of an international division of labor. [6] Altogether though, the functional relationship of any state in a developing country towards the problematique of labor migration has to be seen within the context of (1) perceptions of national goals and development perspectives as well as prevailing social and economic conditions; and (2) international forces that tend to attract certain categories of workers from underdeveloped countries to seek employment in developed capitalist economies. [7]

As a result, the state has a tendency to adopt a corporatist attitude in relation to cross-border movements of labor in order to systematically approach the problematique and respond somewhat to its conception of development within the mold set for it by the international capitalist order. State intervention, therefore, becomes a matter of course rather than choice where there is a marked increase in intensity of the migration flow.

Labor Export Policy as Lopsided Policy

From 1915 to 1974, labor movements were very much supervised through Republic Act Number 2486. [8] At that time, sufficient safeguards as outlined in the Act (e.g., non-hiring of minors without parental permission, or of ethnic minorities for exhibition purposes, return trip guarantees, etc.) were already in place. Nevertheless, much of the recruitment at the time was undertaken by the private sector.

By 1974, this situation had changed drastically with the formulation of the New Labor Code. Three separate but related government agencies were created, "charged with developing, promoting, regulating, and implementing a comprehensive overseas employment programme," [9] all under the then Ministry of Labor and Employment (MOLE). These were: the Overseas Employment Development Board (OEDB) for government-placed or -hired landbased workers; the National Seamen Board, for seafarers; and the Bureau of Employment Services which regulated and supervised the private recruitment business.

Table 3. Remittances and Balance of Trade (BOT) in US\$M.

Year	Exports	Imports	BOT	Remittances % of Exports	
1982	5020.60	7667	- 2646.30	810.48	16.10
1983	5005.30	7487	- 2481.30	944.45	18.90
1984	5390.60	6069.40	- 679.20	658.89	12.20
1985	4629	5110.70	- 481.70	687.20	14.70
TOTAL	20045.50	26334.10	- 6288.50	3101.02	15.50

Source: Table 9 in Economic Research Center UST and Jorge V. Tigno, in *International Migration from the Philippines, in Migrant Overseas Workers: A New Area of Concern for Labor Unions*, ed. Helmut Kurth and Ngo Huy Liem, FES-ERCUST, Manila, 1988, p. 42.

And then in 1982, then President Marcos reorganized the MOLE and created a single body, the Philippine Overseas Employment Administration (POEA), to take on the functions, and then some, of the three agencies mentioned earlier. Until now, the objectives rationalizing the agency remain the same. Among others, the POEA [10] undertakes:

The promotion and development of employment opportunities abroad... in cooperation with relevant government agencies and entities as well as representative groups from the private sector, through organized market promotion activities and services which shall include among others, the following:

- a) a comprehensive manpower marketing strategy and dispatch of marketing missions abroad for this purpose;
- b) to develop and promote programs or arrangements that would encourage the hiring of Filipinos in organized or corporate groups as well as government-to-government arrangements; and
- c) to promote Filipino manpower through advertising in appropriate media overseas.

Market Development as National Development -- For Whom?

Diversification -- the development of new markets for Philippine labor -- as one of several labor export policies, is seen by the past dispensation as a major development goal. In the same year, Marcos emphasized the goals of the government's labor migration program [11] as such:

For us, overseas employment addresses two major problems: unemployment and the balance of payments position. If these problems are met or at least partially solved by contract migration, we also expect an increase in national savings and investment levels. In the long run, we also expect that overseas employment will contribute to the acquisition of skills essential to the development of the country's industrial base.

Prior to the creation of the POEA, the main intent of the government through the OEDB, was to corner the labor market for itself and phase out private recruitment. Indeed, the Labor Code of 1974 explicitly states:

[N]o new applications for a license to operate ... shall be entertained The Department of Labor shall, within four (4) years from the effectivity of this Code, phase out the operation of all private fee charging employment agencies, including those engaged in the overseas recruitment and placement of individuals for personnel services or to make up the crew of a vessel.* [Emphasis added.]

Such a perspective never materialized. By 1978, overseas placements had increased by as

much as 150 percent, enough to test the capabilities of any labor-exporting state. During this year, the policy to concentrate recruitment in the hands of government was reversed. Private agencies were now encouraged to recruit workers as if competing with government. This action was sanctioned by virtue of Presidential Decree Number 1411 which removed all restrictions for private firms to operate openly and legally.

Nevertheless, a "Corporate Export Strategy" as directed in Letter of Instruction Number 852 dated 1 May 1979, had to be addressed. With the creation of the POEA, government was tasked with monitoring the activities of a little more than a thousand private agencies (by 1983) as well as undertaking market development and recruitment activities for and by itself. The government agency established formal procedures and fees which private recruiters have to undertake and charge respectively, to be allowed to continue to recruit.

In December 1982, government gave itself a mandate to intervene more actively in the migration process. This was in terms of the lucrative remittances FOCWs sent back to the Philippines, and the so-called mandate was Executive Order Number 857. The Order made it mandatory for FOCWs to remit at least 50 percent of their foreign exchange earnings back to the country through the banks. Failure to abide by the order will mean either a cancellation of the national's passport or non-renewal or non-authentication of the worker's employment contract. One major premise [12] for the requirement is that

[I]t is necessary to protect the welfare of the beneficiaries, dependents and families of Filipino overseas workers and to ensure that the foreign exchange earnings of these workers are remitted through authorized financial institutions of the Philippine government in line with the country's economic development program.

This order caused unnecessary hardships for the FOCWs. Filipinos throughout the world voiced their protest. Even the International Labor Organization did not spare the Marcos government from a serious but silent call for the abolition of the order. Subsequently, in May of 1983, EO 857 was revised, and the harsh penalties taken out.

The net effect of this internal policy in contradiction, i.e., of promoting market development as well as welfare protection, has been

general feeling of neglect by the Philippine government on the part of the FOCWs themselves. This sentiment can be gleaned from reports, both formal and informal, evaluating the performance of government missions and agencies both local and overseas.

One indicator of government neglect is in terms of providing adequate wage differentials to Filipino nationals. Although it may be true that FOCWs receive as much as four times in remuneration than their domestic counterparts, numerous studies have noted that there exists wide income disparities between First Country Nationals (citizens of host countries), Second Country Nationals (citizens of First World countries), and Third Country Nationals (e.g., the Philippines) which receive one of the lowest compensation packages of all three categories. [13]

Labor Migration Under Aquino: Same Collar or Same Banana?

Despite the advent of a so-called new regime, not much substantial change has been noted in the country's labor outmigration policy. On the one hand, open or public emphasis is now made on altruistic welfare policies such as the enhancement of the powers of the Overseas Workers Welfare Administration (OWWA) which used to be called the Welfare Fund for Overseas Workers (Welfare Fund), the FOCW counterpart of the Social Security System. On the other hand, very little change has taken place in terms of discouraging mass export, market development and recruitment programs, the main themes or targets underlying the former regime's development or migration policy. The main export-oriented principles enunciated in the Labor Code of 1974 have yet to be repealed. Market development and deployment, whether by government or private agencies is still very much coordinated and supervised by formal state policies.

In early 1988, the

Aquino Cabinet issued an order imposing certain restrictions on the deployment of women workers, specifically those applying as domestic help, for overseas jobs. Apparently in response to numerous reported incidents of women migrants being abused by their employers, the "maids ban" was but a vain attempt on the part of a beleaguered state to "humanize" labor export. The so-called ban, however, did not last very long as it was soon lifted even in countries where abuses continued to be reported.

Foreign exchange remittances still pose a very lucrative prospect for those in government. Proposals have been made, short of bringing back EO 857, to tap FOCW remittances in upgrading the country's worsening balance of trade or foreign debt positions.

The Latest Fiasco: FOCWs in the War Zones

In August 1990, the Philippines was once again exposed to its own ineptness when Iraq invaded Kuwait and thousands of Filipinos were stranded in the emirate. The manner in which government managed or even perceived the crisis relative to FOCWs in the region was far from humanely acceptable and ideal. Government exhibited a high degree of vacillation and indecisiveness where workers' welfare was concerned. In fact, rather than restrict the deployment of workers in the entire region, government still manages to continue to recruit more workers for the Gulf.

During the Iraqi invasion, calls were made



Returned Gulf workers apply for emergency loans.

repeatedly to see to the safety of Filipino nationals in the area by evacuating them back to the Philippines or to any other safe area. However,

[T]he government has delayed plans to systematically evacuate... Filipinos in the area because it lacks the resources to repatriate them and has no jobs to offer them when they return... [14]

Government is no longer capable of responding favorably to any foreign crisis simply because it feels the employment of nationals is the only prime consideration.

The Myth of Migration for Development

The present Philippine state has failed as an oracle of development. Altogether, this policy framework called labor export is certainly a very unsound development policy. A systematic attempt (i.e., to use migration as a social and historic phenomenon) to come up

with a labor export policy will necessarily reflect the intensifying state of the international division of labor as dictated by advanced capitalist countries to the detriment of the developing or underdeveloped ones. Migration policy as a modern-day talisman of sorts simply is not possible.

In terms of welfare, investment and employment targets, labor export cannot possibly achieve genuine national development objectives or broad-based development. Decades of experience already attest to this. Migration policy as state policy rejects any notion of decentralization or distribution of wealth and social power. In the final analysis, the unfortunate prospect is that migration as a function of free market forces is but a myth just as migration as a vision for attaining national development is a false and dangerous panacea.

Notes

1. For a more comprehensive account of the history of migration, see Catholic Institute for International Relations (CIIR), *The Labour Trade: Filipino Migrant Workers Around the World* (Manila: KAIBIGAN and NASSA, 1987).

2. CIIR, p. 15.

3. Deployed workers are those whose recruitment have been directly supervised and contracted by the Philippine government or on a government-to-government basis while processed workers are those recruited by private employment agencies but have had their work-related documents, e.g., passports, employment contracts, etc., authenticated and approved by government.

4. Taken from statistics compiled by the POEA, Programs and Policies Division.

5. Josefa Francisco and Pilar Jimenez-Ramos, "The Effects of International Contract Labour; Community Studies," (Manila: DeLaSalle University, 1984); Maria Cynthia Rose Banzon-Bautista, "Overseas Labour Migration Outcomes: Determinants of Success and Failure Among Selected Returnees from the Middle East," a paper presented to the 11th Annual Scientific Meeting, National Academy of Science and Technology, Manila Garden Hotel Nikko, Makati, 12 July 1989; W. R. Bohning, *Studies in International Labour Migration* (New York: St. Martin's Press, 1984).

6. For a comprehensive description of this view as a critique of prevailing views, see Dean Alegado, "International Labour Migration from the Philippines: The Interplay of State, Development Strategy and World System," a paper prepared for the Third International Philippine Studies Conference, 13-17 July 1989, PSSC, Manila.

7. Helmut Kurth provides a set of hypotheses that concern the hiring and discharge of migrant workers in capitalist host countries, one of which is that workers

are confined "to perform mostly low level activities in labour-intensive and uncompetitive industry branches..," leaving them "strongly dependent on the economic developments and does not allow them to attain higher professional qualifications." Kurth, "Main Hypotheses on the Phenomenon of 'Guest Workers' - Case of the Federal Republic of Germany," in *Migrant Overseas Workers: A New Area of Concern for Labour Unions*, ed. Helmut Kurth and Ngo Huy Liem (Manila: Friedrich Ebert Stiftung and Economic Research Center UST, 1988), p. 7.

8. A brief description of the law, its contents and implications can be found in CIIR, *The Labour Trade*, pp. 22-28.

9. CIIR, *The Labour Trade*, p. 22.

10. National Economic Development Authority, *Philippine Development Plan; 1972-82*, n.d.

11. Speech delivered at the **First National Congress on Overseas Employment**, 20 July 1982, PICC, Manila.

12. EO 857 Declaration of Principles, Second Premise, taken from KAIBIGAN, *EO 857 - Filipino Overseas Workers' Remittances: the Multi-Billion Dollar Question* (KAIBIGAN: Manila, 1983), p. 17.

13. For details, see, KAIBIGAN, "Filipino Overseas Workers' Wages and the International Political and Human Dimensions of Manpower Export, in *Philippine Migration Review* Volume 11, Number 3, September 1986, KAIBIGAN: Manila.

14. This is according to an anonymous DFA official as quoted by Associated Press, "US advises pullout of Pinoys from the Gulf region," *Philippine Daily Inquirer*, 30 August 1990, p. 1.