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Impact of the Global Crisis on Overseas Workers and the Families-Left-Behind: A Snapshot of the Philippine Case

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Abstract

The Global Economic Crisis (GEC) of 2008-2009 was seen as negatively affecting the Philippines in a different way. Most countries affected by the GEC suffered export declines and domestic economic slowdown leading to the collapse of certain sectors in the economy. Though the Philippines was affected this way in some aspects, it is more the unique nature of its economy having around 10% of its population abroad working or permanently settled but continuing to send a significant amount of remittances. It was the concern of the Philippines that the crisis affecting many of the destination countries of its migrant workers will lead to massive layoffs and creating a much larger crisis at home. Based on this hypothesis, this study attempts to view how the GEC actually affected the economy by directly looking at the impacts on the overseas Filipino workers (OFWs) and their families-left-behind in the Philippines and how they coped with the perceived effects of the crisis. The study sampled the National Capital Region or Metro Manila. It used a semi-structured questionnaire which profiled the demographic characteristics and determined the coping strategies of the respondents. A focus group discussion with ten (10) of the respondents for the purpose of validating the data gathered by the questionnaire was also done. The results show that a number of affected households indicate decreases in their family income during the crisis period as compared to previous years. However, there are relatively few affected workers who returned home. Majority opted to stay abroad hoping for better opportunities in their affected host countries rather than to return home. The families-left-behind also adjusted to the crisis by implementing coping strategies such as cuts in spending (primarily in recreation, food and utilities), seeking extra jobs/side-line and a decline in allocation for savings.

Keywords: GEC, OFW, Families-left-behind, Coping strategies, Philippines

An estimated 8.1 million Filipinos or around 10 percent of the country's population (Commission on Filipinos Overseas, 2008) are present in more than 190 countries/territories worldwide (Table 1). This phenomenon started in 1974, when the Philippine government initiated an "Overseas Employment Program" (in the Labor Code of the Philippines) to place Filipino workers in overseas jobs. This was thought of as an alternative to the rising domestic unemployment and to help bring in foreign exchange through remittances. From annual deployment levels of less than 50,000 in the 1970s, the number has grown to more than 1.2 million in 2009 (Philippine Overseas Employment Agency (POEA), 2010). The total number of Filipinos abroad is a mixture of permanent migrants and temporary overseas workers. Nonetheless, more than half of these are temporary workers. The large number of workers abroad is also facilitated by the authorized private recruitment agencies, apart from the

POEA, to place Filipinos in overseas jobs. Most overseas contracts are typically for two years and are usually open to renewal. Permanent migrants, meanwhile, occasionally return to the Philippines for holidays and continue to send financial support to families and relatives. The combined remittance from these two groups has reached almost US\$18B in 2009 which is around 1/3 of total export receipts.

It should be noted that despite these numbers, the Philippines has not officially adopted overseas employment as an official policy. In fact, the Migrant Workers Act in 1995 and its amended version in 2010 explicitly mention that overseas employment is not the policy of the government. Nonetheless, the sophisticated policy regime from marketing, protection to reintegration of workers speaks otherwise (O'Neil 2004). Few countries have as many of their citizens living abroad as the Philippines, or depend so greatly on migration for their economic vitality.

Because of the pervasiveness of temporary overseas work and remittances in the Philippines, there was widespread concern that the recent economic crisis will impact negatively on the Philippine economy. This was specially the concern as the crisis started in major destination countries and suddenly became global. It has shrunk remittance flows to developing countries (Human Development Report, 2009). However, there was a notion that the impact was actually different depending on the migration history and profile that a worker sending country has. This was validated by a series of country studies that covered Uzbekistan, the Philippines, Nepal, and Mali. The preliminary results show that the effects of the global crisis on countries of origin are different (Riester, 2009). Another paper supported this finding and added that the impact is differentiated further as to the destination country, sector of employment and gender (Awad, 2009).

Situating these findings in the context of the Philippines, it is critical to look further into the OFWs and their families to have a more direct appreciation of the impact. This is important as the Philippines has not seen a major disruption of migration and remittances flows during the crisis period. A misreading of the actual impact on the ground may create a false sense of security as, crisis or no crisis, there is a need for re-balancing of policies, as well as, possibly direct government intervention in the form of social transfers to help the affected cope with the loss of remittances.

In view of these, the paper is organized into the following: a) general impact on the Philippines, b) profile of the OFW families-left-behind, c) general perception about overseas work and the Philippines, on the GEC, and d) coping strategies of the OFW and the family to the perceived effects of the GEC. The final section gives the conclusion.

1. General Impact of the GEC on the Philippines

Overall, the initial impact of the GEC on the Philippines can be seen through the two major data on migration and remittances, annual deployment and annual remittances. Chart 1 shows that contrary to expectations, annual deployment and annual remittances actually increased to all time levels in 2008 and 2009. Thus, by looking at the overall data perspective, it may seem that the crisis has no direct effect on the two major variables. However, as data became more detailed and broken into specific parts, the overall results were not true for all the workers. As Filipino workers are spread all over the world, the impact depended on the destination countries and specific sectors such as construction, manufacturing, and hotels. Meanwhile, employment in sectors such as health care, domestic service and education experienced continued growth. Chart 2 reveals the spread of Filipino talents and skills and Chart 3 shows the regions where the OFWs are deployed (Ang, A.P. et.al., 2009). Thus, for a country like the Philippines which has varied types of workers deployed in many countries, the negative impacts may have been compensated by the positive impacts.

As of data of late 2010, no mass return of migrant workers has been reported in the Philippines. However, the Department of Labor and Employment (DOLE) reported that the effects of the global financial crisis did not spare the Philippine economy. This is in view of the GDP data that revealed a gradual slowdown. After a record growth rate of 7.3 percent in 2007, the country's GDP growth fell to 3.8 percent in 2008 and 1 percent in 2009. This is because the impact of the GEC and the ensuing recession in major economies has been felt in the various sectors of the economy, particularly banking, production, and the domestic employment market.

Meanwhile, government data reported that economically displaced OFWs totalled 12,117 workers. For them, the government provided assistance in many forms ranging from counselling, training, placement assistance, legal assistance and a special loan program for qualified returnees. POEA provided assistance in terms of referral to agencies and legal assistance with three hundred ninety seven cases settled amounting to P8.6 million in money claims. Meanwhile, the Overseas Workers Welfare Administration (OWWA) likewise provided referral assistance to displaced OFWs for training (1,163 workers), job placement (1,345), legal assistance (105), and referrals to accredited co-partners (2,444). Finally, a total of 4,374 affected workers availed of the Filipino Expatriate Financial Livelihood Support Fund (FELSIF) amounting to about P205 million.

This report showed that an insignificant number of people being affected by the crisis. Varying observations revealed that the Philippines was able to avoid large impacts of the crisis through the resiliency of its remittance flows. With overseas Filipino workers (OFWs) in almost every country and territory, with their wide range of skills, and their adaptability and flexibility, the possible effects of the GEC may have been possibly cushioned. Nonetheless, there is still little information on the families-left-behind by OFWs and how they coped with the GEC. The following sections look into these aspects.

2. Method

2.1 Study Site and Instrumentation

This study was conducted at the National Capital Region (NCR) which is basically Metro Manila. Metro Manila was selected primarily because it is the base of many OFWs and their families. Even if their origin is from another province or region, an OFW is most likely to relocate the family to an urban center like Manila. Thus, gathering data from this place will give a semblance of heterogeneity. Considering the lack of a consistent database of OFWs and their families, the researchers depended on the OWWA Family Circles (FC) data list of member families. However, this list is not regularly updated. Nonetheless it provided a starting point to look for affected families. Due to the population limitation, the researchers decided to conduct a snowball and purposeful sampling. Preliminary data and information were gathered through interviews using a semi-structured questionnaire and focus group discussions (FGD) with the household head of the sample OFW families. Each interview lasted for about 40 minutes and the FGD lasted for about 90 minutes. The interview guide served as the checklist for covering all relevant topics. Probing questions were asked for further details. The FGD was done to further support the data gathered from the interviews.

2.2 Respondents and Ethical Considerations

The survey/interview targeted a total of 100 families as sampling base. However, during the actual field interviews, the researchers were able to interview more than 100 respondents bringing the total valid sample to one hundred seven (107) households. The qualifying question to be included in the sample was for a family to have a remitting OFW family member who has worked/was working overseas in 2008 (the onset of the global recession)--who were economically displaced or admitted to have been affected by the GEC. The respondent was the household head. Selected households were based on the referral of the president of the OFW Family Circle in the area or a barangay (village) official (purposive-authoritative) present in each of the local cluster of the region. Respondents were informed about the nature and the purpose of the inquiry. For the FGD, ten household heads were chosen as participants based on their availability. Participation was voluntary, confidentiality was guaranteed. To ensure anonymity, no identification was presented in the paper.

3. Results

The survey was conducted from April to June 2010. The results of the survey are summarized as follows:

3.1 Demographic Characteristics of Respondents

The decision to work overseas, as seen in many developing countries is a household strategy. The family-left-behind supports the decision and expects to receive cash transfers that are bigger than what is expected if such family member is working at home country. These remittances are used for immediate consumption needs and financing future investments as well. Households with a labor migrant therefore are not uncommon to Filipinos. More than any nation in East Asia, the Philippines has the most number of migrant workers (Chia, 2007) distributed in more than 190 countries around the world.

Table 2 shows the demographic characteristics of the respondents – the one who acts as the household head for the family-left-behind by an overseas worker. There is a larger number of female household heads (73.8%) over their male counterparts. More than half of them are married (59.8%). As to age, 38.3% are 30 years old or below and majority are Catholics (80.4%). About 46% are college graduates. Majority are employed on a full-time basis (42%). These statistics reveal that OFW families in Metro Manila generally have higher education and are not fully dependent on OFW remittances for their daily needs. These data support the view that OFW families do not belong to the poorest of the poor. Their higher education reveals their capacity to be more productive compared to other non-OFW families.

Breaking the profile further in gender and marital status (Table 3) show that majority of both male and female household heads have graduated college. More than half of the respondents are married while around 38% are single representing sibling or child of the overseas worker.

3.2 The profile of the OFW families-left-behind

Meanwhile looking at the families of OFWs, data show that almost half of the families have 3 to 4 members and more than half have extended family members living with them in which 60.3% have 1 to 3 additional members and 28.6% have 4 to 6. While this translates to additional 'mouths to feed' in the monthly family budget, the extended family member/s provide moral, emotional, physical and spiritual support for the families-left-behind. They are usually relatives, either parents, aunts or uncles, of the OFW and/or the respondent. Table 4 also supports the assertion that OFWs are not poor since more than half of the families own a house. Lastly, around a third of the respondent families are not originally from Manila confirming the original posit of the sampling.

Table 5 reports the incomes and remittances of the respondent households. Average household income for the families is PhP43,715 (US\$1,000) and average remittance sent by OFW family member is PhP30,982. Annually, average household income is about half a million pesos which is way above the poverty threshold annual average income of PhP75,000. Average remittances translates to about 71% of the monthly household income. A little above half of the families-left-behind have other sources of income (other than remittances) and only 20.4% have no other source (Table 6). Thus, in terms of vulnerability, only a fifth of total households surveyed were exposed to adverse impacts should remittances stop or decrease. This percentage may also represents those households that resort to debts during the months when there was less or no remittance. An interesting point to consider in these responses is the low participation in entrepreneurial activity. Only around 15% of the households are involved in some kind of wholesale and retail trade. Majority are dependent on wages. Thus in a global crisis such as the recent one that affected both local and international aspects, households were exposed to potential lay-offs.

One important function of remittance is to diversify income sources and cushion families against sudden problems such as illness or calamity. The survey showed that remittances, as with other income sources, are used for basic necessities and utilities (Table 7). Education, transportation and communication are also among the topmost purposes of remittances. Spending on education is noticeably a priority, too, in most households implying the importance of investments in manpower. Half of the families also intended to use money receipts for savings and/or investments. List of recurring expenses in Table 7a shows health insurance, medications, and education and housing amortizations were on the Top 3. Remittances may have provided the families better access to health care services and education indicating investments in human capital. Considering that expenditures like these are not in the ordinary recurring expenditures of an average Filipino household, this confirms that OFW families are indeed higher income households. At the same time for families relying solely on remittances, a significant decline might affect lifestyle severely.

3.3 Profile of OFWs

Although the total households for the survey is only 107, total OFW profile (Table 8) included numbered to 122 because some families have more than 1 OFW. They are spouses, siblings, parents or other relatives of the family members left behind. Forty one percent are from age bracket 31 to 40, majority (70.5%) are married and a little over half (50.8%) are female. Fifty three percent have worked overseas 6 years or less and 23.8% have worked from 7 to 12 years. Majority (79.4%) are college graduates. More than 40% have worked under the domestic and other services category and this is followed by 28.9% in the professional and technical category.

The OFWs revealed here are relatively young and in the prime of their capacities. Subsequently, a large percentage of them have less experience as OFWs. However, they are highly educated. Most of the college graduates were working under administrative and managerial category and the professional and technical category. A disturbing finding is that more than half of those who were in the domestic and other services category were also college graduates. This clearly shows a mismatch of training and the job overseas. It is also possible that this is due to the downgrading of skills just to maintain the overseas work. In the POEA data for deployment, 2009 saw the rise of domestic service employment. It is likely that people who lost their professional jobs locally took on domestic service type of employment abroad.

In a recent study estimating determinants of remittances to the Philippines, it was found out that remittance growth responds to real growth in the Philippines and in host countries, exchange rates, interest and deployment rates, inflation, as well as to immigration and employment policies (Reside, 2009). This also means that whatever macroeconomic distortions of the host country will affect remittances sent by the labor migrants. Remittances, too, appear to contribute importantly to lifting households out of poverty, as well as benefit the wider community through the multiplier effects of increased spending (Pernia, 2006). These, among many factors, contribute to labor to migrate and hope to send (remit) money back home the soonest.

These studies are important bases in asking the OFWs why they left the Philippines for overseas work. It should be noted that these people who have left are not the poorest of the poor and they have better education than the others. They are people who have the options to go abroad or work domestically. When asked about the reasons for leaving to work abroad, the top reasons were bigger pay (81.3%), influence from relatives and friends (34.6%) and limited job opportunities in the home country (34.6%). None of the responses were about difficulties in the home country, but rather a desire to earn more.

The separation is particularly more difficult for female spouses working overseas, especially those with children as this also has social impacts to look into. Separation is typically a painful decision having high emotional costs for both the labor migrant and the family. For instance, anecdotes from a study of Anonuevo (2009) of Atikha Inc. tells of migrant mothers trying to assuage feelings of loneliness and guilt for leaving their children by sending gift (material) items home which in the long run may breed consumerism and dependency. This also shows the existence of the 'culture of migration,' implying the perceived association of working overseas with personal, social and material success.

3.4 General perception about overseas work, the Philippines and the GEC

International labor migration became an enduring feature in the development of the Philippines (Orbeta et al., 2009). The linkage between the migration phenomenon and economy elements expressed through the use of remittances was caused, to a certain extent, by the people's perception on migration (IOM, 2009). Using these observations, the researchers asked the respondents about their general perception of overseas work. About fifty-seven percent (57%) of the respondents looked at overseas work as a temporary/short-term source of income, while 39.3% viewed it otherwise. Still a larger majority do not intend to stay overseas for good and thus, this is an opportunity to look into the possibility that these OFWs will return to the Philippines.

As to their perception regarding overseas work as a contributing factor to the development of the country, almost all respondents agreed. The mean response also reflected strong agreement among respondents. The contribution as interpreted here may also be financial in character (in terms of remittances used for consumption and saving). As to the statement, "The Philippines is a favorable place to raise a family," 79.4% agreed (mean: 2.21). This implies that although households acknowledge overseas work as a source of income, most would still opt to have their family raised in the country. With the statement, "There are job/employment opportunities in the Philippines," a little over half (53.3%) of the respondents disagreed. This, however, implies that while respondents recognize job opportunities in the country, most opted for bigger/better pay overseas. These responses show that many OFWs have not really given up on the Philippines.

In terms of investment opportunities, about 66.3% of the respondents agreed that they exist in the Philippines. This is an important perception that needs to be translated into action. The perception on opportunities to invest, among others, will influence general financial thinking by the labor migrants themselves and the households. This is an aspect where the Philippines have lagged significantly – failing to turn the investment opportunities from overseas remittances to development advantages for job creation and internal development.

When respondents were asked about their economic conditions before a family member worked overseas (Table 9), around half said it was 'satisfactory'. Another 42% stated that their economic condition then was 'bad'. Majority (91.6%) couldn't save or didn't save. This alone tells an important indication – these migrant families are not really in "bad shape" prior to their family member's going abroad. When asked about the same after a family member worked overseas, 48.6% and 37.4% stated life is 'much better' and 'better', respectively. Although a significant percentage of households (63.3) have managed to save, 19.6% stated that still they can't save for the following reasons: that the income is just enough for family expenses (87.5%) and that there is no use/incentive in saving (7.5%). For those who are able to save, however, savings and investments come in the forms of savings account (66%), some cash (56%), land/lot (33%), vehicle (30%) and house (28%). Savings and investments are basically made as measures for security: for emergency purposes, future education, business plans and old age.

3.4.1 Knowledge about the Global Economic Crisis

The World Bank (2009), in a policy note, stated that the GEC was exposing households in virtually all developing countries to increased risk of poverty and hardship. The Philippines is categorized under 'High Exposure', as are other countries that have both declining growth rates and high poverty levels. However, as discussed already, only a few thousands actually reported being affected by the crisis. It is very possible that a large number simply refused to report about being affected.

In the article: “How vulnerable are the emerging and developing countries to a drop in migrants remittances?” by the Treasury and Economic Policy General Directorate of France (July 2009), it was noted that the Asian countries, particularly Pakistan, Bangladesh and the Philippines, have been spared from the impacts of the crisis for the time being and transfers are proving resilient. Yap, et al. (February 2010), however, presented a study on the effects of GEC on OFWs which utilized results of community-based monitoring systems (CBMS) around the country based on the period from November 2008 to April 2009 and found out negative impacts. The survey asked questions regarding wage reduction and the amount of remittances received and it found out that migrant workers in the service sectors were the largest group to experience wage reductions and households in Metro Manila experienced a bigger percentage in the decline and frequency of remittance.

Thus, an important component of the survey was to ask the household heads about their knowledge of the GEC. Only 15.9% stated they have an idea but their knowledge is insufficient. Majority (87.9) said they know about it sufficiently or more than enough to have an opinion about it. Their knowledge came primarily from the extensive media coverage and updates given by their relatives, hence the high level of knowledge was not surprising.

Data show that GDP growth rate in 2008 fell to 3.8% (and 0.9% in 2009) compared to 7.1% in 2007. Answers of respondents about rising commodity prices are true but it may have been misconstrued as an immediate effect of GEC. The slowdown of the economy was primarily caused by a surge in inflation triggered by the sharp rise in food and fuel prices and only to some extent by the US recession. Inflation was at 9.3 % in 2008 (and 3.4% in 2009) after averaging only 2.8 percent in 2007. The negative effect of high inflation according to Yap (2009) came through various channels: households postponed consumption expenditures, particularly durable goods; the high cost of fuel scaled back services in the transportation sector; and higher prices caused an increase in the cost of production.

Domestic employment, too, has been adversely affected by the economic slowdown. While the unemployment rate in 2008 increased as expected, it rose to 6.8% from 6.3% in 2007. And it went to a high of 7.7% in the first quarter of 2009. The Department of Labor and Employment (DOLE) reported that there were 213,420 workers who were affected by GEC in the country; 18.46% of the total or 39,410 were from NCR. This is based on the Establishment Employment Reports submitted by employers to DOLE Regional Offices. Hence, it is not at all surprising that the respondents’ common answers were increases in commodity prices, decreases in family income and savings, and worsening unemployment. These are all activities that have daily impact on their lives and most families attributed them to the GEC.

One thing that is noteworthy, however, is that 28.6% of respondent families have other members determined to go abroad despite the crisis. This suggests the willingness of other family members to help the current earning OFW in sending remittances by becoming overseas workers too. The topmost significant effect of the GEC to the host countries given by the respondents was the increasing risk of losing jobs. This reflects the fear of both the OFW and the families at home.

Meanwhile, comparing estimated family income in 2010 with that of 2009, 47.2% said it didn’t change. However, 39.6% reported that the family income due to decrease in remittances has lowered (mostly 10 to 20%). A significant figure (61.3%) stated that their estimated family income in 2010 was the same as two years ago (2008), when household expenses and prices of goods increased significantly. These aspects are a bit difficult to validate since it is based on recall. Most recalled expenses better than income as expenses happen daily.

3.5 The coping strategies of the OFW family to the effects of the GEC

The GEC turned into a jobs crisis in most parts of the world. The places hit hardest by the crisis are those where most migrants work. A jobs crisis (Human Development report 2009) is generally bad news for migrants. As economies call for people from other countries when they face labor shortages, most tend to lay-off migrants during times of recession. A dearth of adequate information about returnee migrants exists for others may have opted to go back home on their own (particularly those who weren’t registered, those who had enough savings, and those who believed they could easily go back anyway). Returnees may also include both retrenched workers and natural returnees, hence making the impact difficult to assess on a larger scale. Although no mass return was reported, there were news of retrenchment and lay-offs, and families-left-behind knew that they were affected and would be if the crisis continued.

The respondent families were asked if the OFW family members were affected by the GEC and if they were, how they dealt with it. 32.7% went home (4.7% of which sought help from the government) and tried to re-apply for jobs abroad. This supports literature revealing that in a country where migration as a livelihood strategy is so deeply entrenched, those labor migrants who have lost their jobs and returned to their country of origin hope to leave again as soon as possible (Riester, 2009). It was noted, too, that alternatives like self-employment are

rather unpopular, citing that those who were able to take a loan of PhP 50,000 (approx. US\$ 1,000) offered by the OWWA (Overseas Workers' Welfare Association) used the money to bridge the period before finding a new employment abroad. In this study, of those who didn't go back to the country (67.3%), 46.7% looked for other jobs and 2.8% used their savings to continue sending the usual remittance).

While studies have been made about the impact of the GEC on remittances (papers by Jha, et al., 2010, Cali and Dell'Erba, 2009), not much has been said about the coping mechanisms of families-left-behind. This survey attempted to estimate that and found out that the effects on the family came in the form of decrease in savings (60.6%), decrease in remittances (45.2%) and increase in debts as well as inability to pay mortgages (10.6%).

Since effects stated were basically on income decreases; families resorted to a cut in spending (76.4%) and household head getting extra jobs (16%) among others. This supports previous studies (Loskin and Yemstov, 2001; Fiezbien et al., 2003) of household coping strategies to be **adaptive** (e.g. cut in spending), **active** (e.g. household members having extra jobs) and **social network strategy** (e.g. seeking help from relatives). Savings, recreation and food expenses were the top three expenditures affected by the cut in spending at 44.4%, 24.5%, and 22.2%, respectively (Table 10). The findings regarding decrease in remittances are parallel with the conclusions from recent studies that another negative impact of the global financial crisis is in terms of slower growth in remittances (Reyes et al., 2010). Although Bangko Sentral ng Pilipinas (BSP) reports that remittances coursed through banks grew by 8.6% in September 2009 (reaching US\$1.447 billion) year-on-year despite the global financial crisis, it is important to note that the September growth is lower compared to the 16.9% growth a year ago.

Finally, after probing the factors influencing decision to migrate and coping strategies, the respondents were asked about the plan of the OFW family members regarding future overseas work. This is helpful to analyze relationships between the household decision and economic elements with or without crisis. The responses show that a good number of OFWs intend to work overseas (43.9%) 1 to 10 years more and return home either to continue working or establish a business. This is where programs for reintegration and possibilities of tapping brain-gain would come in. It is surprising that there are around 13% of OFWs who still intend to invest in the country even if as they are trying to establish life abroad. Likewise, there are around 10.3% of those who intend to try to leave the country for good and bring in family members/relatives to the host country without intention of investing whatsoever.

Looking into selected demographic characteristics of the OFWs and the future plans for (non)return, data show that those who planned to leave the country and find ways to establish life in the host country are those who have graduated college, from age range 31 to 40 and are under domestic/services job category. These are the younger and skilled workers who probably see the difficulty of rising up the economic ladder in the home country with their current skills level. They recognized that in other countries, services jobs such as domestic and similar type of works are appreciated and paid better compared to the Philippines.

4. Conclusions and Policy Implications

This study looked on how the recent crisis affected labor migration particularly through the lens of households. The big picture showed an insignificant impact on households, but this study showed that there was an effect, albeit, not as strong as originally thought of. This study also attempted to depart from the assessment of simply looking at the impact of the crisis, but also at how the affected households responded and its views on the future. This is crucial for policy purposes as they reveal key directions in dealing with future crises. Firstly, the study supported findings that most of the OFWs are not really poor. In fact, the survey revealed that they are highly educated and not really requiring to go abroad. The families, in fact, claimed that their life in the Philippines is not that bad before the family member went abroad to work. Second, most of the OFWs are young and starting a family. Their vision of a "good life" is probably pushing them to leave the country, among others. They do this by allowing themselves to take on domestic types of jobs they have been trained for. Third, the impact of the crisis was not direct to the families. Their perception of the negative impact was based on their day-to-day appreciation of expenses rather than a full understanding of the crisis as a long-term economic adjustment. Fourth, crisis or no crisis, the perceived benefits, costs or risks of overseas work prevailed over domestic work. It is likely that the Philippines will experience continuous deployment due to this perception. This will also allow OFWs to weather any crisis. Fifth, the global economic downturn had likely created negative social impacts. But this is not even an issue among the OFWs and their families as extended family members compensated for such gap.

Finally, what this study has attempted is to respond to the various calls by institutions to assess the impact of overseas work at the level of individuals, households, and communities in order to design countervailing

measures and monitor their effectiveness or review any depression-related model for possible use or enhancement. However, while data on economic output and prices are always available, data on social indicators have lower frequency and in certain cases are irregular.

The results of this paper show that while it is difficult to attribute all economic impacts solely to GEC, the crisis had negatively affected OFW families-left-behind through decreases in income, remittances and savings, which led to reduced consumption and increased debts too. The resilience of the OFWs themselves have somehow cushioned the impact. There were OFWs who have returned to the country and sought government help while most chose to stay in the host countries using up their savings and trying to look for other jobs in other economic sectors or the shadow economy. This implies that despite retrenchment and unemployment, most migrants avoided returning to the Philippines (yet). Those who have returned tried to leave again as soon as possible. Many planned to work overseas for up to 10 years more before settling back, while some intended to leave the country and establish life (be citizens) in their host countries. This calls for refreshed attention to assessments on the sectoral level and the reintegration (mechanisms, programs and the like) of returning workers.

In developing countries such as the Philippines, the patterns of resilience and vulnerability, and the lives of the labor migrants are too diverse to permit easy generalizations and recommend 'one size fits all' strategies. The best responses are in the ground level. All told, the Philippines will still continue on its path of overseas work – crisis or no crisis. What needs to be done is to ensure that sacrifices are not put to waste.

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Table 1.

STOCK ESTIMATE OF OVERSEAS	FILIPINOS
*As of December 2008, Commission on Overseas Filipinos	
<i>WORLD</i>	8, 187, 710
<i>AFRICA</i>	54, 554
<i>ASIA, EAST AND SOUTH</i>	1, 085, 049
<i>ASIA, WEST</i>	2, 261, 924
<i>EUROPE</i>	693, 079
<i>AMERICAS, TRUST</i>	3, 518, 699
<i>TERRITORIES</i>	
<i>OCEANIA</i>	312, 792
<i>SEA-BASED</i>	261, 614

Table 2.

	RESPONDENTS PROFILE	%
Relation to the OFW	<i>Spouse, Sibling</i>	<u>28.28</u>
	<i>Child</i>	18.7
	<i>Parent</i>	16.8
	<i>Other Relatives</i>	8.4
Age	<i>30 and below</i>	<u>38.3</u>
	<i>31-40</i>	25.3
	<i>41-50</i>	16.8
	<i>50 and above</i>	19.6
Gender	<i>Female</i>	<u>73.8</u>
	<i>Male</i>	26.2
Civil Status	<i>Married</i>	<u>59.8</u>
	<i>Single and others</i>	40.2
Religion	<i>Catholic</i>	<u>80.4</u>
	<i>Protestant</i>	9.3
	<i>Others</i>	10.2
Education Level	<i>Elementary Level</i>	1.9
	<i>Elementary Graduate</i>	1.9
	<i>Secondary Level</i>	5.6
	<i>Secondary Graduate</i>	10.3
	<i>Vocational Course</i>	3.7
	<i>Graduate</i>	
	<i>College Level</i>	19.6
	<i>College Graduate</i>	<u>45.8</u>
	<i>With Units in Graduate</i>	6.5
	<i>School</i>	
	<i>With Masters Degree</i>	1.9
Employment Status	<i>With Units in Post</i>	2.8
	<i>Graduate</i>	
	<i>Employed, full time</i>	<u>42.1</u>
	<i>Employed, part time</i>	1.9
	<i>Business, self-employed</i>	15.9
	<i>Retiree</i>	0.9
	<i>Unemployed</i>	39.3

Table 3.

RESPONDENTS PROFILE (Educ vs Gender & Civil Stat)	MA LE	FEMA LE	SINGL E	MARRI ED
<i>Elementary Level</i>	0	2.5	1.5	2.4
<i>Elementary Graduate</i>	3.6	1.3	3.1	0
<i>Secondary Level</i>	3.6	6.3	7.7	2.4
<i>Secondary Graduate</i>	3.6	12.7	17	0
<i>Voc. Course Graduate</i>	7.1	2.5	3.1	4.8
<i>College Level</i>	32.1	15.2	18	21.4
<i>College Graduate</i>	39.3	48.1	38	57.1
<i>With Units in Grad School</i>	7.1	6.3	7.7	4.8
<i>With Masters Degree</i>	0	2.5	1.5	2.4
<i>With Units in Post Graduate</i>	3.6	2.5	1.5	4.8

Table 4.

	HOUSEHOLD PROFILE	%
Household Size	<i>1 to 2 members</i>	33.6
	<i>3 to 4 members</i>	46.8
	<i>5 members or more</i>	19.6
<i>Additional Members</i>		
For those with extended family n=63	<i>1 to 3 members</i>	60.3
	<i>4 to 6 members</i>	28.6
	<i>7 members or more</i>	11.2
House Ownership	<i>Owned/Mortgaged</i>	54.2
	<i>Rented</i>	35.5
	<i>Living with Relatives</i>	10.3
Region Origin	<i>NCR</i>	65.4
	<i>From other regions</i>	34.6

Table 5.

HOUSEHOLD INCOME	<i>Mean: PhP 43,715</i>	REMITTANCE	<i>Mean: PhP 30,982</i>
	%		%
<i>10,000 and less</i>	2.8	<i>10,000 and less</i>	12.2
<i>10,001 - 20,000</i>	6.5	<i>10,001 - 20,000</i>	29.9
<i>20,001 - 30,000</i>	36.4	<i>20,001 - 30,000</i>	27.1
<i>30,001 - 40,000</i>	15.9	<i>30,001 - 40,000</i>	13.1
<i>40,001 - 50,000</i>	13.1	<i>40,001 - 50,000</i>	7.5
<i>50,001 - 60,000</i>	6.5	<i>50,001 - 60,000</i>	3.7
<i>above 60,000</i>	18.7	<i>above 60,000</i>	6.5

Table 6.

SOURCES OF INCOME OTHER THAN REMITTANCES	HI3 (n:114)
<i>Wages & Salaries, non-agri</i>	52.4%
<i>No other Source</i>	20.4%
<i>Wholesale & Retail Trade</i>	14.6%

Table 7.

PURPOSE OF REMITTANCE	HI5 (n:664)
<i>Food</i>	100%
<i>Fuel, Light and Water</i>	78.5%
<i>Education Needs</i>	71.0%
<i>Transportation/Communication</i>	62.6%
<i>Savings/Investments</i>	50.5%
Table 7a: RECURRING EXPENSES	HI5 (n:195)
<i>Health Insurance</i>	33.6%
<i>Medications</i>	32.7%
<i>Education/Housing Amortization</i>	22.4%
<i>Credit Card/Debts</i>	14.0%

Table 8.

OFW PROFILE (n:122)	As reported by the HH	%
Relation to the HH	<i>Spouse, Sibling</i>	26.4
	<i>Child</i>	11.6
	<i>Parent</i>	23.2
	<i>Other Relatives</i>	38.9
Age	<i>30 and below</i>	18.8
	<i>31-40</i>	41.0
	<i>41-50</i>	25.4
	<i>50 and above</i>	14.8
Gender	<i>Female</i>	50.8
	<i>Male</i>	49.2
Civil Status	<i>Married</i>	70.5
	<i>Single and others</i>	29.5
No. of Years as OFW	<i>6 years or less</i>	53.3
	<i>7 to 12 years</i>	23.8
	<i>13 to 18 years</i>	9.8
	<i>19 to 25 years</i>	9.8
	<i>26 years and more</i>	3.3
Education Level	<i>Elementary Graduate</i>	1.9
	<i>Secondary Level</i>	3.7
	<i>Secondary Graduate</i>	9.3
	<i>Units in Voc. School</i>	0.9
	<i>Voc. Course</i>	7.5
	<i>Graduate</i>	9.3
	<i>College Level</i>	79.4
	<i>College Graduate</i>	1.9
	<i>With Masters Degree</i>	

Table 9.

Economic Condition Before and After Labor Migration					
BEFORE			***	AFTER	
<i>GOOD</i>	<i>SATISFACTORY</i>	<i>BAD</i>	<i>MUCH BETTER</i>	<i>BETTER</i>	<i>SAME</i>
9.3 %	48.6%	42.0%	48.6%	37.4%	13.1%

Table 10.

FAMILY COPING STRATEGIES		HI5 (n:173)
Cut in spending	<i>Savings (44.4%), Recreation (24.4%), Food (22.2%), Fuel/light/water (15.6%), Transportation/ Communication /Education (15.6%), Clothing/Footwear (8.9%)</i>	76.4%
Household head got extra jobs/sideline		16.0%
Stopped allocation for savings		13.2%
Sought help from other relatives		8.5%
Incurred more debts (e.g. 5-6, credit cards)		6.6%

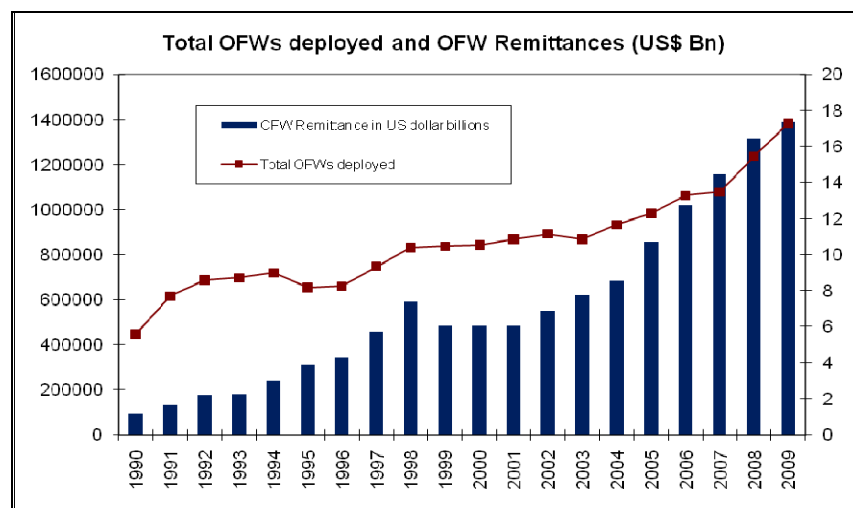


Chart 1.

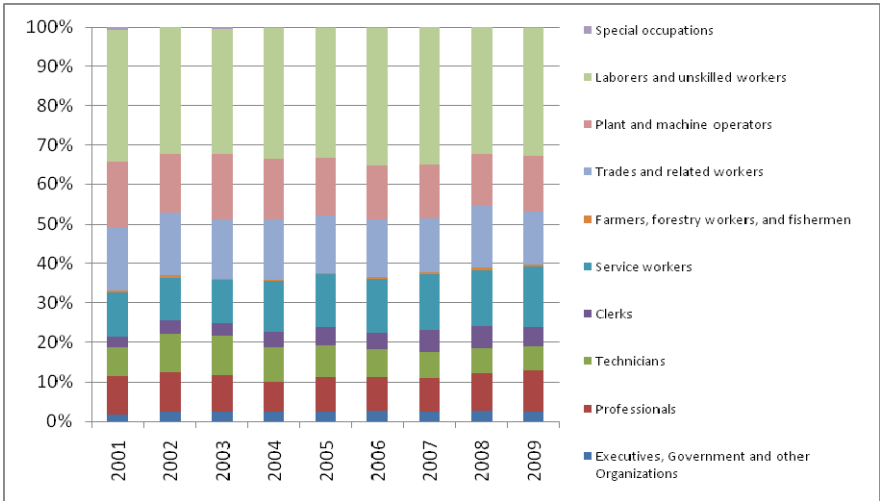


Chart 2. Types of OFWs

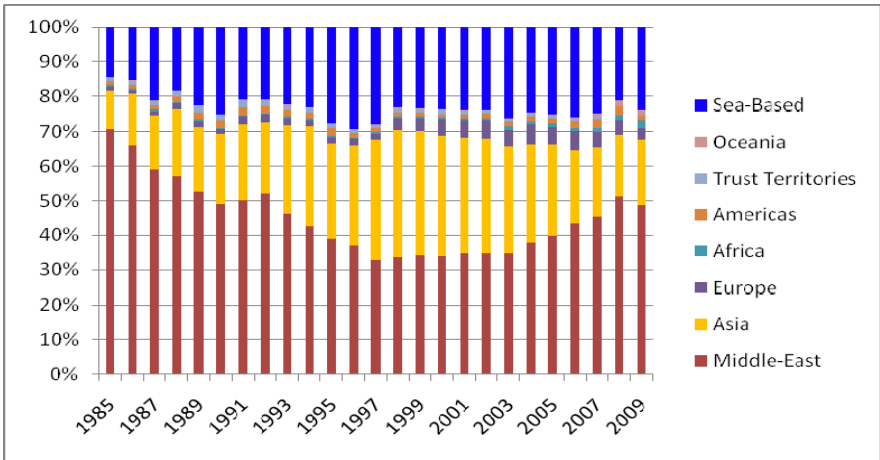


Chart 3. Destinations of OFWs