



Migration and Development Brief **6**

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Managing Migration: Lessons from the Philippines

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This note provides a glimpse of the institutions built to manage migration in the Philippines. It describes how one country of origin government helps its migrants by regulating overseas employment recruitment, informing migrants of available resources abroad through a mandatory deployment process, providing protection and representation through a migrant welfare fund and absentee voting, and developing recording mechanisms to understand migrants' needs. Managing migration also comes with a price and governments need to develop a coordinated strategy to sustain such endeavors.

Managing Migration from the Philippines

Over 8.2 million native Filipinos work or live abroad, equivalent to almost 25 percent of the total labor force. About 75,000 Filipinos are deployed for overseas employment every month. Filipinos also comprise 30 percent of all sea-based workers in the world. Remittances from these migrants amounted to about US\$17 billion or 13% of GDP in 2007.

The Labor Code of the Philippines in 1974 established the Overseas Employment Development Board (OEDB) to promote "a systematic program for overseas employment of Filipino workers." The OEDB marketed Filipinos to potential host countries, recruited workers from the local population, and secured overseas employment. This agency implemented a variety of incentives to lower the cost of emigrating: reducing the travel tax, creating one-stop shops for processing travel papers, and lifting customs duties. The OEDB, the National Seamen Board, and the Bureau of Employment Services were consolidated into the Philippine Overseas Employment Administration (POEA) in 1982.

Figure 1 shows the current organizational structure for the main government agencies involved in providing four sets of resources to its migrants: regulation of the overseas recruitment industry, a managed deployment process, representation and protection, and recording mechanisms to obtain information about the country's emigrants and overseas workers.

1. Regulation of Recruitment

Within the Department of Labor and Employment (DOLE), the POEA licenses private recruitment agencies. It informs potential overseas workers of agencies that have issued false contracts or have not complied with rules during the deployment process. The POEA publishes an updated list of overseas job openings, recruitment agencies' contact information, and the number of vacancies available through their website. The POEA also provides a quality control service by rating the status of the private recruitment agencies.² Through Philippine Overseas Labor Offices and a dedicated labor attaché in

¹ Migration and Remittances Team, Development Prospects Group, World Bank. Thanks to Dilip Ratha, Jacqueline Irving, Sanket Mohapatra, Sonia Plaza and Maria Hazel Macadangdang for useful comments.

² The POEA rates recruitment agencies in the following categories: good standing, delisted, cancelled, forever banned, inactive, revoked, suspended, denied renewal. For a list of the current recruitment agency ratings see: <http://www.poea.gov.ph/cgi-bin/agList.asp?mode=all>.

embassies and consulates, the POEA monitors the treatment of Overseas Filipino Workers (OFWs),³ verifies labor documents, and assists OFWs in employment and labor-related disputes.

2. Managed Deployment Process

Prior to departure, all overseas contract workers must undergo the Philippine government's mandatory deployment process, two key components of which are pre-departure orientation seminars (PDOS) and the issuance of OFW identification cards. PDOS are largely organized by non-governmental organizations (NGOs) that work in partnership with the Philippine government's Overseas Workers Welfare Administration (OWWA) for OFWs and the Commission on Overseas Filipinos for permanent emigrants. Every departing OFW and Filipino emigrant must attend a one-day seminar and provide the government with a certificate of completion to receive permission to emigrate. Attendees learn about destination country customs and laws, resources available to them at the embassy or consulates, important contacts for any problems that might arise, and financial management seminars. The goal of this program is to give emigrating Filipinos as much knowledge as possible about their country of destination and the resources available to them abroad. Through financial management seminars, banks and other money transfer operators educate emigrating workers about methods of sending their money home, and in some cases open bank accounts for them. The POEA also processes overseas contracts and provides every OFW a government issued identification card, which can also be used as an ATM card with one of the major Philippine banks.

3. Protection and Representation

Rising problems associated with working abroad have made migrant protection and representation an important priority for the Philippine government. The most significant example of a Philippine institution providing migrant protection is OWWA, an institutionalized welfare fund that seeks to protect Filipino migrant workers abroad.⁴ OWWA is funded by a mandatory membership fee of US\$25 that must be paid prior to deployment. The government has raised over US\$200 million to fund several programs for migrants. It offers support services for: participation in pre-departure orientation seminars, public assistance programs, on-site services at embassies and consulates, and an OWWA identification system. The OWWA created Filipino Resource Centers throughout the world in order to provide further assistance abroad.⁵

Another major component of migrant protection was created in the 1990s in response to a political upheaval related to an OFW death penalty case in Singapore (see box 1). This led to legislation that created the Office of the Undersecretary for Migrant Workers Affairs within the Department of Foreign Affairs to take responsibility "for the provision and coordination of all legal assistance service to be provided to Filipino migrant workers as well as overseas Filipinos in distress."

³ This refers to Filipinos who are temporary workers on overseas employment contracts for two years or more years.

⁴ [Neil G. Ruiz and Dovelyn Rannveig Agunias, "Protecting Overseas Workers: Lessons and Cautions from the Philippines,"](#) *Insight* (Washington, DC: Migration Policy Institute, September 2007).

⁵ These centers operate six programs: community outreach, repatriation, welfare assistance, reintegration preparedness, socio-cultural and sports development, and country-specific pilot programs.

Box 1. “The Magna Carta”: Migrant Workers and Overseas Filipinos Act of 1995.

An incident involving an OFW in Singapore in 1995 led to the creation of a better managed overseas migration system—endowing the Philippine government with the role of not only regulating the recruitment industry, but providing representation and protection for Filipinos abroad. Flor Contemplacion, a Filipina domestic worker in Singapore, was charged with murdering another domestic worker and a child of that worker’s employer. After being drugged and administered electric shocks, Contemplacion, who spoke little English, was reportedly coerced into a confession without a lawyer present. This incident sparked protests in the Philippines, which helped bring about passage of a landmark law providing comprehensive reform of the government’s emigration and overseas workers policy, the Migrant Workers and Overseas Filipino Act of 1995. This law, known as “the magna carta,” was implemented “to institute the policies of overseas employment and establish a higher standard of protection and promotion of the welfare of migrant workers, their families and overseas Filipinos in Distress.”⁶ By 2003, the magna carta had also created provisions for dual citizenship and absentee-voting to provide greater representation for Filipinos abroad. In 2003, the “Citizenship Retention and Re-acquisition Act” was passed into law, allowing former Philippine citizens to obtain their Philippine citizenship even if they had previously relinquished it to obtain a new one. During the same year, the Overseas Absentee Voting Act created the Overseas Absentee Voting Secretariat, allowing overseas Filipinos to vote in Philippine elections through their embassies, consulates or via mail.

4. Recording Mechanisms

The Philippines has attempted to gather accurate demographic information about their overseas contract workers and permanent emigrants so that the private sector and NGOs can provide migrant services. The POEA and the Commission on Filipinos Overseas keeps a record of Filipinos who are departing the country on overseas contracts or for permanent emigration. Since 1993, the National Statistics Office has conducted an annual Survey of Overseas Filipinos, which provides socio-economic characteristics of migrants and statistics on cash and in-kind transfers by migrants to their families. The Philippine government also developed an inter-agency committee to facilitate a more efficient response to the needs of OFWs.⁷ However, due to a lack of funds, this inter-agency has not been able to fully integrate information sharing between its various components. The Bangko Sentral ng Pilipinas (BSP)⁸ works closely with the Association of Bank Remittance Officers Incorporated⁹ to ensure that regulations are favorable for a competitive remittances industry. Since 2006, the BSP has required banks and non-bank financial institutions to clearly state remittance charges, available options for sending money, and other information posted on BSP’s website for the benefit of both remitters and their recipients.¹⁰

⁶ Republic Act No. 8042, “Migrant Workers and Overseas Filipinos Act of 1995,” Republic of the Philippines.

⁷ These include the Department of Foreign Affairs, Department of Labor and Employment, Department of Justice, Department of Tourism, Philippine Overseas Employment Administration, Overseas Workers Welfare Administration, Bureau of Immigration, National Bureau of Investigation, National Statistics Office, and the Commission on Filipinos Overseas.

⁸ Translated as the Central Bank of the Philippines.

⁹ A network of bank officials in charge of remittances products and services in the private sector.

¹⁰ BSP Circular No. 534 dated June 26, 2006. For website of remittances costs by destination country see: http://www.bsp.gov.ph/about/advocacies_ofw.asp.

Lessons for Country of Origin Governments

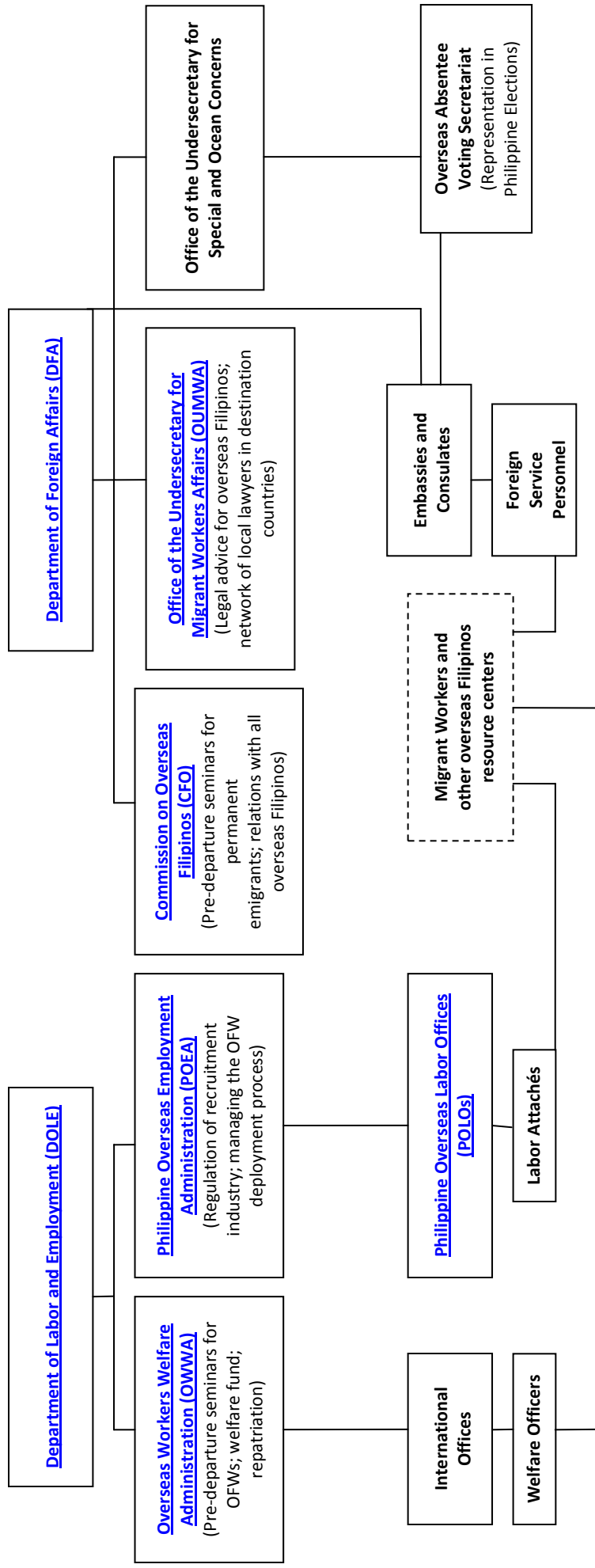
The Philippines provides key lessons for countries of origin governments in terms of how to create an institutional framework to better manage international migration:

1. **Regulate private recruitment agencies in their respective countries** to ensure that their citizens preparing to depart the country as temporary migrant workers are not paying exorbitant recruitment fees and are not being issued false contracts. This can be done through a special office within the Labor or Foreign Affairs Ministries to handle issuance of overseas labor contracts prior to a migrant worker's departure. Through the country of origin's consulates and embassies in destination countries, governments can monitor the treatment of their expatriate workers, provide services for filing complaints about false contracts and labor disputes, and establish a network with local lawyers to help them through any legal disputes.
2. **Hold pre-departure seminars to brief migrating temporary workers** on what to expect in the destination country, provide information about their prospective employers and contacts at migrant community organizations, how to send remittances and available savings instruments, and how to plan for their eventual repatriation and reintegration after conclusion of their contract. If NGOs conduct these seminars in joint partnership with the government, cost effectiveness could be maximized.
3. **Protect migrant workers abroad through a migrant welfare fund, managed by the country of origin government.** Such a fund could provide several specialized services for migrants including emergency repatriation in the event of a national crisis or other emergency and other optional services such as life insurance, welfare assistance, and reintegration preparedness, and repatriation of the migrant's body in the event of death while working abroad.
4. **Develop a recording mechanism to identify emigrants.** This would help governments, the private sector, and NGOs better serve the needs of their expatriates abroad. Registering both overseas contract workers and permanent emigrants with country of origin governments and conducting migrant household surveys by the country of origin's census bureau is a valuable way of gathering information.
5. **Promote competition in the remittances industry** to lower transmission costs and maximize the positive development impact. Central banks in countries of origin can help lower remittance costs by requiring banks and other RSPs to transparently post all costs related to a particular transaction, thereby ensuring that remitters and their recipients are fully aware of the costs of various products. Governments can also inform migrants about the options available in host countries for remitting money home through a predeparture financial literacy program.

Developing countries may find it difficult to allocate sufficient resources from their national budgets to manage migration. The Philippine government raises such funds by charging fees to migrants, their employers, and recruitment agencies; and developing partnerships with the private sector and NGOs. Origin countries need to invest financial and political capital to ensure ongoing management of migration for their own benefit and that of their migrants and their employers.

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Figure 1 Philippine Government Institutions Managing Migration



Sources: Department of Labor and Employment, Department of Foreign Affairs, Philippine Overseas Employment Administration, and Overseas Workers Welfare Administration.
 Note: Bangko Sentral ng Pilipinas (Central Bank) that regulates the remittances industry and the Overseas Absentee Voting Secretariat connected to the Commission on Elections (COMELEC) which monitors Philippine elections are not shown here.