THE PHILIPPINE DIASPORA
BETWEEN AMERICAN DREAM AND SERFDOM

Benedikt Seemann / Miriam Fischer

The Philippines can look back on an eventful history that includes almost 50 years as a U.S. colony, Japanese occupation during the Second World War, a period of independence and democracy, years of dictatorship, a revolution and a return to democracy. The roots of today’s social and economic problems and inequalities can be found in this history. Traditional systems of patronage in business and politics make it difficult for people from poorer families to climb the social ladder. The Marcos dictatorship came to an end in 1986, but the country is still feeling the effects today. Almost 30 years on, there has been little narrowing of the yawning gap that exists between rich and poor. The country has experienced steady economic growth since then, but few have actually felt the benefits. One quarter of the Philippines’ 100 million population lives in poverty. The domestic labor market has long been unable to provide jobs for everyone of working age and employ them adequately in line with the country’s shifting demographics. As a result, many Filipinos leave their homeland in search of a better life.

ROOTS AND SPREAD OF THE PHILIPPINE DIASPORA

In historical terms, the roots of the Philippine diaspora can be found in the period from 1898 to 1946, when the country was a U.S. colony. This colonial status meant that Filipinos were automatically U.S. citizens. In the early years, study and school visits to the U.S. were particularly encouraged. The early 20th century saw a huge wave of emigration to Hawaii, where the sugar plantations were in desperate need of workers.1 Between 1907 and 1929 more

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than 102,000 Filipinos moved to the island. Later, other opportunities opened up in California’s agricultural industry and in the Alaskan fisheries. Philippine communities gradually grew up in these regions and they became the most popular destinations for migrants coming to the U.S.

In 1930, 25,000 Filipinos were serving in the U.S. Navy. Five years later, the Philippines received commonwealth status from the U.S., as a result Filipinos were no longer automatically U.S. citizens. This produced a sharp drop in emigration. It was not until after the Second World War and the introduction of more liberal immigration laws that migration from the Philippines to the U.S. began to increase once again. From the 1960s onwards, Australia and Canada also became popular destinations for migrants. But Filipinos were not only moving to Western countries. During the 1970s, when the oil industry was booming, Saudi Arabia and the United Arab Emirates were experiencing severe labor shortages. This encouraged an influx of immigrants from the Philippines.

In 1974, the Philippine government began to actively promote emigration, seeing it as an effective way of combating unemployment. Today the Philippine diaspora is the largest of its kind in the world. Over ten million Filipinos – more than ten per cent of the country’s population – are living temporarily or permanently overseas. Over 200,000 Filipinos make up ships’ crews around the world, the largest nationality group in this sector.² Some are running their own businesses in the U.S. Others find employment in the healthcare sector in Europe or as domestic workers in Arab countries. The Philippine diaspora certainly has many facets.

Many countries have signed agreements with the Philippines in order to formalize labor migration. A free trade agreement with Japan allows Philippine caregivers to find jobs there. In return, restrictions on Japanese businesspeople and investors in the Philippines have been relaxed. The Philippine government has also taken steps towards

managing labor migration with Germany. Since March 2013 there has been an official agreement between the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Federal Employment Agency’s International Placement Services (Zentrale Auslands- und Fachvermittlung/ZAV) and the Philippine Overseas Employment Administration (POEA). The Triple Win project brings skilled workers from the Philippines to Germany. They are often highly qualified, but find it difficult to find employment in their home country. Meanwhile, Germany has a shortage of skilled labor in the health sector.\(^3\) A benchmark was set to bring 500 caregivers to Germany, but by February 2015 only approximately 50 workers had found suitable employment in Germany.

**Fig. 1**

**Countries of destination of Filipino migration 2010**
*(in absolute numbers)*

<table>
<thead>
<tr>
<th>Country</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>1,717,771</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>558,818</td>
</tr>
<tr>
<td>Canada</td>
<td>352,955</td>
</tr>
<tr>
<td>Malaysia</td>
<td>277,444</td>
</tr>
</tbody>
</table>

Source: IOM, n. 4.

At 1.7 million, the U.S. is the most popular destination for Philippine migrants. This is followed by Saudi Arabia with 558,818 migrants, Canada with 352,955 and Malaysia with 277,444 (as of 2010). North America as a whole has over two million Filipinos, placing it well ahead of the Gulf region with over 930,000.\(^4\) These figures include people who have moved permanently to their new countries; people who got married there and/or become citizens; and people who

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\(^3\) Cf. Bundesagentur für Arbeit/GIZ, *Vermittlung von qualifizierten Pflegekräften aus Drittstaaten nach Deutschland*, http://cimonline.de/documents/Triple_Win_Arbeitgeber Informationen_April_2014.pdf (accessed 15 Jan 2015). The first 20 workers have now arrived in Germany, and by the end of 2015 another 480 skilled staff should have taken up positions with German companies.

have moved abroad temporarily in order to work. Labor migrants make up the majority of people who emigrate from the Philippines. When they reach their destinations, Philippine migrants face a wide range of challenges. In some countries they have good opportunities to progress and integrate into society, while in other places they are exploited and excluded. Therefore, a closer look at these various aspects of the Philippine diaspora and the effect it has on their homeland is worthwhile.

American Dream: The mother of pop singer Bruno Mars (Peter Gene Hernandez by birth) migrated as a child from the Philippines to the U.S. The artist has become an iconic figure for the Philippine community. | Source: Chrizta T., flickr ©️.

**THE AMERICAN DREAM**

Driven by abject poverty, high unemployment, extreme under-employment and a lack of opportunities at home, millions of Filipinos dream of a better life elsewhere. Well-educated people actually feel quite pressured by society and their families to leave the country in order to earn more money and support their families back home. The International Labour Organization (ILO) estimates that
a million Filipinos leave their country every year – and the trend is upwards.⁵

Overseas Filipino workers (OFW) in the U.S. and those who have become U.S. citizens represent the largest Philippine diaspora group and act as role models for those who are left behind. Their success stories in the “land of endless opportunities” are held up as ideal examples of how to build a career abroad. Examples of such role models who have achieved the American Dream are Edward Soriano, the first Philippines-born officer to be appointed a general in the U.S. Army; pop star Bruno Mars, who has Filipino roots; the Governor of Hawaii and son of a Philippine immigrant, Ben Cayetano; and Ronald Ravelo, who in 2014 became the first American of Philippine descent to take command of a U.S. aircraft carrier.

The U.S. has a huge cultural influence on this predominantly Christian Asian country – on its television, music, food and fashion.

In the U.S., Filipinos are the fourth largest group of immigrants, making up four per cent of the total population (as at 2011). Their numbers are exceeded only by immigrants from Mexico (29 per cent), China and India (both five per cent).⁶ The U.S. has a huge cultural influence on this predominantly Christian Asian country – on its television, music, food and fashion. People in the Philippines are very proud of family members who have moved to the U.S. and they are a common topic of everyday conversation. Just about every popular North American sport is keenly played and followed in the Philippines.⁷ But the cultural influence is not a one-way street. Filipinos who live in North America also contribute their own cultural diversity. Tagalog, the most widespread language of the Philippines, is spoken by 1.6 million people in the U.S., third only to Spanish and

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In California, Filipinos are the largest group of Asian immigrants, even more numerous than the Chinese. The Philippine diaspora has coincided with the expansion of the Philippine fast food chain Jollibee, which is also growing in popularity in general.

The Filipino fast food chain Jollibee expands its presence on the U.S. market, especially in California; a sign that the cultural influences are not only working one way. | Source: Martin Ng, flickr ©©©.

The economic influence of the diaspora is even more significant. Today, Filipinos are considered to be “model immigrants”. In 2011, 48 per cent of adult U.S.-Filipinos held a college or university degree at Bachelor level or above. This figure is much higher than the figure for adult immigrants overall (27 per cent) and for the U.S. adult population in general (29 per cent). Only eight per cent of adult Filipinos have no school-leaving qualifications.

11 | Cf. Stoney/Batalova, n. 6.
Philippine immigrants generally speak very good English and have usually already attained a good level of education before leaving their home country.\textsuperscript{12} In the U.S. labor market, many Filipinos work in the tertiary sector. 18 per cent of men and 17 per cent of women have jobs in this sector, particularly in healthcare.

\textbf{THE IMPORTANCE OF REMITTANCES}

The high number of Filipinos who live and work abroad has become an economic factor. Over ten per cent of the Philippines’ GDP originates in the diaspora.\textsuperscript{13} For the country, which ranks 117th in the UN’s Human Development Index, remittances from Filipinos working abroad are vital for their families back home. In 2013, these OFW payments hit a record high, with over 25 billion U.S. dollars being transferred from the U.S., Saudi Arabia, the UK, the United Arab Emirates, Canada, Singapore and Japan to recipients in the Philippines.\textsuperscript{14} From the U.S. alone\textsuperscript{15}, over ten billion U.S. dollars were sent to the Philippines in 2012, with another two billion U.S. dollars coming from Canada.\textsuperscript{16} These private money transfers between Filipinos have become the country’s most important economic sector and are therefore of existential significance. If we add to this the value of all the goods and services that informally find their way to the Philippines in the luggage of people returning home, then this figure could be as high as 40 billion U.S. dollars.\textsuperscript{17}

\begin{itemize}
  \item[12] Cf. ibid.
\end{itemize}
There have been countless studies on how these remittances are used in the Philippines and their effects. But the results have been largely contradictory. They suggest that the majority of the money flows directly into local consumption, with much less going into investments. The majority of remittances are used to buy food and pay debts, with education taking third place. According to the Philippine Central Bank (Bangko Sentral ng Pilipinas), the money is saved in less than half of all cases, and it is invested even more rarely. But when this does happen, it is usually put into sari sari stores – small stores or kiosks that sell everyday goods in small quantities. Their owners only make very small profit margins. These stores can be found on every street corner, so competition is fierce and they can only serve a small circle of customers. Their turnover is sufficient to cover the cost of building, renovation, maintenance and purchasing goods, but it does not stretch to making larger or longer-term investments.

The Philippine Central Bank has recognised this problem and now offers financial literacy programs in Manila and particularly in rural provinces. But so far it has been difficult to reverse the practice of spending the remittances on consumption rather than investing or spending it on
However, a shift in thinking seems to be taking place. A study carried out by the Asian Development Bank (ADB) in 2004 showed that more families were spending the money on their children’s education.  

The diaspora also has a major impact on the Philippine real estate market. People who have found success in the U.S., Canada or Australia go on to buy houses or flats to rent in their former home. This is particularly true of owners who have dual citizenship. People who (no longer) have a Philippine passport are much more restricted in terms of their economic activities in the Philippines.  

However, the money transfers made by expatriate Filipinos also contain some imponderables. On the one hand, investing in the real estate market is risky, as there is no

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20 | Article XII (National Economy and Patrimony) of the country’s 1987 constitution strictly regulates investment and ownership rights.
guarantee that it will not collapse in the near future. On the other, Forbes Magazine argues that the majority of remittances come from Filipinos working in the healthcare sector. But their future is dependent on what happens in the U.S. healthcare system. The U.S.’s feared healthcare bubble could have negative consequences for foreign currency transfers.

Apart from these factors and the correlations between U.S. social policies and the level of remittances sent back to the Philippines, emigration has other negative aspects. Young, well-educated academics and specialists seek their fortunes abroad right from the start, as their career and earnings opportunities are so limited at home. As a result, the country has been experiencing a brain drain for many years. Whether this means that the economic contribution of expatriate Filipinos is a blessing or a curse for the Philippines is still the subject of some controversy. Opinions vary wildly, but the material support provided by the diaspora is now so high that the Philippines can no longer manage without it.

THE DARK SIDE OF MIGRATION

The POEA is responsible for registering overseas employment. Officially, it holds records of all expatriate Filipinos who have overseas employment contracts of up to three years. Most of these OFWs work in Saudi Arabia. According to the POEA, the majority work in the service sector (as restaurant workers, domestic workers, janitors, drivers,

Well-educated academics seek their fortunes abroad, as their career opportunities are limited at home. As a result, the country has been experiencing a brain drain for many years.

nannies, etc.), followed by manufacturing (as factory workers, construction workers, tradesmen, etc.).

A closer look at the Philippine diaspora reveals that there is a two-tier society among migrants. Those who are well educated and qualified tend to move to North America, Australia and Europe. Those who have few or no qualifications tend to move to the Gulf region, other Arab countries, Hong Kong, Singapore and other Asian states. This difference is also formalised by the fact that Filipinos in North America seem to find their feet much more quickly in economic terms, as they are responsible for 40 to 50 per cent of all remittances sent to the Philippines.

Although money transfers from expatriate Filipinos make up the country’s financial backbone, politicians tend to neglect migrants’ social security during their time abroad and after they come home. The government expresses its appreciation for the OFWs, who are often praised and called modern or new heroes (bagong bayani). But this is not carried over into suitable insurance or protection, or any other welfare provisions for contract workers.

In the Philippines, advertisements by recruitment agencies offering jobs overseas are ubiquitous. They are on the Internet, in national and local newspapers, on hoardings and in radio commercials. Recruitment agencies have to be registered with the POEA, and a list of these agencies is available online. The Overseas Workers Welfare Administration, part of the Department of Labour and Employment, works to protect the rights of OFWs and their families. It provides information and issues relevant certificates. Only certified agencies are included in the above-mentioned list.

25 | Cf. ibid.
26 | Cf. Reese/Werning, n. 17.
Low or unskilled Filipino migrants often live at the minimum income level. They mostly work in the service sector, like here in Hong Kong, as domestic helps or in the manufacturing industry. | Source: Konrad Lembcke, flickr © © ©.

However, it is difficult for people in rural provinces to gather information as they rarely have access to the Internet. Certain recruitment agencies exploit this fact for fraudulent purposes. An indication of this is the illegal practice of recruitment agencies requiring payment in advance. They may charge the equivalent of two or three months’ wages, meaning that most people are faced with huge expenses. It is not unusual for would-be migrants to sell their land or precious animals to meet the costs. This endangers their already precarious existence – and that of their families. Instances of illegal recruitment are being constantly uncovered, for example where dishonest agencies have provided OFW applicants with forged work visas. Agencies, Philippine government authorities and residency regulators in the destination countries also have to deal with the issuing of student, intern and visitor visas. In other cases, it becomes clear after the migrant has left home that the promised job does not actually exist.

Those who successfully negotiate the recruitment process hope for better lives and to earn wages high enough to enable them to send money back to their families. They are under a great deal of pressure, and sometimes end up sending all their wages home. This means that many migrants are unable to build lives for themselves in their
new country. They often endure poor working conditions and are paid extremely low wages that do not reflect their work. The Gulf States are frequently in the headlines because of such poor working conditions. International organisations and media often report on workers in the construction sector who go unpaid for months or only receive a fraction of what they are owed and are housed in terrible conditions. Employers often change the conditions or duration of employment contracts once OFWs have arrived in the host country, with or without the worker’s agreement. It is not uncommon for them to be faced with working days of 16 to 20 hours, with no holidays. The migrants who are worst affected are those who do not earn enough to send money home. And many of them are unable to afford a flight home – which the employer is actually legally obliged to provide.

The *kafala* system that is so prevalent in many of the Gulf states allows employers to treat migrant workers as little more than serfs. Regardless of their working and living conditions, workers cannot leave or change their jobs without their employer’s permission. Employers also have to countersign their exit permits. But as most migrants have their papers taken away from them when they arrive, they cannot make their own decision to leave. Changing jobs equates to breach of contract, which can have severe consequences in the host country. Construction workers are housed in the most basic communal facilities, while domestic workers are generally given a room in their employer’s home. From the employer’s point of view, this reduces transport and accommodation costs and at the same time allows them to exert control over their staff. Many people who refuse to work because

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of non-payment of wages or lack of food find themselves facing a prison sentence. This is forced labor according to the ILO’s definition of the term.\footnote{Cf. ILO, \textit{ILO Indicators of Forced Labour}, http://ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_203832.pdf (accessed 21 Jan 2015).}

There are a great many examples of Philippine migrant workers living in inhuman conditions and/or being mistreated by their employers. A study carried out by the Committee on Filipinos Overseas shows that almost 70 per cent of domestic workers suffer verbal, physical or mental abuse, and there are many documented cases of rape.\footnote{Cf. Antonia Molloy, “Saudi Arabia Employer ‘Pours Boiling Water’ on Filipino Woman”, \textit{The Independent}, 19 May 2014, http://www.independent.co.uk/news/world/middle-east/saudi-arabia-employer-pours-boiling-water-on-filipino-woman-9397433.html (accessed 15 Jan 2015).} In some Gulf states, women who report a sexual assault are themselves accused of breaking the law and indicted.

Another questionable practice is employers’ failure to properly extend residency or work permits. This leaves workers facing the prospect of becoming illegal aliens. Without the proper papers, they may be fined – fines they often have no way of paying.\footnote{Cf. Amnesty International, \textit{Isolated and Abused: Women Migrant Domestic Workers in Jordan Denied Their Rights}, 30 Oct 2008, http://refworld.org/docid/4909ca532.html (accessed 15 Jan 2015).} It is estimated that there are over two million Filipinos around the world who are in this position and living in constant fear of the authorities. The increase in human trafficking is linked to this and becoming a serious problem. Young women in the Philippines are lured to Singapore, Hong Kong and the Gulf with false promises of jobs as domestic workers. When they arrive, they find themselves forced into prostitution.\footnote{Cf. Human Trafficking, “Trafficking of Filipinas in Singapore”, http://www.humantrafficking.org/updates/772 (accessed 15 Jan 2015).}

It is well documented that local organised crime and corrupt government officials in the Philippines recruit families and friends from villages and the local area and pretend to be representatives of official, registered recruitment agencies. They are increasingly using the Internet and social media to recruit overseas workers. The difficulties caused by natural catastrophes

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such as typhoon Haiyan, which displaced more than four million people in November 2013, are particularly exploited in this way. They often lead to children falling victim to illegal recruiters.\textsuperscript{35} Ongoing conflicts in the Philippines have also contributed to thousands of people being driven from their homes, which only makes it more likely that they will fall victim to human traffickers.

Many people benefit from recruiting overseas workers, including small businesses, private households and major international corporations. World-famous architectural projects and stadiums for international sporting events are built at the expense of migrant workers. In this respect, we should ask how foreign governments, the authorities in the host countries and the contractors of infrastructure projects (such as FIFA) will react to such abuses.\textsuperscript{36}


SUMMARY AND OUTLOOK

The lives of the Philippine diaspora could hardly be more varied. Many have built their own businesses and are now part of a second or third generation who are living the “American dream” in the U.S. Others are less fortunate and are living in degrading circumstances, or even virtual serfdom, in other parts of the world. The Philippine government is taking visible steps to prevent the mistreatment of overseas workers. It has amended or tightened up a number of laws in this respect. The Philippine government is taking visible steps to prevent the mistreatment of overseas workers. It has amended or tightened up a number of laws in this respect. Further bilateral agreements have also been signed for the supply of skilled labor. But despite all this, it seems rather strange that a country that just a few decades ago was forging ahead of its neighbors economically now finds itself trying to counter poverty, under­employment and unemployment by exporting its skilled workers.

The POEA has been organizing orientation seminars for tens of thousands of Filipinos before they leave home (now a legal requirement). The Commission on Filipinos Overseas has set up a targeted advisory program in over 20 provinces. Training seminars are also being run for government and NGO representatives and for the Department of Labor and Employment, in a bid to ramp up the fight against illegal recruitment. The Philippine Department of Foreign Affairs also has a large budget for aid programs, which focus on Filipinos working overseas who fall victim to mistreatment, violence and trafficking. These programs aim to meet their basic needs, provide repatriation and support them on legal issues. In addition, social workers have been posted to Philippine embassies, particularly in Malaysia and Saudi Arabia. Working together with international NGOs, this has resulted in thousands of overseas workers receiving housing, healthcare or legal advice upon their return home.

These positive signals fly in the face of reports that embassy staff are generally inadequately trained and equipped to deal with the many cases of abuse and human trafficking. For example, in the first six months of 2013, the Philippine Overseas Labour Office in Qatar had to find shelter for over 600 domestic workers who had fled from their employers.38 So it is still vital that embassies continue to provide advice and training, firstly to raise the awareness of government, airport, port and police personnel in this respect, and secondly to be able to take action in cases of dire need. In future, this advice and training should also be provided in the Philippines.

We should also not forget that it can be very difficult to identify the victims in their host countries. Many overseas workers are unable to contact the authorities or NGOs in order to draw attention to their plight. Filipinos should also receive more support when they return home. Funding has been increased for the Philippine Department of Social Welfare and Development’s Recovery and Reintegration program, but there is still a shortage of protection and

assistance for victims of human trafficking. It would be a sign of positive progress if more expertise and assistance were provided to meet the needs of overseas workers when they return home. Often this is a case of simply helping them to survive, as they may have given up and sold everything before their return home. For many Filipinos, working overseas has actually left them in a more precarious position than before.

Another area that requires attention is the protection of OFWs who have become illegals. It is in the interests of the Philippine government to protect its citizens from exploitation and abuse. The state benefits from labor migration, so it should work to ensure that overseas workers are able to live in dignity, be paid appropriately for their work, and contribute to the growth of the Philippine economy when they return home. Providing education on how to make use of remittances, protecting OFWs in their host countries, halting and reversing the brain drain – the Philippines are facing a multitude of challenges. If the country is to experience sustained growth, then it has to stimulate its domestic labor market. To this end, it particularly needs to focus on developing its middle class. The flood of emigrants will only be stemmed if everyone has more opportunities at home. An important contribution in this respect is being made by joint efforts on the part of communities, small and medium-sized businesses and civil society groups to create more jobs in the provinces. KAS in the Philippines is currently running an EU co-funded project entitled Integrity for Jobs Creation. This initiative supports job creation and the integrity of the local governments involved.