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Philippines

# Exporting domestic labour - the Philippines' participation in globalisation?

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**The present administration of President Gloria Arroyo has basically opted for the institutionalization of labour migration as a central measure to counter the economic crisis in the country due to the effects of neo-liberal policies. It is also the most profitable way of global trading, with less capital investment and risks on the part of the sending country and the expectation of high returns in the form of remittances. Human resources are now the primary commodities for export; and most of the labour deployed is female, to respond to labour demands in the advanced countries, such as domestic work, taking care of the aging population and other human service-related work.**

[<https://internationalviewpoint.org/IMG/jpg/aaaaa2.jpg>]

The aggressiveness of this human trading was even shown during the wars in Lebanon and Iraq when President Arroyo announced that she was sending more “supermaids” to Middle East countries, while other governments were sending rescue vehicles for their citizens living in these countries.

According to Philippine economic indicators, the remittances of Overseas Filipino Workers (OFWs) exceed foreign direct investment in the country. Remittances per annum amount to about US\$12-14 billion, which only includes those working legally abroad, whereas many OFWs working in domestic and other service work are undocumented.

The Philippine government relies heavily on the remittances the OFWs send to their families to compensate for the lack of spending on social services such as health and education, to boost domestic consumption and to cover its yearly budget deficits. And the sad truth is that the income from the labour migration business is mostly spent in this way and not on productive investments, which means that the migrant workers will work forever abroad, in order that their families can simply survive and because there are even fewer options for them to return to the country, whose economy is bankrupt and corrupt.

This dramatic increase in labour migration has created a large population of transnational migrant families. Thousands of children now grow up apart from one or both parents, as the parents are forced to work outside the country in order to send their children to school, give them access to quality health care, or, in some cases, just provide them with enough food.

### **The Feminization of the Export of Human Labour**

Philippine labour migration has a woman's face. According to the Philippine Overseas Employment Administration (POEA), in 2003, more than 70% of the total number of workers abroad were women. Most of them are between 25-29 years old. Women migrants live and work in more than 192 countries. They work as professional and technical employees, nurses, clerical and sales workers, entertainers, caregivers, and domestic workers. Many are employed in jobs which have traditionally been undertaken by women.

Most of these women migrants who work in the service and domestic sectors leave families behind and their children are taken care of by their parents, male partners, or relatives. The function of reproduction of labour that was performed by migrant women is passed on to their male partners and women relatives.

The paradox of this feminization of migrant labour is that the women who have left this reproductive function in their own family to join the global working force are still performing the same function for families in First World countries.

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The effects of the feminization of labour migration on the families of the migrant women from poor countries demonstrate how the global economy is structured to benefit the rich countries of the world.

The migrant women who work in domestic households in the countries of Europe, the Middle East, US and Asia are mostly undocumented and are basically denied their rights as workers and human beings. The worst cases are encountered in Middle East countries where these undocumented domestic workers are locked up in the houses of their employers, treated inhumanely and sometimes even killed. An increasing number of migrant women are victims of sexual abuse, trafficking, and prostitution. Despite the reports of these abuses many Filipina women still migrate and work in these countries, putting their chances of survival at the mercy of their employers.

Most of the migrant women's families are run by their male partners. Research shows that the spending habits of the family increase - shopping sprees, spending more on luxurious items and other non-essential buying. Consumerist practices have become prevalent among migrant families and so they become a target for commercial capital.

In its discourse about labour migration, the Philippine government proudly makes the OFWs the country's new heroes, because they salvage the dwindling economy and sacrifice themselves as victims of this global capitalism. However, the remittances of the OFWs have only benefited the state, because of its cuts in social service spending, and global capitalists because they can easily dump their goods and commodities on Third World countries whose economies have been liberalized.

### **OFW Remittances: Do they compensate the social costs of migration?**

The most often-used argument in favour of labour migration is that remittances play an extraordinary role in the economies of many developing countries, far more important than official development assistance or even the country's foreign direct investment.

Worldwide, remittances are estimated at about US \$167 billion per year, and approximately 60 percent of this sum goes to developing countries. Remittance estimates are imprecise, however, because remittances often move through private, unrecorded channels.

Yes, the Philippines has annual OFW remittances of 12-14 billion US dollars, excluding the non-formal channels, and NO that does not compensate for the social costs of migration and the development of the country. Despite this enormous amount of remittance or cash inflow, labour migration does not significantly improve the development prospects of the country of origin. The Philippines have had great difficulty in converting remittance income into sustainable productive capacity. In addition, most Third World countries are able to exercise little control over the composition of their labour exports—rather, they are determined by foreign labour markets, and may bear no relation to "surplus" labour at home. The Philippines has focused quite deliberately on "producing" skilled labour for foreign markets, but remains passive in the face of international supply and demand.

As we have said, remittance income is rarely used for productive purposes. Remittances go in small amounts to poor people (the average size of a transfer from the US or Europe to the Philippines is about \$200 or a,-150 per month), and are used mostly to support direct consumption and spending on housing, healthcare, and education.

Only a very small proportion of remitted funds seem to go into income-earning, job-creating investment and property acquisition. Remittances may not constitute a rising tide that raises all boats, but they do have a very important effect on the standard of living of the households that receive them, constituting a significant portion of household income. They represent the most important social safety net of poor families, especially in times of disasters or difficult times.

Far from being productive, remittances increase inequality, encourage consumption of imports, increases domestic prices for education and health and create dependency. Other than that, the real value of money has been reduced, given the fact that foreign exchange rates are too low for weak currencies and also because of the costs incurred in transferring money. Thus, remittances increase the profits of foreign banks and have led to the proliferation of money transfer and exchange businesses. Much more money goes to the financial markets and on consumer spending than on productive investments that could enhance labour productivity and sustainable development.

Aside from the economic aspects, labour migration affects families. It has contributed to the malfunctioning of family structures. Cases of marital infidelity and juvenile delinquency are prevalent among migrant families and a relationship of dependency on the migrants is created.

### **Conclusion: Migration and Globalization: who are the servants of the global economy?**

Migrant women work around the clock taking care of the families of the workers of global companies. Global capitalists are the principal beneficiaries of the labour of migrant women in the domestic households, because they do not have to pay for the reproduction of the labour force. This is especially the case with undocumented migrants, whose monetary compensation is low and who have no social benefits – health care, sick pay, retirement pensions, paid holidays.

For a long time invisible, undocumented workers are now organising in many countries. The movement of the 'sans papiers' in France began over ten years ago. More recently there have been demonstrations in the US and Britain. In the Netherlands a campaign is underway for the recognition of overwhelmingly female domestic labour as real work and for the regularization of migrant domestic workers. It is vital that these workers receive the full support of the left and the workers movement.

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