Overseas Filipino Workers
At A Glance

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The Overseas Filipino Workers (OFWs) sector has been the primary source of the country's resiliency. It has consistently showed strong performance, with OFW deployment increasing by an annual average of 9.6 percent from 2004 to 2011. Even in periods of economic slowdown such as the global financial crisis in 2008 and 2009, a 12.1 percent increase in deployment was still seen. In 2011, the Philippine Overseas Employment Administration (POEA) estimated that a total of 1.319 million land-based OFWs were deployed in 190 countries globally.

Top 10 OFW destinations. From 2004 to 2010, Saudi Arabia, United Arab Emirates and Hong Kong were the top three destinations of newly hired and re-hired OFWs. In 2011 however, there were more OFWs deployed in Singapore than in Hong Kong and Qatar, making Singapore the third major destination of OFWs. Moreover, in the same year, Malaysia became a major destination of OFWs, out-pacing Canada.

Table 1. Number of Deployed Land-based OFWs by Top Ten Destinations, New Hires and Re-Hires: 2004-2011 (in '000)

Country	2004	2005	2006	2007	2008	2009	2010	2011
All Destinations - Total	**704.6**	**740.4**	**788.1**	**811.1**	**974.4**	**1,092.2**	**1,123.7**	**1,318.7**
Saudi Arabia	188.1	194.4	223.5	238.4	275.9	291.4	293.0	311.6
United Arab Emirates	68.4	82.0	99.2	120.7	193.8	196.8	201.2	225.7
Hong Kong	87.3	98.7	96.9	59.2	78.3	100.1	101.3	108.6
Qatar	21.4	31.4	45.8	56.3	84.3	89.3	87.8	96.4
Singapore	22.2	28.2	28.4	49.4	41.7	54.4	70.3	119.5
Kuwait	36.6	40.3	47.9	37.1	38.9	45.9	53.0	65.0
Taiwan	45.1	46.7	39.0	37.1	38.5	33.8	36.9	41.9
Italy	23.3	21.3	25.4	17.9	22.6	23.2	25.6	31.4
Bahrain	8.3	10.0	11.7	9.9	13.1	15.0	15.4	17.8
Canada	4.5	3.6	6.5	12.4	17.4	17.3	13.9	16.6*

Source: POEA, Overseas Employment Statistics, 2011

** In 2011, Malaysia was the tenth top destination of OFWs.*

OFWs by Major Occupation and Gender. There is a changing pattern of the profile of newly hired OFWs over time, based on their skill/occupation and country of deployment, as indicated by the change in demand for overseas workers. Employment of women in household service, nursing and waiting/bartending is now largely more prominent than manual or skilled industrial work. This is a major shift away from the 1970s when mostly agricultural workers were sent to Hawaii and construction-related professionals were deployed to oil-rich Middle East countries (Songco, 2009).

Table 2. Number of Deployed Land-based OFWs by Top Ten Occupational Categories and Gender, New Hires*: 2011

	Occupational Category	Male	Female	Total
	All Occupational Categories - Total	**181,145**	**217,830**	**398,975**
1	Household Service Workers	3,204	135,877	139,081
2	Nurses, Professional	2,054	13,814	15,868
3	Waiters, Bartenders & Related Workers	5,866	6,082	11,948
4	Caregivers & Caretakers	565	8,858	9,423
5	Wiremen Electrical	9,341	37	9,378
6	Plumbers & Pipe Fitters	8,789	29	8,818
7	Welders & Flame-Cutters	7,800	28	7,828
8	Laborers/Helpers General	6,520	491	7,011
9	Charworkers, Cleaners & Related Workers	2,999	3,701	6,700
10	Cooks & Related Workers	3,040	2,051	5,091

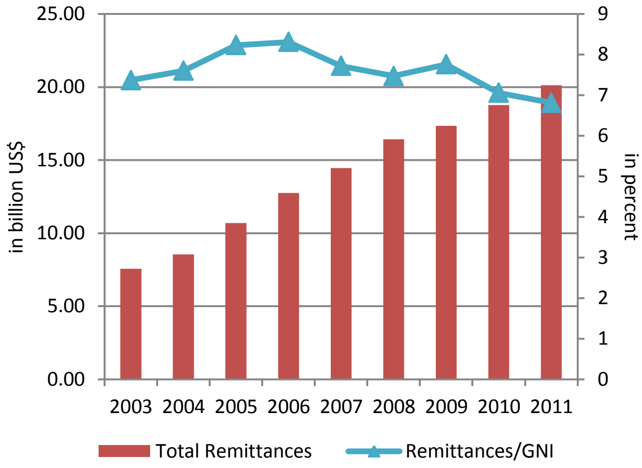
Source: POEA, Overseas Employment Statistics, 2011

** Combined total number of OFWs-new hires with occupational disaggregation (covers at least 95 percent of the total deployed land-based new hires).*

Data from the Survey of Overseas Filipinos (SOF) in 2010 further shows that there were more OFW males (52.3%) than females (47.7%). Female OFWs are also generally younger than males as more than half (52.3%) are between 25 to 34 years while 43.4 percent male OFWs come from the same age group. These OFWs predominantly came from the Cavite, Laguna, Batangas, Rizal and Quezon (CALABARZON) region (16.4%), and the peripheral regions of Central Luzon (14.7%) and Metro Manila (13.9%).

OFW remittances. The OFWs represent a major socio-economic sector of the Philippines contributing US$20.1 billion of remittances in 2011. On the average, from 2003 to 2011, remittances comprised about 7.6 percent annually of the country's gross national income and grew at an annual average of 13.14 percent over the last eight years. In particular, remittances grew by about seven percent from 2010 to 2011, owing to the increase in demand for skilled OFWs in more diversified destinations and to a larger bank network in host countries.

Figure 1. Remittances and Their Share to the Gross National Income (GNI), 2003-2011



Source: BSP

Traditionally, more than half of remittances come from the Americas, including Canada. This is due to the fact that most of the principal offices or branches of transmitting banks and facilities (which is what is reflected in the records) are located in this region. Europe and the Middle East appear as the next top remittance sending regions.

The Bangko Sentral ng Pilipinas (BSP) reports that the largest chunk of remittances in 2011 was received from the United States of America (42.2%), followed by Canada (10.3%), Saudi Arabia (8.0%), United Kingdom (4.8%), Japan (4.5%), United Arab Emirates (4.4%), Singapore (3.9%), Italy (2.7%), Germany (2.4%) and Hong Kong (1.8%).

Table 3. Source of Overseas Filipinos Remittances by Country, 2010-2011 (in million US$)

Country	2010	2011
Country Remittances - Total	**18,763**	**20,117**
United States of America	7,862	8,481
Canada	2,023	2,071
Saudi Arabia	1,544	1,613
United Kingdom	889	957
Japan	883	914
United Arab Emirates	775	878
Singapore	734	789
Italy	551	551
Germany	448	479
Hong Kong	363	368

Source: BSP, Statistics on Remittances, 2011

The Impact of Remittances. Research shows that overseas migration is a positive anti-poverty strategy. Orbeta (2008) citing Ducanes and Abella (2007) pointed out that "households with migrant workers move up the income ladder faster than households without a migrant worker." Households with OFWs increased their income by an average of six percentage points in a period of one year. Orbeta further observed that there are even spill-over effects of remittances to households without an OFW because of increasing prevalence of gifts and economic activity.

Bird (2009) similarly found the favorable effect of remittances on poverty reduction among households. She estimated, using the 2006 Family Income and Expenditure Survey (FIES), that about four to five million Filipinos stepped out of poverty because of remittances, thus reducing the national headcount poverty rate by at least five percentage points. Moreover, a significant proportion of remittances are spent on education of children and small-scale businesses. This is supported by the results of the Consumer Expectation Survey conducted by the BSP among households with OFWs in 2009 where it was revealed that remittances were spent mostly on food, education and medical expenses, and debt servicing.

Remittances likewise tend to influence favorably the receiving country's macroeconomic situation. Halikias (2009) found that "remittances consistently become a significant determinant of the country's current account balance" and confirmed that remittances have a strong potential favorable impact on the level of savings and investment, as well as on the real exchange rate of the country.

Policy Challenges. Notwithstanding the economic gains from overseas employment, the OFWs sector is still beset with major policy challenges that revolve around the issue of whether or not labor migration should be considered a permanent development strategy for the Philippines. If so, the recent economic and political events that prevail in major OFWs destinations, such as the indigenization of the labor force of Saudi Arabia, recurrent political conflicts in the Middle East and North Africa (MENA) region, economic slump in the European region, as well as the imminent stiff competition against migrant workers from other Third World nations, demand national attention. Disregarding these will likely put the OFWs in a perilous state.