

Employment Profiling of Filipino Repatriates in Malaysia

Hassan Gabra T. Jumdain

Regional Director, Regional Welfare Office IX, Zamboanga Peninsula

Date Submitted: February 2018

Date Revised: May 2018

Word Count: 3349

Abstract

This study describes Filipino repatriates and undocumented overseas workers from Malaysia. Descriptive method of research aided by data mining was used in the study. The respondents of the study were the 96 Filipino repatriates and undocumented migrant workers from Malaysia that settled mostly in the provinces of Southern Philippines. The statistical tools employed were mean, percentages, and chi square test. Irregular migrant workers repatriated were mostly men in their most productive age, working in the manufacturing and construction while women were household service workers. Qualitative reviews also showed that impacts of migrant workers were beneficial to national development through increased household consumption, inflows of remittances and decreased unemployment rate in the provinces of origin. Statistical results showed that there is no significant difference on the status of Filipino repatriates when analyzed as to their age, gender, and nature of work. It will help local and national government officials to understand the critical role overseas workers play in shaping the socio-economic conditions of the provinces and the country thus must strengthen migration policies and further increase the role of departments and implementing arms of the country that recognize and protect the frontiers of economic development, the Filipino overseas workers.

Keywords and phrases: Repatriates, Southern Philippines Overseas Filipino Workers, Zamboanga Peninsula

Introduction

Today, migration is a controversial issue especially in Europe where it becomes a desirable destination by individuals fleeing for reasons of poverty, persecution and war like in Syria (Syria Refugee Crisis). A different landscape takes place in the Philippines. Commission on Human Rights (CHR) in 2013 reported a significant repatriation in the country. Data showed a total of 800, 000 documented and undocumented Filipinos in Sabah (CHR, 2013). In 2011 alone, the estimated

undocumented workers rose to a maximum of 550,000. The registered Filipino workers were about 234,451. These undocumented Filipinos were then most vulnerable to arrest and expulsion. A scenario that is rooted from the waves of migrants in the South of the Philippines and presently continued to provide workers for the labor market in Malaysia.

Migration of locals between Sulu and Malaysia has a long history due to geographical proximity and regional economic trade that dates as early as the

ninth century (Sadiq, 2005). Sitangkai, the southernmost village of Tawi-Tawi is about 50 km away from Manakalan, the nearest coastal village in Sabah (Shimizu, 2002). Malaysia is not party to the international conventions that protects migrants and refugees. Moral obligation thus rests in the Philippine government to institute agreements that will improve the situation. Protecting interests of Filipinos should be given priority. The Philippine Constitution, provides that the prime duty of the Government is to serve and protect the people (Article II, Section 4). With improved migration policy, significant portion of the labor market in Western Mindanao and the ARMM will be maximized. From a theoretical perspective, the return of migrants to their country of origin can benefit economic development in several ways (Ruhs, 2008).

First, migrant workers may have acquired knowledge and skills that can be transferred and can be used productively upon their return. Second, migrant workers can put their savings for productive investments, such as setting up businesses that could generate wider developmental impacts for their home community. Third, migrant workers can help reverse some of the negative effects attendant to the emigration of skilled and highly skilled workers, such as doctors and nurses. This study sheds light on the status of Filipinos repatriated from Malaysia.

Theoretical Consideration

The Heckscher-Ohlin Trade Model stated the standard that trade and migration are substitutes (Cahuc et al., 2004). Increase in immigration will increase national income of the host country. In the case of Malaysia which is the host country, increase of Filipino immigrants will increase income of Malaysia. Influx of foreign workers will shift the labor supply, decrease wage

as cost of production thus increase profit of employers. Better accumulated profit of resource owners like proprietors and incorporators has multiplier effect towards economic growth.

The model predicts that labor migrates from regions where its marginal product is low to regions where its marginal product is high, and that it will cross international borders to do so. In the absence of restrictions, labor migration tends to bring about wage convergence between the host and source countries. The source country will experience a rise in wages and a fall in returns to capital, a rise in per capita income and a fall in national output. This is assuming that there is no simultaneous emigration of capital.

The host country will see a fall in wages as a result of the influx of workers and a rise in returns to capital. Per capita income will fall although national income rises. However, if wage earners also see some earnings from owning capital such as pensions, shares or housing, then it is possible that per capita income of the pre-immigration population rise with the increasing return to capital. The per capita income of the immigrants is also higher than it would have been in the source country. As a consequence, individuals could be better off even though the host country is worse off. When there is simultaneous emigration of capital in the form of financial or human capital the predicted effects are less clear without precise information about the nature, value and ownership of the capital.

If there are only two factors of production like capital and labor, the model's results hold. But if there are more than two factors, then the results of factor migration being a perfect substitute for trade in causing factor price equalization may no longer hold. When economies of scale in production are possible, then migration and

trade may act as complements, rather than substitutes. Since with economies of scale it is always cheaper to produce in one location rather than two, production expands until either demand or economies of scale in one country are exhausted. Production in one country will be reduced as production in the other expands. Factors will shift to the location of expanding production. This would increase the host country's capacity to export, as well as increasing its domestic market for imports.

Along this line, the economic assessment of Davis and Weinstein (2006) also further explains this study in Returns from Immigration taking into account the origins of factor price or wage differences that motivate migration using the variant of the standard Ricardian trade model to take into account the origins of factor price differences that motivate migration. They asserted that a technologically superior economy encourages immigration which wants to exploit the technological advantages and those consequently domestic labor units receive lose relative to a baseline with free trade.

The positive gain that a host country harnesses from immigration which in this study refers to Malaysia is explained in the Model of the Labor Market. The central concept of the model emphasized that consequently, positive externality will reinforce institutional trade relations in the form of policies and laws promulgated or existing ones strengthened. This model is an alternative approach that explains the impact of migration and trade in this study.

On the other hand, matters on wages and employment depend on the relationship between labor supply and labor demand. When immigrants enter the country, the supply of labor expands and the market wage falls considering that all other things being equal. As a result, native workers

earn a lower wage but total employment increases. The economy's total output also expands. The expansion in output generates an increase in income for the owners of capital in local firms and naturally, income for immigrants. Under certain conditions the loss in income for native workers is more than offset by the increase in income accruing to the owners of capital. The result is a net increase in national income. This increase is referred to in the labor economics literature as the immigration surplus.

Methodology

Filipino repatriates were described through the estimates computed. Implications on age, gender, and nature of work were described in relation to their wages and place of work. The list of identified repatriated Filipinos were taken from the Philippine Overseas and Employment Office, Bureau of Immigration, Department of Foreign Affairs and the Department of Social Welfare and Development (DSWD). The list obtained was numbered and categorized by nature of work. Name-list included data such as gender, age and language spoken. Respondents were randomly selected from the provided list and the selected were the interviewed and described in this study. The 96 respondents were drawn randomly. Table 1 shows the distribution of respondents by region. There were 64 respondents from the ARMM, 24 respondents were from Zamboanga Peninsula and eight respondents were from other areas identified like Pampanga, Pangasinan, Rizal and Malaysia.

A questionnaire utilized in the study was made. There were three items in the questionnaire. A cover letter was drafted to protect rights of the respondents for their approval and when answered assured confidentiality of responses in each item. The instrument comprised of two parts. The first part was the profile of the respondents. Their name, gender, education and nature of



work while employed in Sabah, Malaysia were revealed. The second part was the employment status of the respondent. The checklist consisted of the wage per day of the respondent while employed in Sabah and their place of work. On the other hand, the same respondent was asked on his or her wage per day while employed in and place

of work when deported from Sabah.

The study used mean and percentages in the conduct of the analysis. Further analysis was required to determine significant difference. Chi-Square Test was the statistical tool used in the study.

Table 1

Distribution of Filipino Repatriates as Respondents of the Study by Region

Region	Province/City	Number of Filipino Repatriates Selected	Percent of Respondents by Region
ARMM	Basilan	11	67
	Sulu	18	
	Tawi-Tawi	35	
	Zamboanga City	14	
Zamboanga Peninsula	Zamboanga del Norte	6	25
	Zamboanga de Sur	2	
	Zamboanga Sibugay	2	
	Davao	1	
Other Areas	Pampanga	1	8
	Pangasinan	1	
	Rizal	1	
	Malaysia	4	
Total Number of Respondents		96	100%

Results

Level of Education

Presented in Table 2 are the data on the level of education of the respondents. Education is classified into two only, the less schooled and better schooled. Less schooled refers on the maximum graduated high school to the lowest barely had education. The better schooled refers to those college level and even graduated a college degree. In this study, it could be seen that 95 or 98.06 percent of the total number of respondents were less schooled while only 1 or 1.04 percent was better schooled.

From the result of the study, it could be inferred that most of those who work outside the country, especially in Malaysia,

are less schooled individuals. They are the non-professionals who opted to work abroad rather than work in the country as they may get better pays outside the country. Going further, there is a very least chance of getting a better employment and better pay in the country if one is less schooled thus, these individuals hoped to find a better job outside the country and get a better pay though they may have less education. Education does not play a prominent role in Filipino migration. UNESCO estimated at 8,443 the number of Filipino student migrants in 2008 (NSO 2011).

On the contrary, the data on overseas Filipino workers (OFWs) in the quarterly Labor Force Survey (LFS) shows more than half of the OFWs have at least a tertiary education. By contrast, only as much as a

fourth of those employed locally during the same period have some college education. It has been observed that both permanent and temporary migrant flows are more selective of the more educated (Orbeta, Jr. & Abrigo, 2009).

Studies show that a total 18.1% of the respondents had no schooling at all while 10.4% only had three years or less of primary schooling and another 19.6% had attended just 4-6 years of primary schooling. Hence, it is not surprising that these people look for

Table 2

Profile of the Respondents in Terms of Education

Education	Frequency	Percent
Less Schooled	95	98.96
Better Schooled	1	1.04
Total	96	100.00

jobs in Malaysia where opportunities to get a work are available (Azizah & Ragayah, 2011).

Nature of Work

Table 3 reflects the nature of work of the respondents. It could be seen in the table that there were 37 or 38.54 percent who

were engaged as household service workers. On the other hand, there were also 25 or 26.94 percent of the respondents who were working in manufacturing firms. Seventeen or 17.71% were in the construction firms. Six or 6.25 percent were in the service companies while there were 11 or 11.46 percent who did not find work at all. The overall result showed that there were more

Table 3

Profile of the Respondents in Terms of Nature of Work

Nature of Work	Frequency	Percent
Household Service	37	38.54
Manufacturing	25	26.04
Construction	17	17.71
Services	6	6.25
Agriculture	0	0.00
Plantation	0	0.00
Gas and Oil	0	0.00
Not Working	11	11.46
Total	96	100.00

respondents who were working the in the households than in any other sector.

The finding is corroborated by Orbeta et al. (2009). He revealed that the dominance of professionals in the 1975 was replaced by a notable spike in production process workers, transport and labourers in the 1980s and by service workers in recent

years. Service workers are predominated by maids and housekeepers in the low to semi-skilled class, deployed around the world, but with large concentrations in the Middle East and in East Asia (Orbeta, Jr. et al., 2009). In terms of jobs, the number of OFWs deployed as household service workers is the largest number at 33% in 2011 and 34% in 2012 (POEA 2012).



However, Battistella et al. (2013) study contradicted the findings and revealed that most OFWs find employment as service or production workers. These two categories comprise 80 percent of all OFWs. Production workers include a variety of skills including laborers, who comprise the single largest category. The service sector instead is dominated by domestic workers, the topmost occupation of OFWs.

Table 4 presents the distribution of Filipinos who worked in the different areas of Malaysia other than Sabah at the time they were employed abroad. More than 27 percent were in Kota Kinabalu, Sabah. The area is industry based of though diminishing;

Table 4

Status of Repatriates in Terms of Place of Work

Place of Work	Frequency	Percent
Kota Kinabalu	26	27.08
Pinampang, Sabah	2	2.08
Sandakan	6	6.25
Kuala Lumpur	12	12.50
Sabali, Sungei	17	17.71
Bidisi, Sandakan	1	1.04
Simsim, Sandakan	1	1.04
Putatan, Sabah	1	1.04
Labuan	9	9.38
Kuta Balud, Kota Kinabalu	1	1.04
Sipitang, Sabah	1	1.04
Hinanam, Kota Kinabalu	1	1.04
Kampung Bern, Sabah	2	2.08
Siritaman, Sandakan	2	2.08
Groomview, Sandakan	1	1.04
Umba, Sabah	1	1.04
Tawau	1	1.04
Not Specified	12	12.50
Total	96	100.00

progressively declined to 8 percent in 2007. And rose slightly to 10 percent by 2011.

The most numbered Filipinos in an irregular situation is in Malaysia.

it has a rising tourism industry that compensates the decline. It is the capital city of Sabah. The second place of employment destination was Sabali, Sungei, Malaysia at 17.71 percent. It is an agricultural area that also provides opportunities for less schooled workers.

Selangor is registered the largest number of illegal immigrants working in Malaysia followed by Sabah, Sarawak, Kuala Lumpur, Johor, Terengganu, Kedah, and Penang (Azizah et al., 2011). According to the stock estimate data for 2011, irregular migration accounted for a quarter of the overseas Filipino population in 2000, but

Malaysia had another round of repatriation of unauthorized migrants in 2004, which dropped the number of unauthorized Filipino migrants from 300,000 in 2004 to 125,000 in 2005 (CMR 2013).

Shown in Table 5 is the test of difference on the place of work when grouped by age. The data showed that the computed chi-square value was 4.292 with a computed probability of acceptance coefficient of 0.232. This means there is therefore no significant difference on

the place of work of the repatriates when grouped by age.

Azizah (2011) confirmed in her study that more young people but physically fit looked for a job, especially when the jobs are of the unskilled and semi-skilled types which require more physical than mental

Table 5

Test of Difference on the Place of Work When Grouped by Age

Age	Place of Work				Total	Chi-square value
	KK	KL	Sab	Others		
30 below	18	5	10	19	52	
Above 30	8	7	7	22	44	4.292ns
Total	26	12	17	41	96	

**At 5% level of confidence*

energy. Moreover, it cannot be discounted that those who were single left their home to look for jobs overseas.

Table 6 shows a computed chi-square value of 9.49 with a probability coefficient of 0.019. This leads to the non-rejection of the null hypothesis. There is therefore no significant difference on the place of work of the respondents when grouped by gender. It could happen that similar work is offered in different places in Malaysia which calls for employment of both male and female, thus, the result show no significant difference.

Further, the data show that choosing a place to work does not depend on whether one is male or female. What matters are the availability of the work and the tendency

of getting hired. At this point in time with the battle cry of gender equality, people can even work on any job available, regardless of being male or female. Work can be done by all gender preferences nowadays. Thus, being male, female, transgender or whichever gender preferences are not a critical issue in terms of finding a work anywhere.

A survey on the final location of employment and gender of irregular migrants in Malaysia in 2011 reported that males were working all over Malaysia, with most of them were located in Selangor (24.2%), Sarawak (19.8%) and Sabah (19.0%). As for the females, the majority was working in Sabah (27.6%), followed

Table 6

Test of Difference on the Place of Work When Grouped by Gender

Gender	Place of Work				Total	Chi-square value
	KK	KL	Sab	Others		
Male	14	7	7	33	61	
Female	12	5	10	8	35	9.49ns
Total	26	12	17	41	96	

by Selangor (22.4%) and Johor (14.1%) (Azizah et al., 2011).

Table 7 shows the test of difference on the place of work of the repatriates when grouped by nature of work. This means



that the place of work may have differed in terms of the nature of work at hand. This implies those different work genres are

offered in different places, making people take a work which is available in a particular place. This may be because different places

Table 7

Test of Difference on the Place of Work When Grouped by Nature of Work

Nature of Work	Place of Work				Total	Chi-square value
	KK	KL	Sab	Others		
House help	12	6	9	34	61	11.818*
Others	14	6	8	7	35	
Total	26	12	17	41	96	

**At 5% level of confidence*

have different capabilities and resources available existing in the place which needed people to top it.

Conclusion

Filipinos to work abroad must be at least 21 years old in which repatriates and migrants were able to comply. Repatriates are dominated by male migrant workers. The respondents are composed of large group of Muslims. Overwhelming majority of the respondents barely have education. Female repatriates engage in household service while the repatriates engage in construction and manufacturing. Age and gender are not basis for employment but the nature of work affects their place of work.

Generally, Filipino repatriates especially those originating from less developing regions like the ARMM and Zamboanga Peninsula regions of Mindanao are potential frontiers of development in the country. The young productive Filipino migrant workers call for serious policy reforms through better education, certified skills training, accessible support system and higher earnings during their stay in the Philippines and the receiving country.

Recommendations

The Local Government Units (LGU)

of the provinces of Tawi-Tawi and Sulu, where the bulk of the Filipino repatriates originated from, may establish a Wellness Center with key agencies (TESDA, POEA, DOLE, DSWD, DOH, DepEd) to take mutually exclusive roles in augmenting human capital to expand employment opportunities geographically and financially.

An OFW representation may be created in every Regional Development Council (RDC) of all regions in the Philippines. Likewise, an OFW representative may be included in the TESDA National and Regional policy making body may also be added for skills enhancement and training.

Mapping up operations may be conducted in every barangay, city and municipality to determine the accurate number of OFWs, both active and inactive to be spearheaded by their respective LGUs. The migration model of inclusive economic development is herein formulated through migrant worker welfare support services to include onsite legalization of migrant workers and augmenting their skill composition and education during their return to the home country in which the government is the lead actor.

References

- Cahuc, P. & Zylberberg, A. (2004). *Labor economics*. MIT press.
- Commission on Filipino Overseas. (2013). *Diasporas and Development: The Philippine Experience and Perspective. Diaspora Ministerial Conference Geneva*. Switzerland.
- Azizah, K. (2009). Filipino Refugees in Sabah: State Responses, Public Stereotypes and the Dilemma over Their Future. *Departmental Bulletin Paper, 47(1)*, 52-88. Kyoto University Research Information Repository.
- Azizah, K., Zin & R. H. M. (2011). Policy on Irregular Migrants in Malaysia: An Analysis of its Implementation and Effectiveness. *Discussion Paper Series No. 2011-34*. Philippine Institute for Development Studies.
- Davis, D. R. & Weinstein, D. E. (2006). An Account of Global Factor Trade. *Journal of International Economics*.
- Orbeta, A.C., Abrigo & M. R.M. (2009). *Managing International Labor Migration: The Philippine Experience*. Philippine Institute for Development Studies.
- Ruhs, M. (2008). The Origins and Functions of Illegality in Migrant Labor Markets: An Analysis of Migrants, Employers and the State in UK. *Working Paper No. 30a*. Centre on Migration, Policy and Society.
- Sadiq, K. (2005). When States Prefer Non-Citizens over Citizens: Conflict over Illegal Immigration into Malaysia. *International Studies Quarterly, 49(1)*, 101-122.
- Shimizu, H. (2002). Searching for Socio-economic Niches in Sabah under BIMP-EAGA. *Preliminary Report on Christian Filipino Migrant Workers*. Making of Multicultural Sabah, Research Institute for Languages and Cultures of Asia and Africa, Tokyo.
- Office of the United Nations High Commissioner for Refugees (UNHCR). *Global Appeal 2013 Update*. Malaysia.