Impact of the Global Crisis on Asian Migrant Workers and Their Families
A Survey-Based Analysis with a Gender Perspective

Based on household surveys in Indonesia and the Philippines, the results show that women are in worse condition and are more vulnerable than men. Women migrants still have lower education and skills, reflected in their inferior jobs. They face greater difficulties in reintegration when they return, forcing them to return abroad. Women also bear a heavier burden due to their gendered role in the family, and those who stay are more often unemployed or in vulnerable employment. These findings further strengthen the call for considering gender in migration policies.

About the Asian Development Bank

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HIGHLIGHTS
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July 2013

Asian Development Bank
Introduction

The concern that labor migration and its remittances would collapse due to the global crisis that started in the last quarter of 2008 is very strong in Asia. This is because the region is the world’s main source of migrant workers and receives the largest share of global remittances. Asia has nearly 60 million migrant workers who sent almost $260 billion to their families in 2012. This represented 64% of global flows to developing countries from 55% in 2000.\(^3\)

Fortunately, a large-scale return of migrants and a slump in remittances did not happen in the aftermath of the global crisis.\(^1\)

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1. This booklet is the outcome of RETA 6143: Promoting Gender Equality and Women’s Empowerment. Feedback can be emailed to gsugiyarto@adb.org
2. This concern is still relevant today as the recession in the main destination countries of Asian migrant workers seems to continue and the economic environment and outlook for global job creation remain bleak.
The fear of sharp decline in remittances and a large-scale return of migrants were largely unfounded. Crisis. Instead, the deployment of migrant workers from Asia keeps increasing and the remittance inflows to the region are still growing, although at lower rates. Therefore, the fears of a sharp decline in remittances and a large-scale return of migrants were largely unfounded. In fact, remittances to developing countries had bounced back to pre-crisis levels in 2010.\textsuperscript{4,5} Migration and remittances have again shown their resilience.

Remittance inflows to Asia have become a stable source of foreign exchange income, helping improve countries’ balance of payments position, stabilizing the domestic economies, and improving the welfare of migrant and nonmigrant households.\textsuperscript{5,6} Remittances to developing countries constitute the second-largest

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source of foreign exchange income and are also the most stable of all financial flows.\(^7\) As a percentage of gross domestic product, the remittance flows are also significant in some countries. For example, the shares in Bangladesh and the Philippines ranged from 8% to 12% over the past decade and the figures for a number of smaller countries in the region are even larger (e.g., the Kyrgyz Republic, Nepal, and Tajikistan). These are official figures only; the nonofficial number could also be large, particularly for countries whose financial sectors are not well developed yet or have a large number of irregular migrants. While remittances contribute to poverty reduction,\(^8\) migration and remittances also generate costs that must be borne by migrant workers and their families at the micro level, and by the host and home countries at the macro level.

Policy makers around the world are taking notice of the issue, as can be seen from the discourse on the subject by international organizations such as the International Monetary Fund, the United Nations, and the World Bank, as well as the Global Forum on Migration and Development, which is an important forum for dialogue and cooperation on the subject at the international level. International migration and remittances have increasingly become more significant due to the effects of globalization, global economic and demographic imbalances, and climate change.

Although the impact of the crisis at the global level seems minimal, it may hide impact dynamics and variations at the lower level, such as among migrant families, as the crisis affects migrant workers and their families in many different ways. Moreover, the transmission channels for the impacts to migrant households are also through local labor markets, which may affect the employment and other conditions of nonmigrant family members.

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\(^7\) Footnote 5.

The number of new migrant workers from Indonesia declined during 2007–2010, and slightly increased in 2011. The decline was large in 2009 (more than 15%) for formal migrant workers, who mostly work in manufacturing and construction, which were badly hit by the crisis.

The number of Filipinos working abroad was not adversely affected by the crisis, although the number of new entrants dropped by 7% while rehiring grew by 25% between 2008 and 2009, and by another 5% between 2009 and 2010. Total deployment of overseas Filipino workers in 2009 was up by 15% from 2008 and by 32% from 2007, and increased by 19% in 2010 from 2008.

Remittance flows to Indonesia and the Philippines proved to be resilient during the crisis, although remittances grew faster in the Philippines than in Indonesia.
To examine the impact of the crisis on migration and remittances in developing countries in Asia, ADB conducted a series of studies in 2010 under the regional technical assistance project, Global Crisis, Remittance, and Poverty in Asia (RETA 7436). The examination was conducted at the global, country, sector, and migrant household levels by using econometrics, computable general equilibrium modeling, and household surveys. The analyses at the global level were based on international data and those at the country level were based on country data of Bangladesh, Indonesia, Pakistan, the Philippines, and Viet Nam. Assessments at the migrant household level were carried out using surveys of about 600 migrant households in Bangladesh, Indonesia, and the Philippines.

Among others, the study found that the impacts of the crisis vary across countries and sectors, and that the impacts could adversely affect economic growth and poverty reduction in sending countries. The impacts were also influenced by migrant attributes such as country of origin and destination, level of education, occupation, and length of stay abroad, and by migrant households’ characteristics, including educational attainment of household heads, and household size and composition.9

Further examination of the study results revealed the need to explore the gender dimension of the impact to see the extent to which men and women migrant workers and their families were affected differently by the crisis. Accordingly, a follow-up study was conducted in 2012 to further examine the trends and dynamics of the impact and coping mechanisms of migrant workers and their families by explicitly considering the gender perspective. This additional study was financed by a regional technical assistance project, Impact of the Global Crisis on Asian Migrant Workers and Their Families: A Survey-Based Analysis with a Gender Perspective (RETA 6143).10 As part of the study, revisit surveys were carried out on about 200 migrant households.

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10 This study is a collaboration between ADB and its local research partners (Small Economic Enterprises Development in the Philippines and the Faculty of Geography of Gadjah Mada University in Indonesia), as well as stakeholders in Indonesia and the Philippines including migrant households, returning migrants, government officials, and civil society organizations. The joint effort provides a best-practice example of involving national and local stakeholders in a research process in which all share a concern for the welfare of migrants and their families as well as for leveraging migration for development.
of the previous samples in Indonesia and the Philippines. The countries were selected because they are among the largest labor-exporting countries in Asia and their migrant labor force is strongly feminized. Women make up about 75% of the Indonesian migrant labor force and an estimated 50% of Filipino migrants. Bangladesh was not covered in the revisit survey since its share of women migrant workers was only around 10%. In parallel with the surveys, a series of focus groups and roundtable discussions with heads and members of migrant households, return migrants, and key informants was also conducted to validate the survey results and shed more light on the issue. The findings highlighted here are based on the first survey in 2010, the second or revisit survey in 2012, and the focus group and roundtable discussions.

Methodology

- Analyzed sex-disaggregated data from ADB–International Organization for Migration first survey
  - Period covered: October 2008–September 2009
  - Sample: 217 and 200 migrant households in Indonesia and Philippines, respectively
- Conducted second or revisit survey to collect more gender-relevant data
  - Period covered: 2009–2012
  - Sample: 100 households each from the original sample in the first survey
- Conducted focus group discussions (FGDs) and roundtable discussions (RTDs) with migrant households, returning migrants, and key informants
- Analyzed data from the second survey and results of FGDs/RTDs
The crisis has affected women migrant workers unfavorably. In addition to an increasing feminization of current migration, women are more vulnerable due to their lower education, skills, and income. The overall results of the follow-up study shows that the crisis has affected men and women migrant workers and family members differently. Among others, the findings show that (i) there is an increasing feminization in the current migration; (ii) women migrants tend to have lower education, skills, and income; (iii) women migrants face greater difficulties in reintegrating into the domestic labor market upon their return; (iv) more women migrants would like to go abroad again after their return; (v) more women in migrant families work in vulnerable employment; and (vi) women in migrant households generally face a heavier burden due to their gendered and reproductive roles.
Figure 2: Impacts on Migrant Workers’ Remittances

Source: Derived by author from survey on the impact of global financial crisis.

- Indonesian women migrants were more likely to send money home every month while Filipino men and women remit money monthly.
- Filipino migrants sent remittances more regularly than their Indonesian counterparts, especially in the second period.
- Monthly earnings of Indonesian migrants fell and the decline was larger for men (15%) than for women (4%). On the other hand, Filipino migrants’ earnings increased slightly.
- Earnings are linked to levels of education and skills. Women migrants from Indonesia are heavily concentrated in domestic work while men work primarily in manufacturing and construction. On the other hand, Filipinos are spread over various jobs (e.g., services, technical/professional, sea-based work, construction, and domestic work).
Indonesia: Migrants were more likely to report deteriorating working conditions since the crisis, including delays in and withholding of salaries, loss of overtime pay, reduction in benefits, and wage cuts.

Return migrants accounted for at least 25% of household members.

There is an extremely small number of Filipino returnees, accounting for only 3% of household members.

More women than men reported facing difficulties, including finding a job, upon return home.

Premature termination and nonrenewal of contracts were cited as main reasons for return.

Most returnees found a job within 6 months; nearly 25% of women returnees and 15% of the men would like to work abroad again.

Philippines: An extremely small number of Filipinos return home, accounting for 3% of household members.

Women and men returnees found a job at home in 6 and 10 months, respectively. About 50% of women and men returnees would like to migrate again.
Incomes fell for the majority of households in Indonesia while slightly over 10% of households in the Philippines reported decreased incomes. More than 50% of Filipino respondents noted an increase in income.

About 75% of respondents in Indonesia reported either an increase or no change in income.

Reduction in remittances, wage cuts, and exchange rate volatility were reported as contributing factors for decreased income in the Philippines.
Households used various coping mechanisms, including cutting daily expenses, resorting to cheaper (and less nutritious) food, using up savings, selling assets, and borrowing money at high interest rates from loan sharks.

Extreme adjustments in children’s education such as pulling them out of school were a last resort.

Women often bear the brunt of the crisis as they also hold the reproductive responsibilities in the household.

Nearly 60% of Filipino migrant households and nearly 15% of Indonesian migrant households were headed by women.

When asked about who should work abroad, households and returning migrants preferred that the man go.

Respondents said men should be the breadwinners while women should remain at home taking care of family and finances.

Most stated that women need to work only if the financial situation calls for it.
Conclusion and Policy Implications

The results as viewed through a gender lens that really shows that women migrant workers are more vulnerable, especially due to their lower education, skills, and jobs. They experienced more decline in earnings, deteriorating working and living conditions, and job loss that forced some of them to return home. However, more of them seek to work abroad again due to the difficulty in finding a job at home. Those who managed to stay abroad were able to look for other jobs within host countries (and even other countries as well), and by taking lower-quality jobs if necessary. Migrants have cut back their expenditures and lifestyle as the need for remittances has increased. Migrant households in the home countries were also adversely affected by the crisis and women bear the brunt more due to their reproductive and family responsibilities. Vulnerable employment among them is rising, involving more women, which reflects worsening domestic labor market conditions. Moreover, despite the strong view of those surveyed that the man should be the one going abroad, it is more often the woman who goes, showing that necessity is a strong push factor. All of these issues call for gender mainstreaming policies.
A one-size-fits-all policy approach will not address the differential impacts of the crisis on men and women migrant workers and their family members. To be effective, policies should take into account the nature of migration and the factors driving the dynamics of the impact. One important dimension of the migration agenda that offers room for better policies is the protection of migrant workers and their families to help them weather the adverse effects of aggregate shocks. In addition to reiterating the recommendations of the first study, the second study also calls for a policy that offers solutions for host and home countries, and for men and women migrant workers and their families. Moreover, the findings of the study have important policy implications for other countries in the region, especially in the context of strengthening the resilience of migrant workers and their families to future shocks.
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