

The Inequality Generated by the OFW Remittances

Today there are studies that show that the multi-billion dollar remittances of our OFWs in fact provide no impact on alleviating poverty. The poverty level of the country remained at 30% last year. Now it has increased to 35%. While the remittances flowing into the country continue to increase, the poverty level continues to worsen. Certainly, there are families whose lives have improved, but a larger number continues to be entrenched in poverty. Why is this so?

This is because the entry of remittances into the country heightens the so-called inter-regional inequality—the inequality among different regions of the country—which is a significant aspect in the development of any country. For one, Social Watch Philippines has always pointed out the effect of inter-regional inequality in assessing the country's performance in effectively reducing poverty. Often, the data released by the government cannot be taken at face value. The statistics provided speak mostly of national averages which tend to downplay realities of inequality across regions. National totals are usually pulled up by the few relatively rich regions.

This claim is supported by the assessment released in 2003 by the Philippine Institute for Development Studies (PIDS). The poverty reduction efforts by the government from the Marcos to the Arroyo administration show that the country has been generally successful in improving the quality of life of its population. However, different indicators show that there are regions lagging behind and the disparities remained large over the years.

Unfortunately, the OFW remittances intensify this wide gap between the rich and the poor areas of the country. Those who are able to benefit from remittances are restricted only to a few regions. A closer look will tell us that most of the OFWs come from the regions of CALABARZON (15%), Central Luzon (14%), and NCR (13%). These regions send the most number of OFWs. A very small number come from the region of CARAGA (1%), Eastern Visayas: Samar at Leyte (2%), and Bicol (3%). What does this tell us?

Most of the OFWs are coming from the relatively progressive and richer regions. It is not true that most of the OFWs are from the poorest areas of the country. Why? Because people there cannot pay for the placement fees needed to work abroad.

In fact, OFWs breed their own kind. The OFWs in the future will come from the current OFW families. When a father works as an OFW in Singapore, he will try to give his son an education that will also enable him to reach Singapore. Children today are too often motivated in this way: "*Anak, study so that you can go abroad.*" Families are cultivating a "culture of migration."

And so, OFW-sending regions will continue to prosper while more impoverished regions of our country will continue to languish. Poverty will not be reduced until this gap between increasingly prosperous OFW families and their poor countrymen in other provinces is addressed.

This editorial is translated by Rei Lemuel Crizaldo from the original article entitled "Ang Di-pagkapantay-pantay na Dulot ng OFW Remittances" written by Atty. Ome Candazo. Ome is is a Fellow of ISACC and is the host of the radio program "Balitang OFW."