



**International Labour Office  
Policy Integration Department**

## **The Philippines in the global economic crisis: The social and local dimensions**

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**A Technical Note for the Policy Coherence Forum**<sup>2</sup>

**Overcoming the Jobs Crisis and Shaping an Inclusive Recovery:  
The Philippines in the aftermath of the global economic turmoil**

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## 1. Introduction

Several national statistics suggest that the country's economy is holding up relatively well in the global crisis. GDP grew by 1.8 percent in the fourth quarter of 2009, accounting for an annual 2009 average of 0.9 percent, a reasonable performance considering the impact of the global crisis as well the recent natural calamities. The October 2009 Labor Force Survey noted that employment grew by 2.7 percent (i.e. 944,000). Total OFW remittances in dollar terms over the period as of November 2009 grew by 8.9 percent. Services (4.2 percent) led the economy's growth. Manufacturing returned to positive territory during the fourth quarter of 2009 (1.3 percent), after the sharp fallout of the earlier months.

However, several studies and economic analyses point to a bleaker picture, noting weaknesses in the labour market and widespread and even growing poverty. The Philippine labour market was already in distress even before the global crisis. According to the UNDP Regional Centre for Asia and the Pacific report, that in the Asian region, the Philippines is one country where strong economic growth in recent years was not associated with a decline in poverty. Some academics emphasize that statistics that could give a better picture of the Philippine labor market situation are not available. A recent report by ADB showed that since 2003, the number of Filipinos living below the poverty line had risen from 30 percent (24.4 percent of families) to 33 percent (26.9 percent of families) in 2006. Average real household income also fell 3 percent in the same period. And the numbers could have worsened since then.

Hence, the ILO's Policy Integration Department and the PIMA Foundation, Inc. conducted a series of Focus Group Discussions (FGDs) that covered specific sectors of the population in defined regions in the country. These FGDs were undertaken with the following objectives:

- (1) capture the economic and social impact of the global financial crisis on individuals and households by revealing needs, motives, perceptions and attitudes regarding their current experiences in this situation,
- (2) validate official information/data on the impact of the crisis with views from the most affected workers and sectors of the population and,
- (3) generate ideas on possible areas of assistance, policies or programs that would be most beneficial for the affected sectors of the population.

This technical note highlights the major findings of the focus group discussions (FGDs), which covered groups of women in rural communities, displaced women and men working in the export processing zones, returning Overseas Filipino Workers (OFWs), dependents or household members receiving remittances, informal sector workers and/or informal service providers and the unemployed youth. The FGDs covered five provinces (Tarlac, Batangas, Laguna, Bohol and Cebu) and two cities (Taguig and Pasig).

The note also seeks to provide an analysis on the behaviour and coping patterns of specific sectors of the population and households and how these relate to the overall economic situation of the Philippines. Its ultimate purpose is to support a more informed decision-making by policy makers and practitioners, tripartite constituents, academics and the international community.

## **2. Highlights of the FGDs**

### **Impact on Displaced Women and Men in Export Processing Zones**

Jun (not his real name) had been working for an electronics export company for more than 15 years. His wife stays at home to take care of their four children, who are all of school age. His job is the family's sole source of income thus the news of changes in his employment was devastating. In October 2009, Jun, along with 320 others working in the company, were informed that they were being retrenched. Those working for 15 to 18 years were offered an early retirement package of a 13-day salary for every year of service.

With a family to support, Jun realized he needed to find a regular source of income. With his retirement benefits still partially unpaid, Jun decided to accept an offer from his company to return to work at a reduced salary (a 60% reduction) and workload. He was left with no choice but to work for only 2 days per week at this lower rate. To supplement his income, he rented his neighbour's jeepney and earned as a jeepney driver. His wife also accepted a part time job as a worker in a small fashion accessories house offering free food and transportation allowance but with a daily salary below minimum wage.

Their eldest daughter, 20 years old, who was about to graduate from college in two years, had to stop schooling to look for work to help augment food expenses particularly for the three younger children. The youngest, a 3 year old boy, had to contend with brown sugar diluted with water instead of milk. The other two kids often had to skip school when there was no money for their transportation and food allowance. To further cope with their situation, Jun decided to have his family stay at his parent's home in order to save on their monthly apartment rentals. It was also common for them to resort to self-medication when their children got sick.

Jun's story is just one of the many stories of displaced women and men in the export processing zones (EPZs) who have been severely affected by the global crisis.

The length of time working in export manufacturing companies seems to have a direct relationship in the adjustment experienced by the worker and his/her household. This is particularly true for companies with extensive benefits and a compensation package that is tenure based. As observed, displaced workers who have been with the companies for some time seem to have a more difficult time coping with the changes as they were more likely to be less educated, did not have savings and were comfortably used to the benefits extended to them and their household.

It is this sector that also seems to have a pronounced need for assistance as their experience was mostly on specialized assembly line work i.e. specific operations in electronics. For some however who worked in garments manufacturing, a number found their skills of sewing could be turned into income generating businesses.

However, the disparity in earnings was very much pronounced. The disruption in regular incomes required major coping strategies for the displaced workers in this sector and within the households that they support. As evident from the FGDs, basic needs tend to be compromised, from basic food, housing, medicines and even education. Debt burden has also increased as this is found by many to be the easiest way out.

## **Impact on Informal Sector Workers and/or Informal Support Service Providers**

Mila (not her real name), 42 years old, has been operating a small food retail business in a major city in the Visayan region for several years. Her “carinderia” is located near a garments factory. She also owns a house where she accepts “boarders” or “renters” working from the same garments factory. She is aware that the factory is downsizing because many of her regular customers have been talking about it and she has observed a steady decline in the number of her boarders. Since her small businesses were highly dependent on the workers of the factory, the loss of jobs of her customer affected her revenues which now decreased to only 25% to 30% of its previous levels. To cope with this drastic cut in income, her family had to cut their daily expenses on food, transportation, energy and communication. She made a major decision of having one of her older sons temporarily defer his college education with the anticipation that her business can recover by tapping other customers. Recently, however, Mila has been contemplating giving up her small businesses and using her savings to pay for placement fees so she can work as a domestic helper in Hong Kong.

The deteriorating returns to employment for informal economy workers are documented in many studies. Field surveys by WIEGO<sup>3</sup> were conducted in 10 countries (South Africa, Malawi, Kenya, Peru, Thailand, Indonesia, Pakistan, India, Colombia and Chile). WIEGO carried out 12 focus group discussion on three sectors of the informal economy (59 home-based workers, 52 street vendors and 53 waste pickers) and participated in by a total of 164 informal workers. The surveys highlighted the impact of the crisis on the world’s working poor and provided suggestions for systemic change to alleviate the effects of the crisis and improve the overall situation of the informal economy.

The surveys revealed that much like their formal counterparts, informal economy workers are experiencing decreasing demand for goods and services (around 65% of the respondents reported this decrease), rising cost of inputs (average of 86% of the respondents), and increasing price volatility for goods sold (41% average decrease in prices of goods sold).

However, unlike those in the formal economy, the informal firms and informal wage workers have no social safety nets to address the continuing threats to the stability and quality of their working lives. The informal economy workers work in poverty, and with the increasing pressures of the crisis, are unable to lift themselves out of poverty. They continue to work harder but earn less; hence, they are pushed into deeper poverty.

With the increase in number of workers engaged in part-time employment in the Philippines, (12,450 in 2009 from 11,876 in 2008 signaling a 4.8% increase), these workers would be forced to seek for alternative employment in informal activities. The trend towards informalization of the labour market is not reversed and might be growing even stronger.

Those already operating micro businesses and those who were already in the informal sector suffered much more compared to the employees retrenched. The high dependence of micro-entrepreneurs and informal sector service providers on their target clientele affected

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<sup>3</sup> WIEGO or Women in Informal Employment: Globalizing and Organizing is a global research policy network that seeks to improve the status of the working poor, especially women, in the informal economy.

their business operations greatly, implying a need to consider developing other market or engaging in several alternative businesses or for some, like Mila, working abroad is an option. Further, because of a lack of social safety net, the informal sector workers and operators are left with fewer options. They would continue working in the informal economy and would just shift to other areas to look for clients or engage in other informal business activities.

### **Impact on Displaced Overseas Filipino Workers (OFWs) and on Families dependent on remittances**

According to the Philippine Overseas Employment Administration (POEA) in 2008 alone, almost 1.2 million Filipinos were deployed to overseas jobs, an average of 3,400 a day. Half were deployed to the Middle East (most to Saudi Arabia and the United Arab Emirates), with another 18 percent in Asia (most to Hong Kong, Singapore and Taiwan). About 22 percent were sea-based. Contract labor migration, an institution dating to the 1970s, has resulted in an estimated 9 million Filipinos – or one-fourth of the overall Philippine workforce – working in more than 190 countries.

Migrant workers' remittances have been the lifeblood of the Philippine economy and have helped the country survive past crisis. However, with the current global crisis the concern about migrant workers and their remittances is growing. Globally, labour migration outflows are expected to decline.

Take the case of Ana (not her real name), an OFW who was laid off in 2009 from her work in Dubai where she had worked for more than two years. She was one of 400 employees of different nationalities (comprising of Filipinos, Thais, Indians, Malaysians) in a factory in Dubai. More than half of the employees are Filipinos. She is supporting two kids, an unemployed husband and an extended family i.e. her parents and unmarried siblings. She shared that the system for laying off people was inconsistent and confusing but everybody had no choice but to accept the company's decision. As she shared, "It is dangerous to file a complaint especially when you are in a foreign country." Ann has come back to her home province trying to cope with the loss of a relatively good salary in Dubai. She is trying to make ends meet by retailing gasoline by the liter together with her husband which yields them about Pesos 3,000 every month. This is a far cry from the Pesos 16,000 monthly she used to earn as an OFW.

Several dependents of OFWs reported noticeable decreases in the amount of remittances they received. As shared by an FGD participant, her regular Pesos 12,000 monthly decreased to Pesos 10,000 in early 2009 and had further declined to Pesos 3,000 for the month of August 2009. It was also shared that even if remittances sent were the same amount, it seemed that delays in their remittances happened quite often the past year.

As remittances are usually intended for the education of children, delays and reductions in the amounts sent meant adjustments for education spending. Options to manage education have been considered. This included completely foregoing or stopping schooling, deferring enrolment, looking for work after high school (or secondary level education) to augment the household income and choosing or shifting to shorter courses i.e. from a four-year nursing course to a shorter caregiver course or from a full 4-year course in a university to a two-year specialty course.

But, despite the challenges of working abroad, still many Filipinos would choose this life for higher wages and a hope for a better future for their families. More and more Filipinos are being driven to leave their families and seek employment abroad because they find no opportunities for them at home – hoping that better lives await them and their families in a foreign country.

### **Impact on Rural Communities**

For most families living in the rural areas, the global crisis is not extraordinary. All the participants of the FGDs from the rural communities noted that their current difficulties during what has been termed “global crisis” is but a normal occurrence of recurring economic difficulties where the times call for their usual coping mechanism. Having to rely on the 5-6 financing scheme, resorting to part-time, low wage work or micro livelihoods during off-farm season, young female family members migrating to cities to work as domestic helpers in private households, and setting short-term mindsets of daily earnings are among the major coping strategies of families in rural communities.

Despite reports of GDP growth, pervasive poverty still exists in rural areas. Poverty still affects over a third of Filipinos. The Philippines poverty incidence is at 33% based on 2006 data. Three out of four Filipinos (73%) reside in rural areas with agriculture as their main source of income.

Agriculture has been regarded as the bedrock of the Philippine economy, or so they say, and yet it has been neglected for the past twenty or so years. Along with construction, agriculture recorded a negative 5.8 percent growth in 2009.

Further, with the expected increase of urban to rural migration, retrenched workers from factories in cities go back to their provinces jobless and had limited savings, a decrease in domestic remittances puts further pressure on rural communities and families to make ends meet.

Rural employment and development policies need not be treated in isolation since there are no blueprint solutions to the complex problem of rural poverty. In spite of the statistics on growth and the announcements of programmes for recovery, for women and men working and living in rural communities, everyday is a day of crisis, struggle and coping. Global crisis or not, the realities of everyday poverty is faced by poor rural families and coping is a regular activity.

### **Impact on Young Women and Men**

Youth unemployment rate in the Philippines is already high with every 10 unemployed persons, five (49.2%) were in the age group 15 - 24 years while three (30.3%) were in the age group 25 – 34 years.

Majority of the youth participants of the FGD have not been employed since graduating school and have not expressed clear intentions of looking for a job or pursuing further studies. However, the young women were more likely to express willingness to get a job or to pursue higher studies but reported that opportunities for them are lacking. They feel that there were many barriers for them in transition from school to work such as, such as networks and limited information on available job opportunities.



Another concern expressed by the youth was the age limitation or age specifications of certain occupations. The 15-24 years old are perceived to be too young and inexperienced for certain occupations while the 25-34 year old FGD participants said they had to “compete” with fresh graduates who had better education for some of the available jobs.

Due to the global crisis, there is a common feeling among the youth that they will have to struggle more in finding jobs notwithstanding the fact that it is already difficult to look for a decent job even during normal times. There is an expectation that there will be less job vacancies and if there are, these jobs would be low-paid, contractual and not suited to the skills that the youth have acquired. Further, most of the youth participants prefer to explore jobs abroad for higher wages.

Young people are more vulnerable to the economic cycle: they are the last to be recruited during expansionary periods and the first to be laid-off during economic downturns. In the context of the current economic crisis this implies that employment outcomes of young people are not only worsening more than those of their adult counterparts but also that it will take longer for them to benefit from the economic recovery. Even in good times, young women and men find it hard to get the right foothold in the labour market. Hence, the job search period for the youth during crisis may double or even triple.

The seemingly low motivation of the youth participants of the FGDs to look for a job are brought about by many factors: (i) their parents are still supporting them so there is no pressure for them to look for a job, (ii) their strong belief and general sense of hopelessness that there are limited opportunities available for them (particularly if they do not have a college education) and (iii) their preference to explore overseas employment which is perceived to be better paid and offers better career growth opportunities.

But, this is just one segment of the huge youth population in the country. The other youth group is the poor and disadvantaged youth. These young people, due to the effects of the global crisis and persistent poverty, had to stop schooling and are forced to work to help supplement income. Others would remain unemployed for a long period, making them less attractive for the labour market, while others would take on any job, with low pay, poor working conditions and lack of security because they cannot afford to be unemployed.

### **Gender Dimension**

Women who were laid-off from their previous jobs had much more difficulty in finding work and usually supplemented their income by engaging in home-based businesses or part-time employment in jobs requiring lower skills than what they were trained for i.e. domestic help, laundry services, baby-sitting, etc. Men, on the other hand, were more likely to be able to find a job or engage in a business that utilized their skills, i.e. tricycle driver, carpenter, painter, etc.

Also, when dual income households were affected by the crisis, it was the father who usually found work to sustain while the (previously-working) mother took care of the children at home. This was observed even among women who were holding relatively more responsible jobs than their husbands in their previous work.

This validates the dominant gender roles present in the country – the male breadwinner and the female caregiver. Care work or unpaid care work remains to be the responsibility of

women in Philippine society. Having to quit their jobs is a coping mechanism since most households with dual income earners employ domestic staff for care and household work. But, this also leads to the detachment of women from the labour market. This poses a constraint on women's mobility and paid employment opportunities.

### **3. Conclusions and Policy Issues**

First, in this crisis, those who are termed "near-poor" or those who are slightly above the poverty line were found to be the most affected – displaced women and men in the EPZs, those operating micro and small enterprises, overseas Filipino workers and their families. This will exacerbate poverty in the country. Hence, immediate action to provide assistance to them is necessary. Among the desired assistance that the FGD participants suggested are the following:

- (i) creation of jobs and/ or opportunities for livelihood or business assistance that will ideally make use of their existing skills,
- (ii) among migrant workers returning from foreign assignments, a job continuation program that will assist and actively search for employment opportunities abroad,
- (iii) for livelihood assistance, availability of collateral free loans to start up and expand businesses,
- (iv) scholarships or even part-time jobs for students to enable continuous education at the college level

Second, the FGDs revealed that only one among twenty participants was knowledgeable of existing programmes responding to the global crisis. Further, there was a higher level of awareness of the programmes in the National Capital Region compared to other areas. For those who are aware of these programmes, the skills training and livelihood assistance were said to be the most appreciated. Hence, easy access to information about these programmes is required.

Third, the social protection system in the country to respond to immediate shocks and mitigate its long term effects is weak. Most of the affected workers resorted to other means to cope with the loss of income, such as going into debt and accessing informal micro finance schemes. As out-of-pocket payments for health and education were the common practice, with disruption in regular incomes, expenditures for these basic needs were compromised. This has long-term effects on human development. As economic shocks of different nature are recurrent, the scarring effects on society are piling up. There is a need for a concrete social protection programme in the country that addresses fully the effects of income shocks.

Fourth, many of the displaced workers choose to find alternative part-time work with lower wages and insecure working conditions. The deterioration of incomes and working conditions has longer term impact that may keep people in the poverty trap. This puts additional pressure to the labor market to create more job opportunities for workers with low skills or with specific skills, i.e. displaced workers in the electronics manufacturing sector. Thus, emergency employment programmes should recognize the diversity in the skills levels of the displaced and affected workers. For instance, for workers with limited or low skills who are available for any kind of work, an employment guarantee scheme may be considered.

For workers, with already specific skills, placement services in similar industries may be provided or give them skills training for other industries that are in need of workers.

Fifth, there seems to be two options left for the most affected sectors of the population: (i) resort to informal work, and (ii) pursue overseas employment. This is unfortunate as this leads to a shortage of critical skills and entrepreneurial attributes as those who leave are better educated or more active.

Finally, the results of the FGD discussions show that there is disparity on economic and social indicators at the national, household and individual levels. National level estimates do not necessarily capture the micro level data. The quantitative information available needs to be supplemented by qualitative analysis. For instance, the employment data available discount the fact that despite an increase in the number of people working, the quality of work that they are currently engaged in maybe low-paid, precarious and subject to exploitation. Hence, participatory data collection and research methods may need to be considered so that assessments and analysis can take full account of the realities on the ground and considered in the regular fine-tuning of public policies. Indeed, in the end, a bottom-up approach to policy making may well prove to be the best way to achieve changes at the top.

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## **Appendix 1**

### **Summary Report on the FGDs**

#### **FGD Research Objectives:**

The FGDs were undertaken as part of the Project “**Crafting Coherent Policy Responses to the Crisis in Philippines**” with the following objectives:

1. Capture the economic and social impact of the global financial crisis on individuals and households by revealing needs, motives, perceptions and attitudes regarding their current experiences in this situation;
2. Validate official information / data presented by government agencies on the impact of the crisis with views from the most affected workers and sectors of the population and
3. Generate ideas on possible areas of assistance, policies or programs that would be most beneficial for the affected sectors of the population.

#### **FGD Operational Details**

In operationalizing the FGDs, the various segments and general guide questions were discussed in collaboration with ILO and all consultants involved. The general guide questions shown below were drafted for use of facilitators and the FGD groups were finalized as shown in FGD Participant Profiles.

#### **FGD Guide Questions:**

1. How has the crisis affected the company/enterprise, individual worker in terms of working conditions such as income, work days, benefits, etc?
2. How does one cope or deal with the effects of the crisis in their everyday lives, work or working conditions?
3. How has the crisis affected household expenditures, in meeting basic needs such as food, clothing, education, healthcare, etc?
4. Were priorities changed in terms of spending on basic needs?
5. What are their perceptions on the governments’ responses / programmes to address the crisis?
6. What kind of assistance do they think will best help them in coping with the crisis?

After initially conducting one FGD on September 25, 2009 in Metro-Manila, an assessment and improvement was recommended resulting to the final FGD guide and a short questionnaire handout to be filled in by the participants. (See Appendix 2 and 3.)

#### **FGD Participant Profiles**

Twelve (12) FGDs were conducted from September 25 to October 29, 2009. The profile of participants, FGD dates and areas are shown in Table 1. Exhibit 1 shows a map of the areas where the participants reside and where the FGDs were conducted.

Table 1 – FGD Participant Profiles

FGD	Area	FGD Participants
1	NCR September 25, 2009	11 women affected by the global crisis i.e. displaced, laid-off because of company closures; contracts not renewed or not regularized, etc. in Manila and Taguig,
2	NCR October 2, 2009	9 males and females who were all previously working abroad i.e. Middle East, Japan, Macau, Taiwan, etc.
3	Tarlac October 9, 2009	10 males and females in one barangay of Paniqui, Tarlac i.e. affected workers, households, LGU, small business owners, etc.; all affected by the economic crisis.
4	Tarlac October 9, 2009	10 males and females retrenched from local or foreign companies in 2 barangays of Paniqui, Tarlac
5	Batangas October 16, 2009	10 dependents or household members receiving remittances from affected local and foreign-based migrants in 2 barangays in Lipa City, Batangas
6	Laguna October 17, 2009	10 young males and females ranging in age from 17 to 24 in San Pablo City, Laguna
7	Bohol October 21, 2009	Workers and / or returning local and foreign OFW migrants from Maribojoc, Bohol
8	Bohol October 21, 2009	All women group involved in service-oriented (tourism) industry in the province i.e. Baclayon, Correla, etc.
9	Cebu October 22, 2009	Affected workers in the export sector and in other manufacturing companies in Lapu-lapu and Cebu Cities
10	Cebu October 23, 2009	Informal sector i.e. small and informal service support providers in Cebu City, Mandaue City, Lapu-lapu City, Consolacion and Minglanilla
11	NCR October 29, 2009	Informal sector i.e. small and informal service support providers near plants that have closed or downsized in Taguig i.e. Triumph
12	NCR October 29, 2009	Unemployed, not regularly employed or out-of-school youth residing in Pasig City

**An Assessment of their Current Situation**

For the 85 participants who responded to the question:

How would you assess your situation today compared to the previous period when you were still unaffected by the crisis? Would you generally say it is... (*Paano niyo aantasan ang kalagayan niyo ngayon kumpara sa dati ung wala pang krisis? Sa inyong palagay, ito ba ay...*) Please encircle (*Pakibilugan*)

- |                                       |                               |
|---------------------------------------|-------------------------------|
| 6 – Much more difficult / Napakahirap | 3 – The Same / Pareho lang    |
| 5 – More difficult / Mas mahirap      | 2 – Easier / Maluwag          |
| 4 – Difficult / Mahirap               | 1 – Much easier / Mas maluwag |

more than half (55%) said that their current situation now is “much more difficult”. Another 18% said it was “more difficult” and 20% said it was “difficult” indicating that almost all (93%) of the participants find their current situation resulting from the global economic crisis as difficult. (See Table 2.)

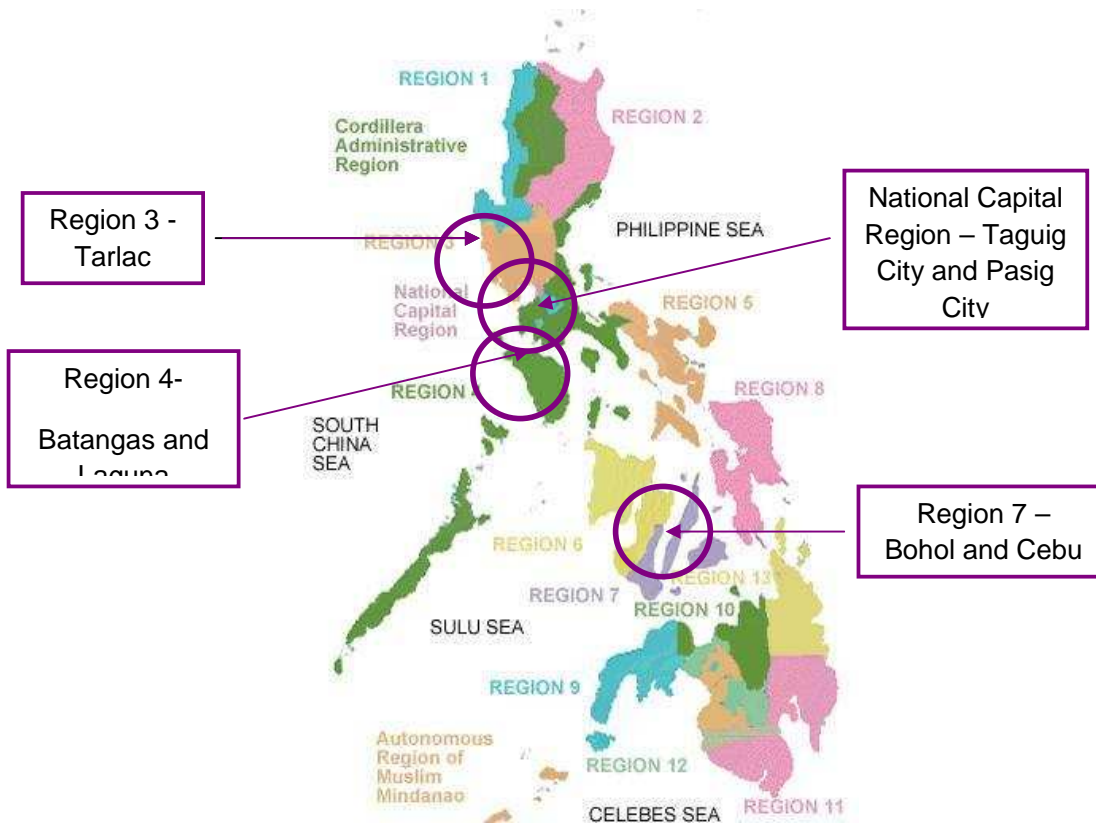


Exhibit 1 - Regions, Provinces and Cities Covered in the FGDs

Table 2 – Assessment of Current Situation vis-à-vis Previous Situation (N=85)

Rating	Frequency	Percentage
Much more difficult	47	55
More difficult	15	18
Difficult	17	20
The Same	3	4
Easier	2	2
Much easier	1	1
Total	85	100

Across the various FGD groups, significant differences in ratings were observed with all of the affected local and foreign migrant workers in Bohol rating their current situation as “much more difficult”. Generally, more urban settings i.e. Lipa City in Batangas, San Pablo City in Laguna, Pasig and Taguig cities in NCR were more likely to find the situation on a lower difficulty level. The youth segment from San Pablo City assessed their current situation as generally the same as before. (See Table 3.)



**Table 3 – Previous and Current Situation Assessment**  
**Ranked by Highest Average Rating across FGD Groups**

FGD	Area	FGD Profile	Rating*
7	Bohol	Returning overseas workers and displaced local migrants from one municipality	6.00
10	Cebu	Informal sector i.e. micro and small entrepreneurs	5.78
8	Bohol	Rural women in livelihood industries	5.63
9	Cebu	Returning overseas workers and displaced local migrants	5.50
4	Tarlac	Returning overseas workers and displaced local migrants	5.38
3	Tarlac	Affected workers and households in one municipality	5.20
12	NCR	Youth segment from one city	5.17
5	Batangas	Remittance-dependent (foreign and domestic) households from Lipa City	5.13
2	NCR	Returning overseas workers	4.67
11	NCR	Informal sector i.e. micro and small entrepreneurs	4.00
6	Laguna	Youth segment from San Pablo City	3.38

\*weighted averages with 6=Much more difficult, 5=More difficult, 4=Difficult, 3=The Same, 2=Easier and 1=Much easier

### **Highlights of the FGD Results**

While the FGDs were specified as to area and other relevant socio-demographic characteristics, more meaningful analysis can be done when categorizing across relevant segments i.e. by province or region, export sector, migrant households, urban or city, etc. This section will attempt to cut across or integrate the FGD groups and highlight important results considering some of the observed similarities of the participants' responses attributed to their background or characteristic.

Results of discussions on adjustments to the household expenditures and government assistance needed, however, were generally the same across all groups. These are discussed prior to the highlights referring to specific market segments.

### ***On Household Expenditure Impact***

Across all FGD groups, adjustments on food, education, healthcare and transportation were most pronounced.

Budgets for food which currently ranges from P100 to P150 daily for the family is managed by (a) removing from their budget i.e. "my child does not drink milk anymore even if she still needs it", (b) buying less i.e. from 1 kilo of meat to ½; (c) downgrading quality i.e. "we used to buy fresh fish, now it's okay even if the fish is a bit old"; (d) extending food to last for

several meals and (e) using substitutes as condiments i.e. “magic sarap” (a spice ready-mix) instead of using a number of ingredients. However, several shared that they still eat at least 3 times a day.

In several occasions across FGDs, there were instances of children stopping school even at the elementary level. Aside from school tuition and fees which will take a big chunk of their budgets, several said that even if they managed to retain their children in school, they had problems meeting school allowances to cover their child’s needs for transportation and meals i.e. “*pag walang baon ang anak ko, hindi ko nalang siya pinapapasok.*” (If my daughter does not have her allowance, I don’t let her go to school.) Among the youth participants also, it was very common for them to stop schooling after high school.

For several participants, the shift from consultations with private medical practitioners to the barangay health center professionals and even local healers i.e. *albularyo* (local herbalists/healers and *manghihilot* (massage therapists) was inevitable after medical benefits in their companies were removed after their retrenchment. Herbal medicine, generic medicine and over-the-counter medicine i.e. Biogesic was often used for minor ailments and it was common for the participants to share that they self-medicate.

Walking to and from short distances was also quite common and transportation expense was minimized to occasions when schedules were tight or travel was necessary. Several participants said they had their children walk to and from school rather than take the tricycle.

Interestingly, several participants resorted to supplementing income by driving a tricycle or investing in the tricycle business. While those who have been in this business for some time say their income had dwindled, those new to the business said it afforded them a decent income of at least P150 to P250 that was sufficient for the family’s meals for the day.

### ***On Government Assistance and Programs and Needs***

At least one participant in all groups was knowledgeable of the training programs of TESDA. Several returning migrants know of the training and some have even availed of such training. There was a higher level of awareness and availing of such in NCR than other areas.

Barangay health centers were also cited as a major source of assistance as fees of private medical practitioners were seen as too prohibitive and some branded medicines were also out of their reach. Except for several participants in Lipa City, Batangas, almost all participants said they now went to their health centers instead of private practitioners when consultation and vaccinations were needed.

In summary, the assistance desired by the FGD participants is as follows:

- 1) Creation of jobs and / or opportunities for livelihood or business assistance that will ideally make use of their existing skills i.e. sewer, assembly workers, etc.
- 2) Corollary to more job opportunities is the pervasive request to relax age limits as several re-trenched workers were 35 and above.
- 3) Also related to employment qualifications would be perceived biases on educational attainment over skills i.e. preference for college graduates over skills i.e. “In other countries, even if you are not college graduates but know how to sew, it’s okay, “*kahit naman mababa lang ang pinag-aralan ko, magtapatan kami sa pag karpintero at mag-foreman, mas magaling ako*” (even if I have minimal schooling, if I am compared

- (with somebody more educated), in carpentry and to supervise (the construction) as foreman, I am much better.)
- 4) Among migrant workers returning from foreign assignments, a “job continuation program” that will assist and actively search for employment opportunities abroad. Availability of job opportunities abroad were also mentioned by several participants
  - 5) For livelihood assistance, availability of collateral-free loans to start-up new businesses or expand current businesses.
  - 6) Scholarships or even part-time jobs for students to enable continuous education at the college level.

## FGD Results by Market Segment

### *Region and Province*

Across the FGD areas covered, the displaced workers from Cebu going back to their provincial residence of Maribojoc, Bohol were much affected. (See Exhibits 2 and 3.) Likewise, the informal micro-business sector whose primary target market are the Cebu companies and manufacturing plants that laid-off employees were also having the most difficult times.

The workers felt much of the impact as they had been employed for long years i.e. 5 to 10 years and have been comfortable with the regular incomes and benefits they receive. Without much opportunity for businesses or alternative jobs and sources of income in Bohol, several had to contend with separation from the family i.e. one parent remaining in Cebu or going to other provinces to look for jobs outside of Bohol.

Several households had both spouses working in Cebu and lived with their children in rented temporary residences or houses being amortized. The job loss and accompanying loss in income and benefits, for some both spouses, has caused worry not only for medical needs of their children but also the academic, psychological and emotional changes their children have been going through as a result of transferring from private schools in Cebu to public elementary schools in Bohol.



Exhibit 2 – Cebu City is the most progressive city in the Visayas and hosts several migrant workers from



Exhibit 3 – Maribojoc is a 5<sup>th</sup> class municipality in the province of Bohol

neighboring provinces within the region

### ***Workers in the export sector***

The length of time working in export manufacturing companies has a direct relationship in the adjustment experienced by the worker and his / her household. This is particularly true for companies with extensive benefits and a compensation package that is tenure based. The adjustment for some older displaced workers seem to be much more difficult as they were more likely to be less educated and had not saved up.

It is this sector that also seems to have the most need for assistance as their experience was mostly on specialized assembly line work i.e. electronics. For some however who worked in garments manufacturing, a number found their skills of sewing could be turned into income generating businesses. However, the disparity in earnings was very much pronounced.

### ***Migrant Workers***

There seems to be a higher incidence of separation pay not being given or delays in salary payments among domestic and local manufacturing companies, particularly those outside of NCR, rather than foreign based and foreign owned manufacturing plants.

Returning overseas workers who were affected had the advantage of sustaining a comfortable lifestyle within the short-term since they had savings or were given more substantial separation pays than the local domestic workers.

Migrant workers were also likely to invest in training or immediately study investment or job options and they were also more likely to budget expenses. Several displaced migrant workers had found part-time jobs or invested in businesses.

However, once savings had run out and / or income from part-time jobs were proving to be insufficient, this group was also more likely to “feel poor” as they have been used to a comfortable lifestyle for sometime. The local migrants i.e. those who used to work in neighboring cities or provinces were less likely to feel disadvantaged because of less drastic changes in lifestyle i.e. children have always been in public school or also because they have a social support network of family, relatives and friends in their hometown.

### ***Migrant Households in Communities***

There were several migrant households among the participants in the FGDs conducted in the 2 communities of Paniqui, Tarlac and Lipa City, Batangas. (See Exhibits 4 and 5) As expected, household incomes where remittances comprised a major part were more likely to be affected depending on the impact the global crisis had on their relative's income and remittance.

It is noted that it was quite common that remittances were also received from extended relatives i.e. aunts and uncles. Thus, households had multiple incomes, not only from local workers and businesses within their family but also from remittances by immediate and extended family members thus ensuring a steady source of income that was enough to sustain them. In more than one occasion, remittances of extended family members were

specifically allocated for the education of nephews and nieces thus continuing education was directly a result of the presence or absence of this remittance.

The results of the FGDs also convey the possibility of harnessing the support network within the community particularly outside large urban cities. Awareness of assistance provided by the government and other socio-civic organizations was shared within the groups. Several on-going programs were apparently not known even within the community implying the need for better information dissemination.



Exhibit 4 – Paniqui, Tarlac, north of  
Metro-Manila



Exhibit 5 – Lipa City, Batangas, south of  
Metro-Manila

### ***Informal sector / Micro and Small Entrepreneurs***

The 2 informal sector groups or micro businesses in Taguig City in NCR and Cebu City were distinct in their assessment of the current situation. It seems that those in NCR found it relatively easier to adjust and find other sources of income or look for other markets to continue their business. This provides evidence that even if it was difficult in NCR, it was easier to look for alternative income-generating activities.

The level of dependence of the micro-entrepreneurs on their target market affected their business greatly implying a need to consider developing other markets or engaging in several alternative businesses.

Finally, as informal micro-businesses, this group did not have a social support structure to rely on except their families who were also likely to be in difficult situations. Generally also, these entrepreneurs were more likely to have lower educational levels.

### ***Youth Sector***

In the conduct of the 2 youth groups from San Pablo City in Laguna and Pasig City in NCR, the groups exhibited a slight difference in attitude with the Laguna youth being slightly more optimistic about the future and eager to continue further studies and / or engage in part-time income generating activities.



Lack of finances was the primary reason for not pursuing further education after high school and this was more commonly observed in households with more children as “only 1 child could be enrolled at a time” whether in high school or college.

Among the sons in Laguna, it was expected that they would immediately find work or assist their fathers in the family business of driving tricycles or working in construction projects or vehicle repair. As perceived, such businesses did not need a college diploma so the sons apprenticed while young and just went through the motions of their high school education. Generally, they were content with their situation since they were productively earning for their families and also managed to earn a little for themselves.

In Pasig City, the males generally had a lack of hope and sense of acceptance regarding their current state. It was difficult to draw out their aspirations as they survived day to day with some allowances from their families or a few part-time jobs i.e. caretaker of computer shop, etc.

### ***Youth in OFW Migrant Households***

The youth in OFW migrant households were generally more likely to be educated, were more optimistic and were more likely to plan for their future. Most of the remittance money, whether from parents or extended families were allocated for their education and allowances for day-to-day expenses in school were also available.

Because of this dependence on remittances, however, some of the participants said they had to stop schooling because the money from abroad dwindled or did not come.

### ***Rural workers***

Despite the relatively high rating the group of rural women gave in the brief survey, the participants were more upbeat and seemed less problematic than other groups. It is likely that they have been used to relatively austere lifestyles that the changes in their income resulted to minor changes in their over-all lifestyle.

As noted also, rural women in Bohol had very low income prior to the crisis. Their children had been going to public school, their food was generally simple, they had consulted

regularly in the barangay health centers and were used to walking long distances because transportation was far and few in between. This general lifestyle did not adjust much except on food where they indicated that even fish was expensive and they sometimes had “bagoong” (shrimp paste) with rice for their regular meals.

On the other extreme, those from the more urbanized cities in Metro-Manila were also relatively more able to adjust to the crisis because there were more opportunities. It seems therefore, that those in less urbanized but not rural areas had more difficulty in coping with the crisis because residents in these areas had found work outside of their provinces or earned substantially more prior to the crisis thus making the impact of losing or diminishing income more pronounced.

In rural areas however, there seems to be very limited options for making a living. Almost all of their micro-enterprises are handicrafts that make use of the area’s indigenous materials.

### ***Women***

Women who were laid-off from their previous jobs had much more difficulty in finding work and usually supplemented their income by engaging in home-based businesses or part-time employment in jobs requiring lower skills than what they were trained for i.e. domestic help, laundry services, baby-sitting, etc.. Men, on the other hand, were more likely to be able to find a job or engage in a business that utilized their skills i.e. tricycle driver, carpenter, painter, etc.

Also, when dual-income households were affected by the crisis, it was the father who usually found work to sustain the family while the (previously-working) mother took care of the children back in their residence. This was observed even among women who were holding relatively more responsible jobs than their husbands in their previous work.

## **Appendix 2**

### **Focus Group Discussion Guide**

NOTE: Conduct FGDs in language / dialects where participants are comfortable. Translate as discussed in briefings.

#### **A. Introductions**

Good morning/afternoon! We are conducting this discussion to better understand how we have all been affected by the crisis. We are interested in how each of you adjusted your daily activities under the current circumstances.

I am [FACILITATOR NAME AND BRIEF PROFILE]. Now, can we introduce ourselves? (Name, residence, civil status, household details, occupation, other relevant socio-demographic characteristics as needed.)

Now that we all know each other, let me just share that in an FGD, there are no right or wrong answers. We are all entitled to share our insights and thoughts without being judged. Feel free to open up your feelings also as this is simply a discussion about our chosen topic. So, let us start...

### **B. On the Current Situation and Adjustments on Working (30 minutes)**

Let us first discuss a broad assessment of how the current crisis affected the group as [STATE EXPORT SECTOR, OFWS, MICRO-ENTREPRENEURS, YOUTH, WOMEN AS APPLICABLE].

- 1) In specific terms, may we know how you personally were affected by the crisis? [AID AND PROBE AS RELEVANT ON THE FOLLOWING...

Income – personal and household

Employment

Workdays / Workload

Benefits

- 2) How about your household members? What changes did they experience? [PROBE]
- 3) Now considering this situation, did you do anything to make up for the [DECLINE IN INCOME, LOSS OF EMPLOYMENT, ETC.] [PROBE]  
[IF ADJUSTMENTS TO HOUSEHOLD EXPENSES AND LIFESTYLE MENTIONED, SAY THAT THIS WILL BE DISCUSSED LATER. TRY TO LEAD DISCUSSION TO FOCUS ON INCOME AND EMPLOYMENT INITIALLY FOR THE PERSON AND HOUSEHOLD MEMBERS. PROBE AND AID:]

Additional Paid Work – part-time or full-time (if laid-off) – How many? Nature?

Other Unpaid Work or activities

Accept substandard employment (work they will normally not get)

Get Loans – Where? Interest rates?

Use up your savings?

Get remittances from abroad? Less or more? From whom? For what did you use remittances? Is this the same use as before?

- 4) How would you assess your situation today compared to the previous period when you were still unaffected by the crisis? Would you generally say it is...[HAND OUT



SHORT SURVEY -- 6 – Much more difficult; 5 – More difficult; 4 – Difficult; 3 – Same; 2 – Easier; 1 – Much easier]

### **C. Options Considered (20 minutes)**

1) What are some of the other options that you considered? [UNAIDED, THEN AID]

2) Did you consider ....

going abroad? Where? As what? Relatives there?

moving to another city or province? Where? As what? Relatives there? [PROBE]

3) Are you considering...

Going back to school?

Enrolling in training for other skills? [PROBE]

### **D. Household Expenses (Discuss Briefly – 45 minutes) (Sections in Green to be discussed more extensively)**

Now, we will discuss changes you have done regarding your household expenses. We will discuss each expense and let us share some of the adjustments you had to do...

#### **1) Food**

First, let us focus in on your consumption of food.

a. Have you noticed any changes in your eating patterns? [PROBE]

b. Are you eating more or less than before? Did you change the kind of foods you are eating? [PROBE ON SUBSTITUTIONS]

[FOR ALL SUCCEEDING HOUSEHOLD EXPENSES, PROBE ON (1) CHANGES THEN (2) ADJUSTMENTS DONE AND (3) OTHER COPING MECHANISMS]

#### **2) House Payments or rentals**

a. Now, how about your house amortizations or rentals? Did you have to adjust on this expenses? How? [PROBE]

Relocate to new residence

Was evicted / removed forcibly

Living with relatives? Friends?

#### **3) Utilities – Fuel, light water, etc.**

a. For utilities, in what ways have you and your household adjusted consumption for electricity, water, etc?

b. How else did you have to adjust? [PROBE]

c. Has this change resulted to some positive or negative effects for your household? [PROBE]

#### **4) Transportation**

- a. How about for transportation? What adjustments did you make? [PROBE]
- b. What were the effects on your household?

#### **5) Communications**

- a. How about for communications? Cellphone loads? What adjustments did you make? [PROBE]
- b. What were the effects on your household?

#### **6) Education**

- a. Regarding education, did you or any member of your household have to stop schooling?
  - Who are these members?
  - What level are they?
  - How did they adjust to this change?
  - What are they doing now?
- b. How about changes in where to enroll i.e. private to public school? [PROBE]
- c. What were the effects on your household?

#### **7) Health and related medical services**

- a. How do you usually deal with illnesses in the household? [PROBE]
- b. In the current situation, do you still deal with illnesses the same way or did you have to adjust? [PROBE]
- c. What were the effects on your household?

#### **8) Other Lifestyle related expenses – Personal care, clothing, special family occasions, gifts, recreation, etc.**

- 1) Are there other household expenses or patterns that were affected by your current situation? For example your general lifestyle... [AID AND PROBE]
  - Personal care
  - Clothing
  - Special family occasions
  - Recreation
  - Gifts, etc.

- 2) How did you address or remedy these situations?
- 3) What were the effects on your household?

**D. Peace and Security (10 minutes)**

Now let us discuss your community or neighborhood...

- 1) Did you notice any change in the peace and order before and after the economic crisis? What are these changes? [PROBE]
- 2) How were these situations addressed in your community?

**E. Violence and Abuse [GIVE OUT ENVELOPES and SHEETS.] (10 min)**

Now, we will have a short activity. I will be giving out these papers with 2 questions for you to answer. Please answer them truthfully. Here are envelopes also for you to seal your answers. When you are finished, we will have the last 2 sets of questions.

**[SHORT ACTIVITY SHEETS]**

*Please answer the following questions truthfully. Your answers will not be related to you in any way as you will be sealing your answers in envelopes.*

- 1) Have you noticed an a change in behavior among household members i.e. increase in verbal or physical abuse by someone in your household during this period compared to earlier periods before the difficult situation? What do you think is the reason for the change in behavior?
- 2) Have you noticed an increase in gambling, drinking or other similar activities by someone in your household? What do you think is the reason for the change in behaviour?

**F. ASSISTANCE AND SUPPORT RECEIVED (15 minutes)**

Now after all our sharing on difficulties we have encountered and adjustments you had to do, I would like to know more about persons or groups who may have assisted you or your family...

- a. First, may we know who, outside your immediate household, has provided some sort of assistance to help you cope with this situation? What form of assistance did they give?
- b. Now, how about groups or organizations in your community? What form of assistance did they give? [AID AND PROBE]

Barangay

Neighborhood associations

Community associations

Local city or municipality government

Provincial government

- c. And other groups or organizations? What form of assistance did they give?  
[AID AND PROBE] National government  
Other government organizations  
  
Non-government organizations (NGOs)  
  
Private Organizations
- d. On the over-all, how would you assess the assistance provided? [AID AND PROBE]  
Local government  
National government  
  
NGOs  
  
Private organizations  
  
[OTHER GROUPS MENTIONED]

**G. ASSISTANCE AND SUPPORT DESIRED (15 minutes)**

Finally, what kind of assistance do you feel will help you cope with the current situation or crisis? [PROBE AND BRAINSTORM BRIEFLY]

**Thank participants and give tokens.**

**Appendix 3  
Questionnaire**

**Please answer the following questions truthfully. This will be kept confidential.  
(Pakisagutan ang mga sumusunod. Ang mga sagot niyo ay mananatiling sikreto.)**

- 1) Have you noticed a change in behavior among household members i.e. increase in verbal or physical abuse by someone in your household during this period compared to earlier periods before the difficult situation? What do you think is the reason for the change in behavior?

Mayroon ba kayong nahalata na kakaiba o bagong pag asal o ugali ng mga kasama niyo sa bahay kagaya ng dumalas na pang aabuso i.e. nasisigawan, palasigaw, nag aaway, napapagbuhatan ng kamay, etc. ngayon kumpara sa dating panahon bago itong situwasyon ngayon? Ano kaya ang dahilan ng pagbabago na ito?

- 2) Have you noticed an increase in gambling, drinking or other similar activities by someone in your household? What do you think is the reason for the change in behavior?

Mayroon ba kayong nahalatang dumalas na pagsugal, pag inom ng alak o ibang katumbas na Gawain sa mga kasama sa bahay? Ano kaya ang dahilan sa pagbabago na ito?

- 3) May we know how much you were earning monthly before you faced this current situation? From where is this income?

Maari po bang malaman kung magkano ang kinikita niyo bago dumating ang sitwasyon ngayon? Saan galling ang kita?

- 4) How much were you earning monthly now? From what sources do you get these earnings?

Magkano naman ang kinikita niyo ngayon? Galing saan ang mga kinikita ngayon?

- 5) How much was your household earning before? From what sources are the earnings?

Magkano ang kinikita ng buong pamilya nuon? Saan galling ang mga kita?

- 6) How much is your household earning now?

Magkano ang kinikita ng buong pamilya ngayon?

### Personal Income/Pansariling kita

(1) Before the situation/Bago mangyari ang	(1) Sources of Income/Pinanggalingan ng kita	(2) Now/Ngayon	(2) Sources of income now/Pinanggalingan
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sitwasyon ngayon			ng kita ngayon
Pesos per month		Pesos per month	

**Household income/Kita ng Pamilya**

Before the situation/Bago mangyari ang sitwasyon ngayon	Sources of Income/Pinanggalingan ng kita	Now/Ngayon	Sources of income now/Pinanggalingan ng kita ngayon
Pesos per month		Pesos per month	

How would you assess your situation today compared to the previous period when you were still unaffected by the crisis? Would you generally say it is... (Paano niyo aantasan ang kalagayan niyo ngayon kumpara sa dati ung wala pang krisis? Sa inyong palagay, ito ba ay...) Please encircle (Pakibilugan)

- 6 – Much more difficult/Napakahirap
- 5 – More difficult/Mas mahirap
- 4 – Difficult/Mahirap

- 3 – The Same/Pareho lang
- 2 – Easier/Maluwag
- 1 – Much easier/ Mas maluwag