Saving for the future, protecting migrant workers and their families

NUEVA VIZCAYA, Philippines - Women make up nearly half of migrants worldwide. Many leave their countries full of hope. For migrant workers, higher wages and remittances offer better living standards even at the cost of leaving their families behind.

Shanley May Asuncion was born in Hong Kong where her mother worked as a foreign domestic helper for more than 20 years. "I was only one and a half years old when I was sent to the Philippines to live with my grandparents. It was difficult for me. Sometimes I could not understand things and I had problems; and my mother was not here with me," says Shanley.

Then there is the 70-year old Angeline Calixto, who suffers in silence as she recalls her daughter's plight abroad. "We borrowed money to end up victims of illegal recruitment. My daughter was hired as a domestic worker in Bahrain but had to escape from her abusive employer. She used to send us money for her child's education, but it has been three years since she escaped. We do not know what happened to her, or where to find her," cries Angeline.

Impact of migration on children left behind

Going abroad as domestic helpers has become an increasing trend for women from Nueva Vizcaya, a province in the northern part of the Philippines. "The majority want to go overseas to seek greener pastures. In our area, many people are unemployed and think that it is easy to earn money abroad. People are saying that they cannot earn enough to support their children or send them to school," explains Father Florentino Daynos II, Director of the Bayombong Diocesan Migrants Commission (BDMC) in Nueva Vizcaya.

"Our bishop, supportive and concerned with the welfare of Overseas Filipino Workers (OFWs), put up this commission. I was surprised when the number of OFWs in our diocese exceeded 40,000 excluding undocumented migrant workers. The majority were women employed as domestic workers in Asia, the US and the UK. We had problems - people sold farmlands to go abroad but ended victims of illegal recruitment. We have cases of human trafficking and maltreatment, with women abused, raped and deprived of wages. Some did not even have food to eat or a place to sleep," says Father Daynos.

Mrs Jannette Calata, a volunteer of the commission and a parent counsellor of Saint Louis School, sees another worrying trend. "Children of migrant workers have special needs. In our school, about 22-24 per cent of grade school and high school students are children of migrant workers. They experience a sense of confusion, insecurity and anxiety. They seek attention and long for friends, and some tend to bully other students," says Mrs Calata.

"We also observed a high level of consumerism, a preference for material things. This is why Saint Louis School agreed to be a pilot area for Pioneer Life's financial literacy programme," explains Mrs Calata.

Overseas Filipino Workers Savers and Wellness Club

Pioneer Life, Inc. is one of the leading life insurance companies in the Philippines. The company offers non-life products and specialized packaged products. It recently re-bundled its micro insurance product to aim it at children to introduce the importance of savings and insurance from an early age. In partnership with the Catholic Bishops Conference of the Philippines-Episcopal Commission for the Pastoral Care of Migrants and Itinerant People (CBCP-ECMI), Pioneer Life created an OFW Savers and Wellness Club. The programme encourages members to build enough savings to allow for the return of migrant workers and reintegrate them with their families.

Shanley was among the first batch of students to join the OFW Savers and Wellness Club. She started saving P20 or half a dollar a day. "Others think that young people like me do not know how to save. At first it was difficult to save until it became a habit. I then encouraged sons and daughters of OFWs to save and spend wisely," shares Shanley.

The programme combines values-based teaching with tools to save and literacy sessions on insurance. It extends insurance benefits and entitles club members to join financial literacy workshops and avail of high interest rates on their savings, personal accident insurance, cash burial assistance, life insurance, and other privileges from corporate partners. Children of migrant workers like Shanley can use savings as capital to start a career or build businesses someday.

The ILO, through its Microinsurance Innovation Facility, provided a grant to Pioneer Life to expand micro insurance products and create new benefits.   Supported by the Bill and Melinda Gates Foundation, the ILO facility provides grants to support organizations such as Pioneer Life to innovate. Grants can support insurance against any type of risk, but priority is given to products where demand exceeds supply such as agriculture, health, life and property.

“Pioneer Life was selected through a competitive process. The ILO's Microinsurance Innovation Facility Steering Committee found Pioneer’s project to be innovative with its strong emphasis on financial education, encouraging remittance recipients to set aside a portion of funds they receive from overseas foreign workers for savings and insurance. The distribution of products through savers clubs in churches and schools was also an interesting feature,” declared Mr Craig Churchill, head of the facility.”

Angeline joined the club and attended Pioneer’s financial literacy seminars. “The approach was simple. We were treated like children with our own piggy banks. The irony is that I only learned how to save at age 68,” she says. In the Philippines, migrant workers are covered by insurance but coverage excludes their family members. Often savings are used up when family members suffer from illness or die.

For Angeline, her savings accrue through guaranteed interest rates within a fixed period. At the same time, her savings offers protection since members are covered by accidental death and disability benefits, medical reimbursement and burial cash assistance.   Banks give less than one per cent interest and require large amounts and documentations to open an account. The OFW Savers and Wellness Club requires minimal amounts of P300 or USD 6 to open an account and can give annual rates of return of 10 to 20 per cent.

At first, Angeline felt that she was too old to save and join a savings club. When she heard about the club with migrant workers and their families as members, she became interested. “I joined the club because the programme was created for OFWs and their families. I hope that I will be able to save more and be with my daughter again one day.” Tears roll down her face as Angeline recounts that she prays for her daughter’s return. “I want to help her. In my heart, I feel my daughter is still alive but maybe struggling or working hard to survive.”