# LABOR MIGRATION POLICIES OF THE SWISS GOVERNMENT: IMPLICATIONS TO THE PHILIPPINE ECONOMY

## THESIS

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March 2013

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Undergraduate Thesis
Submitted to the Faculty of the
College of Economics, Management, and Development Studies
Cavite State University
Indang, Cavite

In partial fulfillment of the requirements for the degree Bachelor of Science in International Studies

00008149

Labor migration policies of the Swiss government : 331.6 H43 2013 T-5149

LARAH JOYCE B. HERRERA March 2013

#### **ABSTRACT**

HERRERA, LARAH JOYCE B. Labor Migration Policies of the Swiss Government: Implications to the Philippine Economy. Undergraduate Thesis. Bachelor of Science in International Studies. Cavite State University, Indang, Cavite. March 2013. Adviser: Mr. Renato T. Agdalpen

The study was conducted to: (1) identify the labor the labor migration policies of Switzerland regarding the following: (a) visa application, (b) residence permit, (c) salary and employment conditions, (d) health and accident insurance; (2) enumerate the different agreements between the Philippines and Switzerland concerning labor migration; (3) describe the labor trend between the Philippines and Switzerland from year 2000-2010 based on the following indicators: (a) Filipino migrant workers employed in Switzerland, (b) Swiss migrant workers employed in the Philippines, and (c) Filipino migrant workers remittance from Switzerland.

This is a descriptive study wherein the labor migration policy of Switzerland for the third-states (those who are not an EU/EFTA members), the same with the labor trend of the Philippines and Switzerland through applicable indicators and the implications to the Philippine economy were determined. Secondary data where gathered through researches from different government agencies, official websites, public libraries and university libraries.

The study discussed four agreements: two labor agreements and two social security agreements) that the Philippines and Switzerland signed from 2000 to 2010. These were (a) Agreement between the Government of the Republic of the Philippines and the Swiss Federal Council on Exchange of Professionals and Technical Trainees, (b) Agreement on Social Security between the Republic of the Philippines and the Swiss

Confederation (c) Administrative Arrangement for the Implementation of the Agreement on Social Security between the Republic of the Philippines and the Swiss Confederation of September 17, 2001 and (d) Memorandum Circular no.4 - Guidelines on the Recruitment and Deployment of Filipino Au Pairs to Switzerland.

Only a small number of Swiss nationals are working in the Philippines, however, even though the number of Filipino working in Switzerland is decreasing, the remittances of Filipinos working in Switzerland were increasing.

The economic implications of the labor migration policy of Switzerland is seen through the technical transfer between the respective countries, whereas it was reflected through the labor agreements that they had signed, while for the employment rate, the Filipino migrant workers employed in Switzerland, contributed a 0.971 percent of the total number of Filipinos employed in the Philippines. And lastly, for the remittance rate, Filipinos from Switzerland contributes a -99.59 percent on the total remittances sent by Filipino migrant workers deployed land-based throughout the whole world.

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# LABOR MIGRATION POLICIES OF THE SWISS GOVERNMENT: IMPLICATIONS TO THE PHILIPPINE ECONOMY

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A thesis manuscript submitted to the faculty of the Department of Development Studies, College of Economics, Management and Development Studies, in partial fulfilment of the requirements for graduation with the degree of Bachelor of Science in International Studies with contribution No. <u>T2013 IS-02-001</u>. Prepared under the supervision of Mr. Renato T. Agdalpen.

#### **INTRODUCTION**

The importance of overseas Filipino workers (OFW's) may be unrecognized by many people. What they do not know is that the country cannot survive on taxes alone; it also relies on the influx of dollar remittances to run the government and pay foreign debt. It also helps stabilize the peso dollar rate (Agcaoili & Flores, 2003, p.1).

Labor migration is the movement of people from one country to another for the purpose of employment (International Organization for Migration (IOM), 2012, 1<sup>st</sup> sentence, 1<sup>st</sup> paragraph). International labor migration is the flow of workers across national boundaries which creates network social, economic, cultural and political relations among people from their places of origin of home country (sending state) to the area of destinations or migrating country (receiving state) (Achacoso, not dated, 2<sup>nd</sup> slide). Labor migration policy should define the government's relationship with the private sector in this area and indicate that there is a supportive policy environment