Globalization and the Geography of Labor Recruitment Firms in the Philippines

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Geographers and other social scientists have documented the increased globalization of economic activities. Private firms, especially, have been identified as contributing to new and flexible institutional arrangements. Concurrently, patterns and processes of international labor migration have been transformed by changes in the global economy. An under-theorized aspect of these trends, though, has been the functioning of private labor recruitment firms in the global labor market. Using the Philippines as a case study, this paper directs attention to the spatiality of private recruitment firms within a context of globalization. Specifically, I unpack the various institutions and organizations that comprise the Philippine state labor migration industry, and examine how private recruitment firms, in particular, intersect dialectically within processes of globalization.

Keywords: Migration, Philippines, institutions, recruitment agencies, contract labor

The most significant development in the world economy during the past few decades has been the increased globalization of economic activities (Dicken, 1992). As Short and Kim (1999) attest, the transnational operations of multinational firms have given rise to a new international division of labor, one that has witnessed a shifting of manufacturing sectors from developed to developing economies. Moreover, the worldwide production and market expansion of these firms has led to an explosive growth of producer services (Dicken, 1992; Marshall and Wood, 1995).

Changes in the global economy have been mirrored by changes in international migration. Castles and Miller (1993), as evidence, identify four general tendencies which are likely to play a major role in the decades to come: (1) an increased globalization of migration; (2) an acceleration of migration; (3) a differentiation of migration; and (4) a feminization of migration. Combined, these trends are both cause and consequence of a globalization of economic activities.

Accordingly, the nexus of international migration and globalization is gaining in prominence as a subject of academic interest. Favell (2001) cautions, though, that a more skeptical attitude should be taken in the face of the academic obsession with highlighting all that is 'new' and epoch-making. Indeed, as Dicken (1992) bluntly
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states, the internationalization of economic activities is nothing new. It is imperative, as such, that geographers and other social scientists retain a critical skepticism toward globalization.

An under-theorized component of globalization and international labor migration is, however, that of state apparatuses and private recruitment firms, especially within sending areas. Jones and Pardthaisong (1999), for example, assert that despite considerable research on contract labor migration, most studies have not focused on the migration process itself. Massey (1999:310) likewise identifies that few analysts have considered the role of the state in migrant-sending societies. This is somewhat surprising, given that researchers such as Saskia Sassen (1999) have identified a new intermediary world of strategic agents that contribute to the management and coordination of the global economy. In addition, these agents are largely, though not exclusively, private and have absorbed many of the international functions carried out by states (Sassen, 1999). Moreover, as Lim and Oishi (1996) identify, were it not for recruitment agents, overseas employment promoters, manpower suppliers and a host of other legal and illegal intermediaries, Asian labor migration since the mid-1970s would not have reached such a massive scale as has been observed. However, despite the recognition of an international labor migration ‘industry’ (Abella, 1992; Huguet, 1992; Lim and Oishi, 1996; Alegado, 1997; Hugo, 1997), few researchers have explicitly considered the theoretical implications of this industry. In addition, neither the spatiality of intermediaries, nor the relationships between these intermediaries in the global economy, have been adequately theorized.

Drawing on primary and secondary materials gathered during four field periods to the Philippines (1993, 1994, 1998, 2002) this paper is part of a larger research project in which I have examined the institutional dimensions of Philippine overseas employment (see Tyner 1994, 1996, 1997, 1999a 2000a,b,c). The purpose of this specific paper is to address the spatiality of Philippine private recruitment firms within a context of globalization. I am in agreement with Sassen and others in that a need exists to unpack the various institutions and organizations that comprise the aforementioned labor migration ‘industry’. Previous research has critically examined the role of state institutions in the process of international labor migration (Gibson and Graham, 1986; Ball, 1997; Tyner, 2000b,c); in this paper I extend this work through an examination of private recruitment firms in the Philippines and their role within the global labor market. In so doing, I draw insight from recent trends in corporate and economic geography (Massey, 1984; Dicken, 1992; Markusen, 1994; Peck, 1996; Schoenberger, 1997).

Although the nature and extent of globalization is contested within the social science literature, one phenomenon on which all sides agree is the significance of the emergence of East and Southeast Asia as a major component of the post-war global economic map (Dicken and Yeung, 1999). The emergence of Japan, for example, followed by the ‘little dragons’ of Singapore, Hong Kong, Taiwan, and South Korea as economic growth-engines of the global economy has been well-documented (Watters and McGee, 1997). Not surprisingly, this growth has been paralleled by transforma-
tions of region and global systems of contract migration (Skeldon 1992; Findlay et al., 1998). Of the countries involved, however, the Philippines has emerged as the most significant in terms of labor-export. Indeed, as a vehicle to understand the nexus of globalization, migration, and private recruitment firms, the Philippines is exemplary. The Philippines remains the world’s largest exporter of government-sponsored contract labor migration. More significant, though, is that the Philippines’ overseas employment program is excessively regulated and highly institutionalized; currently it is composed of numerous government organizations, over 2,000 private recruitment firms, and scores of non-government organizations.

INCORPORATING FIRMS INTO THE GLOBAL

Globalization is a much debated term. For some writers, globalization signifies a unique moment in the expansion of capitalism; critics of globalization, conversely, contend that the term represents nothing more than the last ‘fad’ in academia. Moreover, ‘globalization’ is frequently used interchangeably with other terms, especially ‘internationalization’. A first priority, therefore, is the differentiate between globalization and internationalization. Dicken, for example, writes that

internationalization’ refers simply to the increasing geographical spread of economic activities across national boundaries; as such it is not a new phenomenon. ‘Globalization’ of economic activity is qualitatively different. It is a more advanced and complex form of internationalization which implies a degree of functional integration between internationally dispersed economic activities. (Dicken, 1992:1)

Accordingly, Carnoy and Castells (2001) define a global economy as the economy whose core, strategic activities have the technological, organizational, and institutional capacity to work as a unit in real time, or in chosen time, on a planetary scale. Globalization thus differs from processes of internationalization for one simple reason, as Carnoy and Castells explain:

only at this point in history was a technological infrastructure available to make it possible. This infrastructure includes networked computer systems, advanced telecommunications, information-based technology, fast transportation systems for people, goods and services, with a planetary reach, and the information processing capacity to manage the complexity of the whole system. (Carnoy and Castells, 2001:3)

Moreover, Carnoy and Castells (2001) argue that economic relations have been transformed by economic globalization, the reorganization of work, and the compression of space, time, and knowledge transmission through an information and
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communications revolution. It is this information and communications infrastructure, therefore, that distinguishes the current era of globalization from earlier world systems.

Apart from definitional concerns, the role of the state and its economic sovereignty are additional areas of dispute in the debates over globalization (Short and Kim, 1999). Scholars such as Ohmae (1995), for example, conclude that the state will decline in importance in an era of globalization. Other scholars, though, refute this hypothesis, suggesting instead that rather than disappearing from view, the state remains a key actor in the functioning of the global economy, although the form may be restructured. Carnoy and Castells (2001), indeed, identify a new form of the state, a state composed of shared institutions. To Carnoy and Castells (2001, 14), this new state, which they label a Network State, functions as a network in which all nodes interact, and are equally necessary for the performance of the state’s functions. Moreover, their work indicates that states, rather than diminishing in the face of globalization, have actually precipitated many facets of globalization. Indeed, as Jones and Pardthaisong (1999) attest, governments in Asian countries of labor-origin have played a powerful role in promoting and often organizing labor migration—more than in any other part of the world.

This is not to suggest that states assume complete autonomy. Indeed, private firms have in recent years assumed a greater role in the functioning of the global economy. Sassen (1999), for instance, identifies that private institutions, such as credit rating agencies, are now key institutions in the global capital market and have considerable power over sovereign states. Massey et al. (1993) suggest that once international migration has begun, private institutions and voluntary organizations arise to satisfy the demand created by an imbalance between the large number of people who seek entry into the capital-rich countries; consequently, as more organizations develop to support, sustain, and promote international movement, the international flow of migrants becomes more and more institutionalized and independent of the factors that originally caused it.

To adequately consider the function of private recruitment firms or labor contractors within the global economy, it is necessary to situate their activities within the global labor market. As conceived in this paper, the global labor market is defined as a system of integrated local labor markets, connected by international transportation and communication networks. Private recruitment firms, consequently, provide the functional integration between internationally dispersed local labor markets. In particular, firms participating in the global labor market are associated with newer and diverse forms of flexible employment. Truly, the simultaneous globalization and fragmentation of local labor markets, along with technological innovations, have led to a proliferation of diverse employment relations within and not simply across states. The past three decades, for example, have witnessed a search by firms for greater flexibility in how work is organized and labor is deployed. Such strategies include job rotation, flexible job arrangements, and the increased use of part-time workers (Epstein and Monat, 1973; Peck and Theodore, 1998, 2001). Previous work
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has established that the practice of labor contracting arises from the imperfections of the employment market, in particular an excess of demand for or supply of different types of labor (Epstein and Monat, 1973). International contract labor migration thus provides just one alternative for firms and industries in their adjustment to cyclical and long-term structural changes. Current systems of government-sponsored overseas contract employment, whether originating from the Philippines, Sri Lanka, or any other origin, exhibit similar processes (Jones and Pardthaisong, 1999; Gamburd, 2000). Potential migrant workers are recruited either by state agencies, private firms, or some combination of the two, and are deployed on temporary contracts, either of six-month or two-year durations. Consequently, through the hiring of contract labor migrants, employers are able to derive benefits from the employment of a temporary, skill-specific worker. This represents a system of labor flexibility on a global scale and is consonant with the phenomenal growth of temp agencies providing day-labor in the United States. Indeed, as Peck and Theodore (2001) ascertain in their study of temp agencies in Chicago, recruitment/employment agencies actively shape the growth in contingent labor through their role in labor-market intermediation, by selling employers the cost-cutting and labor-controlling virtues of workforce flexibility while mobilizing contingent workers and brokering connections to employers.

Massey (1999) observes that institutional support by governments assumes a variety of forms. State agencies may, for example, take a proactive role in the management and control of migratory flows; train potential migrant workers; or cultivate new labor markets. Within Asian sending countries, the Philippines has been at the forefront of overseas employment policies; to wit, the Philippine Overseas Employment Administration (POEA) has been heralded as a model program by the International Labor Organization, to be used as a template for other countries’ programs. It is to the growth of the POEA that I now turn.

THE EMERGENCE OF THE PHILIPPINE LABOR MIGRATION INDUSTRY

Carnoy and Castells (2001) contend that globalization could only proceed because of the new technological revolution and paradigm that developed from the 1970s onward. This is reflected primarily in advents in information, communications, and transportation technologies. This, however, was simply the medium for, as Carnoy and Castells (2001) explain, the source of globalization was the process of capitalist restructuring that sought to overcome the economic crises of the mid-1970s.

When government-sponsored Asian labor migration began in the 1970s, governments permitted both public agencies and private middlemen to recruit workers for predominantly Middle Eastern construction jobs (Martin, 1996). In the Philippines specifically, overseas employment as a state development program emerged within these processes of globalization, technological revolution, and capital restructuring. Specifically, the evolution of the Philippine state migratory apparatus is contingent upon the broader struggles over the Philippines’ political economy, and especially
the transition from a strategy of import-substitution industrialization to one of export-oriented industrialization, as well its continued neo-colonial relations with the United States (Gonzalez, 1998; Tyner, 2000c). Politically, the declaration of martial law (1972–1981) by former President Ferdinand Marcos also significantly influenced the emergence of overseas employment as a development strategy. As such, the emergence of the Philippines’ overseas employment program gives credence to Carnoy and Castells’ (2000:6) contention that globalization was induced by states as a way out of economic crises. Accordingly, the emergence and continuation of the Philippine state migratory apparatus may be conceived as a Network State.

Prior to the early 1970s, the Philippine state played a small role in the machinations of overseas employment (see Tyner, 1999c). Although the Philippine legislature did pass a law on overseas contract migration in 1915, and subsequent acts and amendments prior to independence in 1946, these pieces of legislation predominantly addressed issues related to United States-bound immigration (Gonzalez, 1998). Only with the passage of Presidential Decree 442—the 1974 Labor code of the Philippines—did the Philippines make formal its policy of overseas labor migration. This was a deliberate response on behalf of the Philippine government to changing world economic conditions. As Ball (1997) identifies, the Labor Code was developed to increase industry efficiency and responsiveness to a growing international demand for temporary workers, through the provision of a legislative, political, administrative, and policy focus for the labor-export industry. Simply put, the labor intensive, export-oriented, and debt-dependent Philippine development strategy pursued by government administrations under the aegis of the International Monetary Fund, World Bank, and other foreign financial and economic interests in the 1970s (and later the 1980s) failed to sustain the agro-industrial development of the country and meet the basic needs of the people (Ofreneo, 1998). As such, overseas employment emerged as a viable option, both for the government and for the thousands of under- and unemployed citizenry of the Philippines.

The initial state migratory apparatus was composed principally of three sub-apparatuses: the newly created Overseas Employment Development Board (OEDB) and the National Seaman Board (NSB), and the existent Bureau of Employment Services (BES), which was housed in the Ministry of Labor and Employment (later renamed the Department of Labor and Employment, DOLE). The OEDB and the NSB were responsible for market development, recruitment, and deployment of land-based and sea-based workers, respectively; the BES functioned as a transitory government-run employment agency while regulating private recruitment agencies (Alegado, 1992; Asis, 1992).

The Philippines’ overseas employment program, similar to export agriculture (Hawes, 1987), was initially planned to be a government monopoly. This was to be accomplished by a gradual four year phase-out of all private employment agencies and, subsequently, a government-to-government handling of all facets of overseas employment, including a ban on direct hiring by foreign employers (Battistella, 1999). Marcos’ proposed monopoly failed to materialize, however, for three interconnected
reasons. First, the OEDB and NSB were marred by corruption and inefficiency; second, the over-centralized government apparatus began to atrophy; and third, numerous legal challenges by the private sector were directed toward the government (Ople, 1979; Alegado, 1992; Asis, 1992). In the turmoil of this contestation over control of overseas employment, both government and private sector participants recognized that (1) conflict would result in less capital accumulation for both sectors and (2) through a partnership, greater levels of accumulation would be possible than if either sector had a monopoly. Thus, for both the state and private sector to more fully exploit the dynamic global labor market, private sector participation was re instituted in 1978. Private recruitment firms thus emerged in the Philippines as integral components of many government programs. The declining role of the government in the processing of workers is readily apparent: in 1975 the OEDB processed 48 percent of all overseas contract workers, yet following the creation of the POEA, the government's share declined to just two percent.

This state/private struggle significantly transformed the form and function of the Philippine labor migration industry. Rather than receding out of sight in an era of globalization, the Philippine state continues to perform critical functions in the workings of the global labor market. However, many important functions have been replaced by private institutions. The evolving state migratory apparatus assumed, throughout the 1980s, more regulatory functions and worked to strengthen the state-private sector symbiosis. The bulk of the day-to-day recruitment and deployment activities, conversely, were—and are still—performed by the private sector.

In 1982 the three sub-apparatuses (OEDB, NSB, and BES) were merged to form the Philippine Overseas Employment Administration (POEA), a massive government conglomerate. As a sub-apparatus of the Philippine state, the POEA remains the most important government institution in the regulation of overseas employment. Presidential Decree Number 797 tasked the POEA with the formulation, implementation, and monitoring of overseas employment. The POEA operates as a conduit, itself an intermediary in the global movement of labor. Indeed, without the cooperation and organization of a multitude of other state and private institutions, the POEA would be ineffective in the global labor market. Of paramount importance is the symbiotic relationship between the POEA and the private sector. The POEA as a sub-apparatus of the larger state migratory apparatus, which would include other government institutions such as the DOLE, the Department of Foreign Affairs (DFA), the Overseas Workers Welfare Administration (OWWA), and the National Youth Manpower Council (NYMC), continues to concentrate primarily on the regulation and marketing of migrant workers, leaving to the private sector the near complete operation of the actual recruitment and deployment of workers.

PRIVATE RECRUITMENT FIRMS IN THE PHILIPPINES

There is still very limited understanding of the highly diversified nature, significance, and behavior of firms from the Asian region (Dicken and Yeung, 1999). This
holds especially true for private labor recruitment firms. Although processes of temporary international labor migration are highly variegated, labor recruitment firms in the Philippines exhibit a modicum of standardization. This results from government regulations which attempt to standardize the process of overseas employment. Firms, for example, are legally required to submit specific documents, and follow specified licensing and accreditation procedures before they are permitted to recruit and deploy migrant workers ((see Tyner (2000b) for a more complete discussion of this process)). Accordingly, recruitment firms that service the global labor market are fundamentally different from temp agencies catering primarily to local labor markets, in the sense that these latter agencies are ceteris paribus less regulated (see Peck and Theodore, 2001).

In the Philippines, the private sector is composed of literally thousands of labor recruitment firms. Firms are distinguished primarily by the type of worker recruited and deployed. The most fundamental distinction is between land-based and sea-based workers. Private recruitment agencies are those licensed to recruit and deploy land-based overseas contract workers; these are further classified into two types: private employment agencies (PEAs) and service/construction contractors (SCCs). PEA’s supply Philippine labor to foreign clients, with the foreign client as the principal employer. Conversely, SCCs provide labor through the deployment of Philippine companies, with the Philippine company receiving the foreign labor contract. Manning agencies are those firms which have been licensed to recruit and deploy sea-based workers. In 1998 the POEA maintained a listing of 2,119 recruitment firms; of these, 866 were PEAs, 436 were service contractors, 241 were construction contractors, and 484 were manning agencies. An additional 92 Philippine registered vessels were also recorded.

Further segmentation of recruitment firms is evident. Owing to complex licensing procedures (see Tyner, 2000b) and a desire to capitalize on specific foreign labor markets, private recruitment firms exhibit labor-niche specialization. Specifically, firms tend to engage in a form of specialization, either regionally or occupationally. Some firms limit their activities to particular occupations (e.g., aircraft mechanics, nurses), whereas other firms focus on specific regions (e.g., Japan, Canada, or the Middle East). These, of course, are not mutually exclusive. Flexibility in operating procedures is also exhibited in recruitment strategies. As established earlier, the principal goal of private recruitment firms is to match worker-applicants with foreign employers. In this regard, these firms differ little from the many temporary employment agencies serving local labor markets (see Peck and Theodore, 1998, 2001). How this matching occurs, though, may assume many different forms. Massey (1984:67), in her discussion of industrial location, refers to ‘dimensions of potential variation’; for private recruitment firms, we may similarly speak of dimensions of potential variation in recruitment/deployment strategies.

Scholars of migration have identified numerous forms of social organization underlying recruitment processes (Ballescas, 1992; Jones and Pardthaisong, 1999; Tyner, 1999a). Common to these processes is the existence of numerous intermediaries,
including actual recruiters, talent managers, friends, and relatives. Essentially, intermediaries operate to connect potential migrant workers with employers abroad. Elsewhere (Tyner, 1999a) I have argued that recruitment strategies may be conceived as falling along a continuum, ranging from passive to active forms of recruitment. Passive forms of recruitment include the maintenance of ‘manpower’ listings. Essentially, private recruitment firms maintain listings of employment contracts and worker applicants. Potential foreign employers, and workers, are thus able to be matched accordingly by office staff. More active forms of recruitment, conversely, include those strategies wherein labor recruiters actually go into towns and villages soliciting potential workers. Frequently this technique is employed when the labor recruiter has a specific contract that needs to be filled. Despite the diversity of recruitment strategies, however, the circulation of overseas employment is dependent upon circuits of information. It is to these processes I now turn.

TECHNOLOGICAL REVOLUTIONS AND RECRUITMENT FIRMS

Processes of globalization, as Dicken (1992) and others argue, are characterized by advanced information and communications infrastructure. Short and Kim (1999), for example, identify that revolutionary transformations in telecommunications have been linked to the rise and expansion of a global financial system and a global service economy. As such, substantial coordination and management among firms and agencies in the global market is necessary. I suggest, by extension, that this same revolutionary transformation in telecommunications has facilitated the rise and expansion of the global labor market and that the interaction among various actors in the labor migration industry is facilitated via the existence of diverse channels of communication. Through these channels, information about potential overseas employment opportunities is collected, interpreted, and disseminated.

The Philippine State and private sector both attempt to keep their fingers on the pulse of the global labor market through these channels. Private recruitment firms, for example, commonly utilize mass media sources—not to distribute information—but rather to obtain information. Recruiters with whom I spoke indicated that they frequently read news magazines such as Time, Newsweek, and the Far Eastern Economic Review, searching for indications of potential development projects. Fidel Boton, for example, is the president of a recruitment firm in Manila that specializes in the deployment of construction workers. In our conversations he explained how he read about a hotel construction project in Hong Kong. Through mail correspondence with the Hong Kong developer, Boton ‘tested the water’ to see if the developer required any temporary labor.

An additional source of information is obtained via government and private publications. The POEA, for example, publishes the Overseas Employment Info Series. Contained within this publication are articles specific to the deployment of contract workers; market situationer reports; market updates, labor-market prospects; direc-
tories of overseas contacts; and current statistical information on stocks and flows of migrants and remittances. More recently, the POEA has launched a web-site containing most of this information. Within the private sector, the Philippine Association of Service Exporters publishes the PASEI Gazette, a magazine containing articles on overseas employment, market situationers, legal issues, and directories of government officials. Moreover, unlike the POEA's publication, this gazette reports mostly on policy-related matters that are central to the operations of private recruitment firms in the Philippines.

Private recruitment firms rely substantially on information obtained via government officials. This infrastructure is in fact institutionalized within the Philippines' overseas employment program. The Rules and Regulations explicitly state that the POEA shall undertake a comprehensive labor marketing strategy through the

\[\text{establishment and maintenance of effective linkages with other government agencies including Philippine missions abroad or corps of labor attaches, foreign governments directly or through their Embassies, foreign employers, the local private recruitment sector, and other organizations. (Book V, Rule I, Section 3f)}\]

Government officials thus may not be directly associated with the POEA or specific recruitment firms. Ambassadors and consulate officials, for example, have many responsibilities that are far removed from the movement of labor. Other officials, of course, are more directly involved. Labor Attaches, for example, are central to the functioning of the Philippine labor migration industry. During the late 1990s the Philippine government maintained a network of nineteen labor attaches around the globe, located in principal labor-importing countries such as Saudi Arabia, Kuwait, Hong Kong, and Singapore. Moreover, as of March 1998 the Philippines had entered into nine bilateral agreements with other countries and was negotiating with seven other countries.

Government officials watch for any new employment opportunities that might be in the making, such as talk of new hotels or airports. Cathy Santos, a mid-level worker in the POEA, explains that much of this information is passed through casual conversations at State dinners or parties. Upon hearing of new prospects, these government officials usually report either to the POEA directly or to the Department of Foreign Affairs. If this latter route is taken, the DFA then reroutes the information to the POEA. Marketing missions also illustrate the social organization of labor migration. Typically composed of members of the POEA, OWWA, DFA, and DOLE, these missions are conducted to inquire into welfare of migrant workers, but also to assess the conditions of existing labor markets. Throughout the 1990s, marketing missions were conducted in many parts of the world, including Greece, Cyprus, and Hong Kong.

A fundamental source of information for private recruitment firms is through the maintenance of social networks. Labor recruiters utilize these contracts to expand
outward, in snowball fashion, to garner a greater share of foreign markets. The initial establishment of social networks often results from the personal history of the private recruiters. Several of the informants whom I interviewed revealed that their personal entry into the labor migration industry followed earlier business ventures. In other words, the recruiters were, bottom-line, business people; the deployment of contract workers did represent simply another commodity to export. Still other recruiters entered the migration industry following their retirement from other occupations. Both Manolo Pardo and Eduardo Torres are former military officers. In establishing their private recruitment firms, Pardo and Torres have been able to capitalize on contacts made during their military careers.

The social networks of private recruitment firms are maintained predominantly through mail correspondence, telexes, facsimile transmissions, telephone conversations and, increasingly, electronic-mail transmissions. Only rarely do recruiters travel to foreign destinations, or do foreign employers travel to the Philippines to negotiate contracts. These infrequent in-person meetings appear to occur mostly when 'emergency' situations arise. Likewise, the retention of individual agents abroad does not appear to be a common strategy for Philippine-based private recruitment agencies. This practice is decidedly more expensive. Nevertheless, the utilization of agents who travel abroad is not unheard of.

Overseas contacts may in fact be potential employers. Manolo Pardo explains how the process works by detailing his experience with Kim Construction, an oil-exploration corporation based in South Korea. Initially, the company had access to the technology and capital required for oil-exploration ventures, but lacked an adequate supply of labor. A decision was made to employ temporary foreign workers. Executives of Kim Construction contacted related corporations, such as welding companies engaged in the construction of oil rigs. In this way, the administrators of Kim Construction utilized their previous existing social networks to inquire about foreign labor supplies. One of these welding companies had previously hired workers from Pardo’s recruitment agency. The welding company was satisfied with their workers and so recommended Pardo’s agency to Kim Construction. In turn, Kim Construction contacted Pardo and, after a period of negotiations, it was agreed that Kim would hire workers from Pardo’s agency for a project in Malaysia. Up to this point, the entire process of Philippine labor migration to Malaysia resulted from the establishment of social networks between corporations in South Korea and, subsequently, between a South Korean-based corporation and a Philippine-based recruitment firm. Unlike more traditional explanations of labor migration, this process reveals that conditions in Malaysia played virtually no role in the migration of Philippine contract workers. Rather, overseas contract migration within the global economy is facilitated through the establishment of social networks.

Pardo relates also that after this initial venture with Kim Construction, as the South Korean corporation expanded and established additional oil-exploration projects in other countries, the company continued to hire workers through Pardo’s agency. Thus, the initial contacts between Kim Construction and Philippine Labor Resources
expanded into a world-wide system of Korean economic ventures and Philippine labor. A single corporation, and the initial decision to recruit in the Philippines, therefore, provides the explanation for the movement of hundreds of Philippine contract migrants throughout the world.

A final channel of communication is the Internet. Indeed, Short and Kim (1999) write that the formation of the global telecommunications network is well illustrated in the phenomenal growth of the Internet and the World Wide Web; these sites, according to Short and Kim, are becoming an outstanding source of all kinds of information, partly replacing libraries, newspapers, marketing catalogs and advertising brochures. Increasingly, labor recruiters in both sending and origin countries have utilized the World Wide Web (see Tyner, 1998, 1999b). Indeed, by capitalizing on the global scope of the Web, coupled with the instantaneous transmission of information, the Web may potentially revolutionize the institutional processes of international labor migration.

THE SPATIALITY OF RECRUITMENT FIRMS

Having considered the channels of communication that facilitate the functional integration of private recruitment firms into the global economy, it is natural to consider the spatial dimensions that influence the siting of private recruitment firms in the Philippines. Specially, to what extent does the spatiality of recruitment firms intersect with processes of globalization? This is a fundamental geographic question which, in the totality of migration studies, has received only minimal attention. Indeed, despite the plethora of research that has considered the influential position of intermediaries such as recruitment agents and money-lenders (Brochmann, 1993; Gamburd, 2000), few studies have explicitly addressed the spatial dimensions (though see Jones and Pardthaisong, 1999).

Sassen (1999) contends that the global economy needs to be implemented, reproduced, and serviced; moreover, these processes are located in specific places—often in global (or world) cities. Short and Kim (1999) similarly assert that world cities are control, command and management centers that orchestrate global manufacturing production, financial transactions, producer services and telecommunications networks. Accordingly, considerable work has been directed toward circuits of global capital and its control via global cities. Circuits of global labor are also spatially focused, however, often in the primate cities of lesser developed countries (e.g., Manila, Bangkok, Columbo). These cities thus assume the role of ‘world’ or ‘global’ cities in circuits of global labor.

With regards to economic functions, cities provide agglomeration economies, massive concentrations of information on the latest developments, and a marketplace (Sassen 2002). As such, we would expect that private recruitment firms, as key intermediaries in the circulation of global labor, would indicate a spatial clustering within selected cities. In the Philippines, private recruitment firms are not distributed
ubiquitously throughout the country; nor do these firms exhibit a random distribution. An analysis of two unpublished data sets (c. 1989 and 1998) provided by the POEA reveals that the Metro Manila region contains over 99 percent (627 of the 633 identifiable firms) of all private recruitment firms. A strong spatial patterning based on type of agency is also evident. Over 99 percent of all PEAs are located in Metro Manila. Only two PEAs were located elsewhere; one was located in the second largest city of the Philippines, Cebu, while another was sited in Iloilo, on the island of Panay in the Visayas.

The agglomeration of recruitment firms results from a series of economic factors operating at both local and global levels. Specifically, the decision in siting a recruitment firm is predicated on higher-level organizational pressures (e.g., government regulations), existing infrastructure (e.g., transportation networks), and local operating environments (e.g., labor availability). Both urbanization and localization economies have been identified as contributing factors to the spatial clustering of private recruitment firms (Tyner 2000a). Localization economies are derived in three areas. First, the localized scale of the Philippine migration industry within Manila permits the subdivision of operations. The training, testing, certification of occupations, such as performing artists or sea-based workers is spatially focused on the Metro Manila region. Moreover, these activities require the existence of ancillary firms that are accredited and licensed to conduct training and testing, all of which are spatially concentrated in the capital region (Tyner, 2000b). Second, the creation of a pool of skilled and unskilled labor strengthens localization economies (Berry et al., 1997), a process not unlike that found in domestic temp agency location strategies (Peck and Theodore, 2001). Recruitment firms located in Manila are able to tap into unemployed and underemployed workers in the national capital region. Additionally, the number of schools and universities within Manila provides a steady supply of skilled labor. Third, private recruitment firms in Manila may benefit from a reputation acquired by its workers. In short, firms may attempt to capitalize on global perceptions of a ‘product differentiation’ of labor. Woodward (1988), for example, identifies how divisions of labor in the oil industry of Saudi Arabia are predicated on nationality-based stereotypes. With respect to Philippine workers, Woodward (1988) identifies that managers in the Middle East perceive Filipinas as more productive; moreover, workers from the Philippines generally speak English and have an understanding and appreciation for U.S. technology and administration. Other studies have likewise identified the existence of ‘national’ or ‘ethnic’ based stereotypes in the recruitment of labor (Humphrey, 1991; Andall, 1992; Tyner, 1999b). Combined, then, these spatial dimensions contribute to a process whereby firms ‘harden and institutionalize processes of labor segmentation at the point of entry into the job market, with potentially wide-ranging and long-term effects for occupational mobility, employment security and wage prospects’ (Peck and Theodore, 2001:492).

Urbanization economies are derived from the spatial agglomeration of many different types of businesses. For the labor migration industry, these include the spatial
proximity of embassies, consulates, hospitals, and police stations—all of which are essential in the provision of medical clearances, visas, passports, and security checks. Private recruitment agencies likewise benefit from their spatial proximity to non-labor-related ancillary activities, such as advertising agencies, transportation facilities (including international airports), and existing infrastructure (e.g., electrical services, computer accessibility).

Flexible recruitment strategies and the utilization of subagents permit private recruitment firms to concentrate near services sites rather than labor pools. Moreover, unlike fast-food outlets or shopping centers, private recruitment firms do not have ‘territorial imperatives’ (Wilbanks, 1980:119); the siting of recruitment firms is not ceteris paribus dependent upon a surrounding area to serve. Rather, they are able to potentially draw upon a global supply of labor. The aforementioned experience of Manolo Pardo’s recruitment network linking South Korea and Malaysia is a case in point.

What of competition among firms? Anecdotal evidence suggests the existence of both formal and informal associations. These ‘alliances’ may be among firms that ‘export’ similar workers. There exists, for example, associations of recruiters that specialize in the deployment of performing artists. Preliminary evidence suggests that recruiters are better able to lobby for policy-changes through these associations. Admittedly, though, these questions await further research.

SUMMARY AND IMPLICATIONS

Social scientists, and especially geographers, have identified key changes in the workings of the global economy. In particular, a ‘globalization’ of economic activities—as opposed to an ‘internationalization’ of activities—has been documented. Globalization in this context is defined by the functional integration of a firm’s international operations and not merely by their geographical context. Internationalization, in contradistinction, refers simply to the geographical dispersal of firms across national boundaries. Thus, a firm which has operations distributed on a world scale may not, in fact, be globalized if its operations are not functionally integrated (Dicken and Yeung, 1999). Concurrently, this process of globalization has been associated with an increased ‘flexibilization’ of labor, at both local and global levels.

In this paper I have theoretically considered the globalization of private recruitment firms as a facilitator of international labor migration. I contend that, with respect to the Philippines’ case, private recruitment firms are decidedly integrated globally, and not simply internationalized. Accordingly, the agglomeration of private recruitment firms within select cities, such as Manila, has assumed a key intermediary role in the circulation of global capital. Revolutions in information and communications technologies, specifically, have permitted private firms to capitalize on changing local labor markets, thus revealing dimensions of potential variation in recruitment and deployment strategies. Concurrently, private recruitment firms that
cater to the global labor market exhibit consonance with locally-based temp agencies, in that both ‘are actively engaged in deepening, broadening and flexibilizing the supply of labor for contingent jobs in the sense that their practices serve to expose and commodify hitherto-inaccessible, localized niches within... labor pools’ (Peck and Theodore, 2001:493).

Private recruitment firms, however, are not completely autonomous. Rather, they operate in tandem with states to facilitate and regulate global circuits of labor. Accordingly, the Philippine state migratory apparatus conforms to Carnoy and Castle’s notion of a network state. Network states are composed of shared institutions, all necessary for the performance of the state’s functions. In this context, the phenomenal rise in international labor migration, particularly within East and Southeast Asia, would not be possible without the mutual cooperation—though this is sometimes contested—between state agencies and private recruitment firms. Through these arrangements, coupled with advents in channels of communication, the accumulation of capital is facilitated.

In summary, this paper provides a synthesis of the nexus of state/private sector participation in systems of international labor migration. Awaiting further research, however, are the critical questions of migrant ‘agency’ within this context. In particular, how do individual migrants interact within these evolving network states? How are internal migration decisions negotiated (for a preliminary discussion, see Tyner, 2002)? Also needed is a theoretical engagement with the ‘agency’ within ‘agencies’. For example, what contestations and negotiations materialize when we step inside private recruitment agencies? How are questions of gender and ethnicity manifest in the day-to-day workings of these organizations? And finally, how are policies negotiated between state and private personnel? To date, few researchers (cf. Calavita, 1992; Constable, 1997; Hondagneu-Sotelo, 2001) have ventured into these territories.

REFERENCES


