

From Employment to Entrepreneurship: Profiling Filipino Overseas Workers in Abu Dhabi, UAE with and without Business Ventures

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Received: 10 May 2024; Received in revised form: 20 Jun 2024; Accepted: 27 Jun 2024; Available online: 05 Jul 2024

Abstract— Overseas Filipino Workers (OFWs) in Abu Dhabi, UAE, are increasingly venturing into entrepreneurship, yet little research explores their entrepreneurial endeavors and the factors influencing their decisions. This study profiles OFWs with and without businesses, examining motivations, challenges, and opportunities. Employing a descriptive quantitative design, data was collected from 100 OFWs via Google Forms. Findings reveal a diverse demographic profile, with a majority being female, married, and holding bachelor's degrees. Most OFWs have moderate incomes, significant family dependents, and extensive work experience abroad. While 32% have initiated businesses, motivations include financial independence and skills utilization. Challenges include competition and capital constraints. Lack of capital and entrepreneurial knowledge hinder entrepreneurial pursuits for others. Nonetheless, OFWs express varied career aspirations, from concurrent entrepreneurship to full-time ventures. Recommendations include tailored entrepreneurship support, investment promotion, training initiatives, and reintegration programs. Understanding OFWs' entrepreneurial landscape is crucial for policymakers and stakeholders to support their economic growth and aspirations effectively.

Keywords— Abu Dhabi, Business Ventures, Employment, Entrepreneurship, Overseas Filipino Worker

I. INTRODUCTION

Overseas Filipino Workers (OFWs) have long been recognized for their contributions to the global workforce, particularly in the Middle East. They play a crucial role in the economic development of both their home country and their host nations. While many OFWs are employed in various industries, there is a growing trend of Filipino workers in Abu Dhabi, UAE venturing into entrepreneurship. However, there is limited research on their entrepreneurial endeavors and the factors that influence their decision to venture into business. This study seeks to bridge this gap by profiling Filipino overseas workers who have successfully established their businesses, as well as those who have remained in employment.

By examining the motivations, challenges, and opportunities faced by Filipino overseas workers in Abu Dhabi, UAE this study aims to shed light on the specific circumstances that drive individuals to transition from being employees to becoming entrepreneurs. The findings of this research will not only contribute to the existing literature on entrepreneurship but also inform policymakers and stakeholders about the potential benefits and contributions of Filipino overseas workers in Abu Dhabi in the entrepreneurial landscape.

The relationship between migration, development, and entrepreneurship is widely recognized as an important concept in both developed and developing countries. Some researchers argue that labor export migration can have

positive effects and contribute to national development (Cai, 2011). European governments, for example, view the diaspora phenomenon as beneficial for the development of their home countries (Sinatti and Horst, 2015). Policies aimed at facilitating this connection have become crucial for states to attract investments, resources, and skills. In addition, workers are encouraged to start their businesses in the fields they work in because they learn more about the opportunities available in those industries (Shane et al., 2003; Gacheru, 2007).

However, there are potential challenges for returning migrants who wish to become entrepreneurs. In the case of Egypt, returnees who have accumulated savings and overseas experiences are more likely to start their businesses. However, they may face the risk of losing their social capital, which includes their connections and networks (Wahba and Zenou, 2009). Filipino and Indonesian migrant workers, encouraged to become entrepreneurs, often face the burden of enterprise failures (Spritzer, 2016). The impact of global crises that lead to the return of migrant workers further exacerbates their challenging situation (Spritzer and Piper, 2014).

To address these issues, it is important to adopt a migrant-centered approach that not only recognizes the contribution of migrants to national incomes but also prioritizes their economic well-being and human development (Sinatti, 2019). In the Philippines, for instance, there is a policy in place to support returning migrants in establishing their micro, small, or medium-sized enterprises. Senator Win Gatchalian has emphasized the need to provide alternative opportunities for returning OFWs by enabling them to start their businesses (Gatchalian, 2020).

II. METHODOLOGY

This study utilized a descriptive design under quantitative research. According to Nieswiadomy (2008), a descriptive study describes the phenomena or relationship between examined variables. The study also exemplified the relationships between age, civil status, educational attainment, and OFW's monthly family income. The respondents of the study were composed of 100 Overseas Filipino Workers in Abu Dhabi. The sample population was determined using purposive sampling or judgmental sampling. Due to the location of the respondents of the proposed study, the researcher has decided to conduct the survey using Google Forms. The survey questionnaire used in this study was self-made by the researcher to fully answer the research questions posed.

III. RESULTS AND DISCUSSION

1. Socio-Demographic Characteristics of Participants

Table 1: Socio-Demographic Profile of Respondents, n=100

Description	f	%
Gender		
Male	24	24%
Female	76	76%
Age		
Under 25	1	1%
25 - 30	12	12%
31 - 35	20	20%
36 - 40	27	27%
Over 40	40	40%
Marital Status		
Single	40	40%
Married	55	55%
Separated/Divorced	3	3%
Widow	2	2%
Educational Attainment		
Elementary	1	1%
High School	8	8%
Bachelor's degree	84	84%
Postgraduate Degree	7	7%

Table 1 illustrates the number and socio-demographics of respondents. The sample included 100 OFWs currently based in Abu Dhabi UAE. The presented data provides a snapshot of a specific population's demographic profile, which is crucial for research analysis and understanding the characteristics of the study group. The data encompasses gender, age, marital status, and educational attainment. The age of participants included in the population ranged from 25 and above 40 years, with a mean of 20 years. Almost half of the respondents are aged 40 and above. The vast majority (n = 76, 76%) of participants were female, and most of the participants were married (n = 55, 55%), more than one-fourth were single (n = 40, 40%), 3 were separated (3%) and 2 were widow (2%). In terms of educational background, 84% of the participants were bachelor's degree holders (n = 84), Postgraduate degree holders 7% (n = 7), while 8% (n=8) of the respondents have attained high school and 1% (n=1) is elementary.

2. Family Dependent

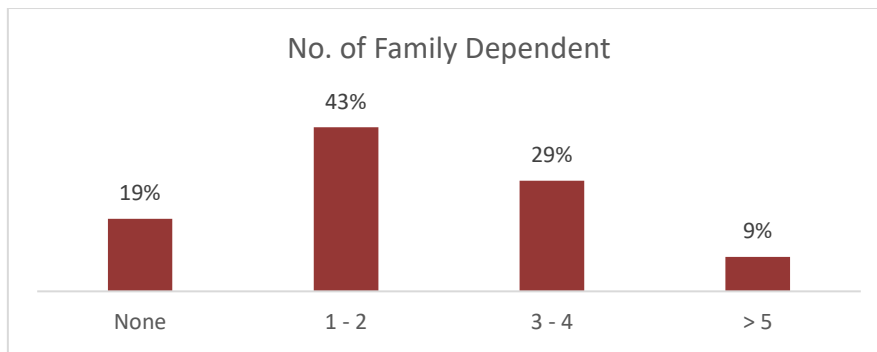


Fig.1: Family Dependent

Figure 1 The data above represents the number of family dependents of the respondents. It is segmented into four categories based on the number of dependents. A significant portion of the population, 43%, falls into the "1 - 2" dependent category, indicating that many individuals have one- or two-family dependents. Meanwhile, 29% have "3 -

4" dependents, showing a sizable group with a somewhat larger family. A smaller proportion, 19%, have "None" as their family dependents, while 9% have "More than 5" dependents, suggesting a minority with a larger family size.

3. No. of Years as an OFW

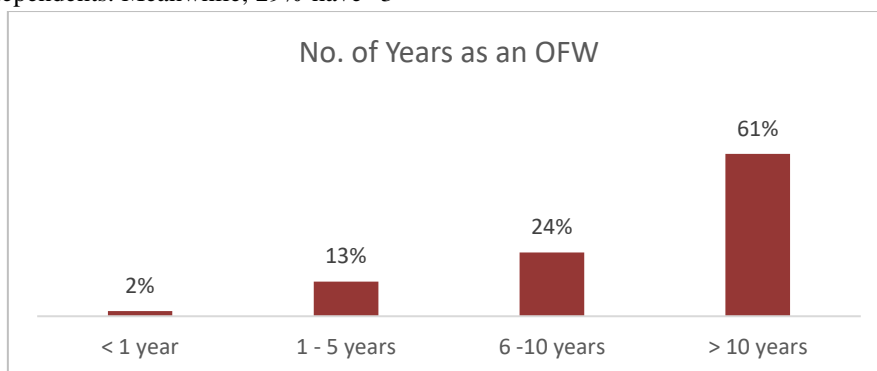


Fig.2: No. of Years as an OFW

Figure 2 illustrates the respondents' number of OFWs for "More than 10 years," highlighting a significant portion of long-term overseas workers. "6 - 10 years" accounts for 24%, indicating a substantial mid-term group. Meanwhile,

13% have "1 - 5 years" of experience, and 2% have been OFWs for "< 1 year."

4. Respondents Monthly Income

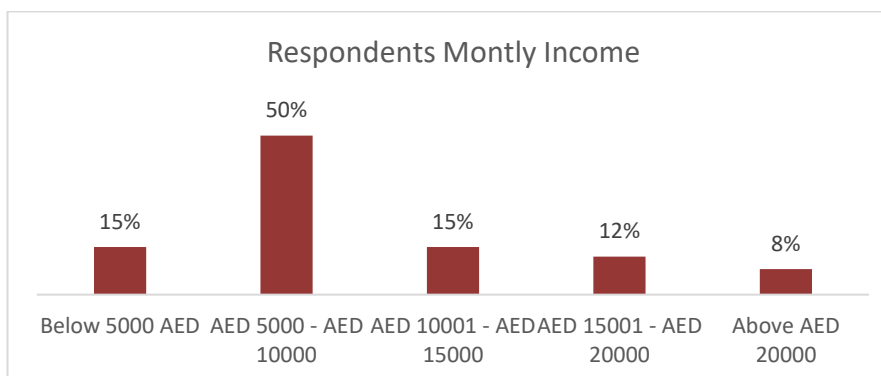


Fig.3: Respondents Monthly Income

The data represents the monthly income distribution of the respondents, categorized into five income brackets. The

largest segment, comprising 50%, falls within the "AED 5001 – AED 10000 " category, indicating a significant

portion with moderate incomes. "Below AED 5000" accounts for 15%, while "AED 10001 – AED 15000" and "AED 15001 - AED 20000 " each represent 15% and 12%, respectively. A smaller group of 8% falls into the "Above

AED 20000" category, signifying a minority with relatively high incomes.

5. Started Own Business While Working as an OFW

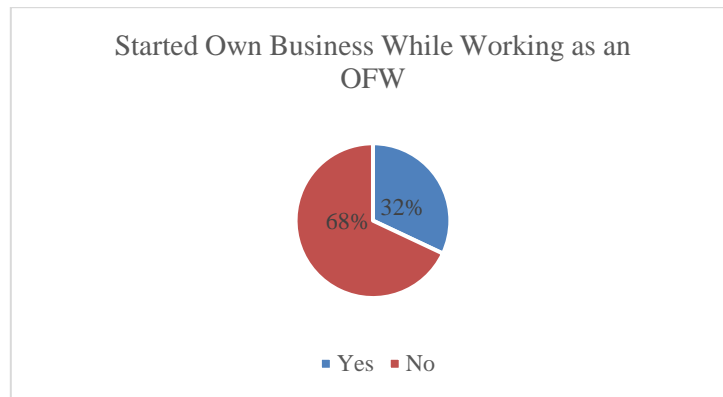


Fig.4: Started Own Business While Working as an OFW

Figure 4 shows whether respondents who work as overseas workers (OFWs) have initiated their businesses. It is divided into two categories, "Yes" and "No." Notably, the majority, 68%, have not started their businesses while working as OFWs, which suggests that a significant portion is not involved in entrepreneurial endeavors. In contrast,

32% have ventured into business ownership during their overseas work, indicating a substantial minority who have embraced entrepreneurship while abroad.

6. Respondent type of business being ventured

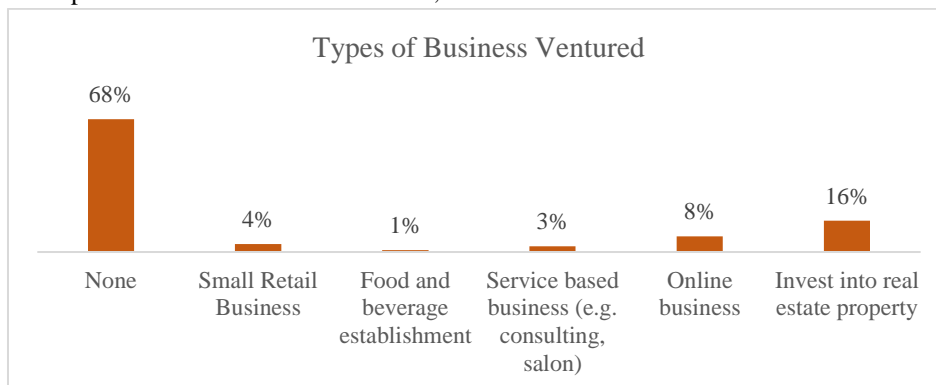


Fig.5: Respondent type of business being ventured

Figure 5 offers insights into the types of businesses initiated by overseas workers (OFWs) who have ventured into entrepreneurship. Respondents who answered "Yes" to start their businesses were further asked to specify the type of business they were involved in. Here are the results:

- "Invest into real estate property" constitutes the largest category at 16%, indicating a substantial number of OFWs have chosen to invest in real estate, a common financial strategy for many working abroad.
- "Online business" follows closely at 8%, reflecting a significant segment engaged in e-commerce or

digital entrepreneurship, likely benefiting from the accessibility and global reach of the internet.

- "Small Retail Business" and "Service-based Business" make up 4% and 3%, respectively, representing smaller but still noteworthy groups involved in traditional retail, consulting, or salon businesses.
- A minimal of 1% are engaged in "Food and beverage establishments."

7. Scale of business being established based on capitalization

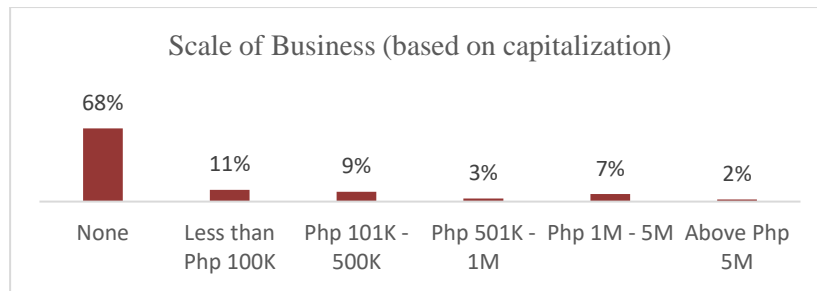


Fig.6: Scale of business being established based on capitalization

Figure 6 offers a comprehensive view of the scale of businesses established by overseas workers (OFWs) who have embarked on entrepreneurial endeavors, with the categorization based on their capitalization. Here's the analysis of the findings:

- "Less than Php 100K" is the most common scale, representing 11 respondents (11% of those involved in entrepreneurship). This suggests a substantial portion of OFWs have initiated small-scale businesses with limited initial capital.
- "Php 101K – Pph 500K" closely follows with 9 respondents (9%), indicating that a significant group of OFWs have established businesses with a slightly larger capital base, positioning them in the small to medium-scale category.

- "Php 1M – Php 5M" comes next with 7 respondents (7%), showing that a noteworthy number of OFWs have ventured into medium-scale businesses with more substantial capitalization.
- "Php 501K – Php 1M" and "Above Php 5M" make up smaller segments at 3% and 2%, respectively. This data suggests that a minority of OFWs have embarked on larger entrepreneurial initiatives, potentially involving more significant financial resources.

8. Factors motivated the OFWs to start their own business

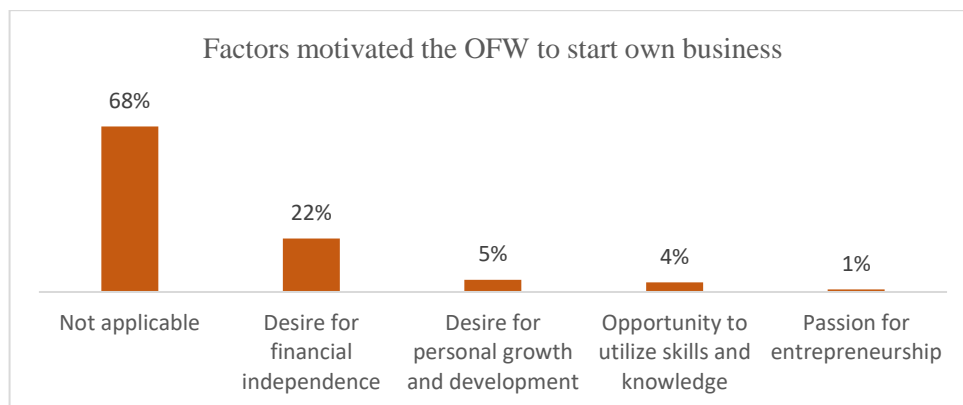


Fig.7: Factors that motivated the OFWs to start their own business

Figure 7 shows the motivations of overseas workers (OFWs) who have embarked on entrepreneurial ventures. When asked what prompted them to start their businesses, the responses reveal various motivating factors:

- "Desire for financial independence" emerged as the primary motivator, with 22% of respondents indicating a strong aspiration for economic self-sufficiency. This highlights the importance of financial stability and the desire to break free from financial constraints.
- "Desire for personal growth and development" was cited by 5%, indicating that some OFWs are motivated by a commitment to self-improvement

and personal fulfilment, beyond just financial gains.

- "Opportunity to utilize skills and knowledge" was the motivation for 4%, reflecting a group keen on applying their expertise and experience to entrepreneurial endeavors.
- "Passion for entrepreneurship" stood at 1%, underscoring a smaller but significant portion driven by a genuine love for the challenges and rewards of business ownership.

9. Primary challenges OFWs faced when starting and managing their business

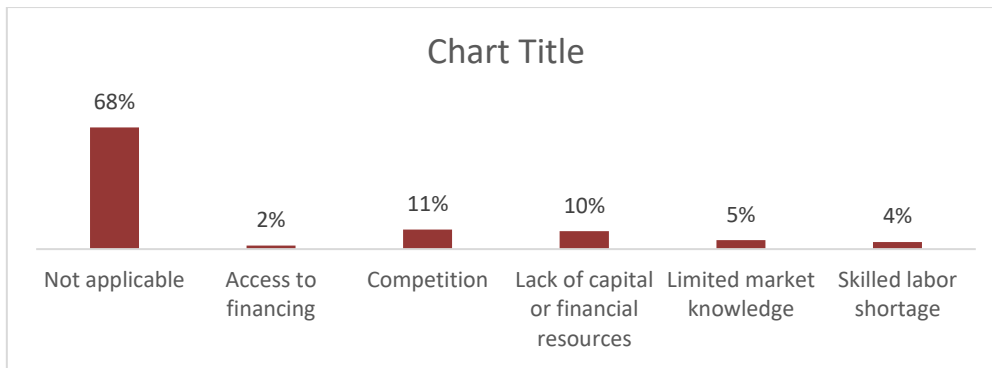


Fig.8: Primary challenges OFWs faced when starting and managing their business

Figure 8 provides insights into the primary challenges faced by overseas workers (OFWs) who have initiated and managed their businesses. Respondents were asked to specify the key challenges they encountered in this entrepreneurial journey, and the findings are as follows:

- "Competition" was cited by 11% of respondents, indicating that a significant challenge for OFW entrepreneurs is contending with rivals in their respective markets.
- "Lack of capital or financial resources" closely follows at 10%, underscoring the pervasive challenge of securing adequate funding to start and sustain their businesses.
- "Access to financing" accounts for 2%, pointing to a smaller group struggling with financial support and resources.
- "Limited market knowledge" was a challenge for 5%, indicating that a portion of OFWs faced hurdles related to understanding and navigating their target markets.
- "Skilled labor shortage" represented 4%, reflecting a group dealing with difficulties in recruiting and retaining qualified employees.

10. Primary reason for not starting own business

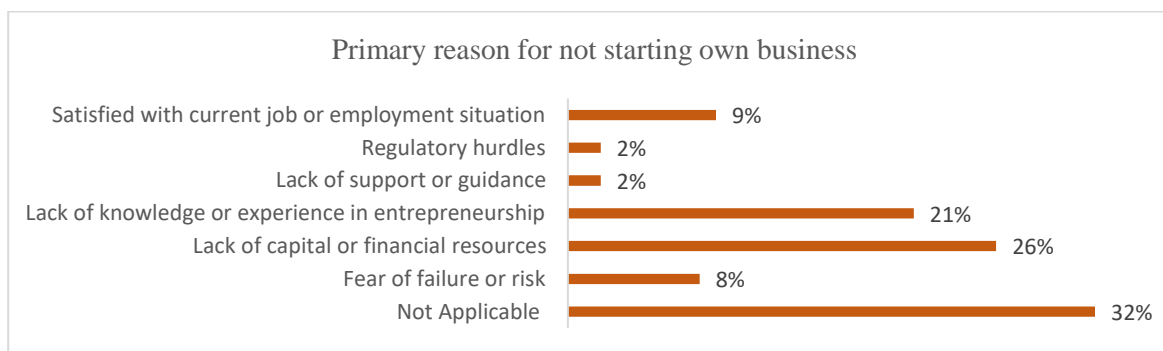


Fig.9: Primary reason for not starting own business

Figure 9 presents the primary reasons why some overseas workers (OFWs) have not pursued entrepreneurship, shedding light on the key factors that influence their decision to refrain from starting their businesses. The findings are as follows:

- "Lack of capital or financial resources" is the most prevalent obstacle, with 26 respondents (26%) facing financial constraints that hinder their entrepreneurial aspirations. This highlights the pressing need for capital to initiate business ventures.
- "Lack of knowledge or experience in entrepreneurship" closely follows, cited by 21 respondents (21%). This indicates that a substantial portion recognizes the importance of expertise and experience in the entrepreneurial realm.
- "Satisfied with current job or employment situation" is mentioned by 9 respondents (9%), suggesting that a segment of OFWs prefers the stability and contentment provided by their current employment.
- "Fear of failure or risk" represents 8%, implying that a minority may be apprehensive about the uncertainties and potential risks associated with starting a business.
- "Lack of support or guidance" and "Regulatory hurdles" are reported by a smaller number of

respondents, indicating that these issues are less common but can still deter entrepreneurial pursuits.

11. How do the respondents envision their future career or professional aspirations?

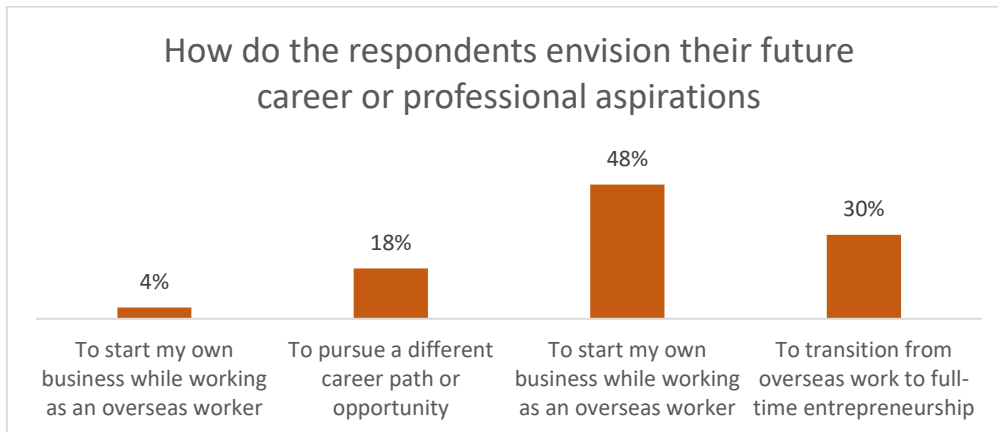


Fig.10: How do the respondents envision their future career or professional aspirations

Figure 10 reveals the career and professional aspirations of overseas workers (OFWs), shedding light on their future and ambitions. Respondents were asked to envision their future career paths, and the results are as follows:

- "To start my own business while working as an overseas worker" garnered 48% of responses. This indicates a substantial desire among OFWs to balance their overseas employment with entrepreneurship, highlighting their entrepreneurial spirit and the pursuit of financial independence.
- "To transition from overseas work to full-time entrepreneurship" was selected by 30%, signifying a significant portion aiming to transition from overseas work to dedicated entrepreneurship, potentially indicating long-term entrepreneurial goals.
- "To pursue a different career path or opportunity" represents 18%, indicating that a portion of OFWs is open to exploring new career avenues or opportunities outside their current trajectory.
- "Not applicable" received 4%, suggesting that a smaller group may not have defined specific career aspirations.

This data underscores the diversity of career ambitions among OFWs, encompassing a range of options from concurrent entrepreneurship while working abroad to full-time entrepreneurship and exploration of different career paths. It provides valuable insights for research on the future career trajectories and entrepreneurial tendencies of this group, potentially guiding policies and support programs aimed at facilitating their professional aspirations.

IV. CONCLUSION AND RECOMMENDATION

The gathered data yields profound insights into the entrepreneurial inclinations of Overseas Filipino Workers (OFWs), offering a rich perspective into their motivations, challenges, and opportunities in the realm of business ownership. Additionally, it sheds light on the diverse entrepreneurial landscape within the OFW community, highlighting trends in investments, online commerce, and traditional business ventures, which are pivotal for studies focused on entrepreneurial behavior and the economic activities of OFWs. The study further unveils a spectrum of entrepreneurial ventures, ranging from small-scale startups to medium-sized enterprises, initiated by OFWs. Furthermore, the findings deliver crucial insights into the multifaceted motivations driving OFWs to embark on entrepreneurial journeys. The findings also underscore the common hurdles faced by OFWs in their entrepreneurial endeavors, including stiff competition, financial constraints, and challenges related to market knowledge and human resources. The study also provides invaluable insights into the multifaceted factors influencing OFWs' decisions concerning entrepreneurship. Lastly, the collected data accentuates the diversity of career aspirations among OFWs, encompassing a wide range of options, from concurrent entrepreneurship while working abroad to full-time entrepreneurship and exploration of various career paths.

Based on the dataset presented, several recommendations can be made to better support and understand overseas workers (OFWs) and their entrepreneurial and career aspirations:

- **Tailored Entrepreneurship Support:** With 32% of OFWs venturing into entrepreneurship during their overseas work, there's a need for tailored

support programs that can provide training, mentorship, and access to financial resources.

- **Investment Promotion and Access to Capital:** Develop programs that encourage investment in overseas workers' businesses and facilitate access to capital.
- **Training and Skill Development:** Offer training programs and skill development initiatives for overseas workers (OFWs) who aspire to become entrepreneurs.
- **Support for Returning OFWs:** Develop reintegration programs for OFWs who have successfully run businesses abroad and wish to return to their home country.

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