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The Wage Structure of Overseas Filipino Workers

by

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Abstract.

Labor-importing countries adopt differing immigration policy on foreign workers. They all restrict the number allowed entry and many set wage ceilings at levels below the wage paid the native workers. The differing restrictive immigration policies result in the segmentation of the world labor market and large inequality in wage rates for any one occupation or skill. The paper presents a simple model of wage and employment determination for observable variants of immigration policy followed by the major destinations of OFWs, in particular North America, Asian tiger economies and the Middle East. It estimated wage functions by regression using individual overseas workers data with human capital (schooling and experience), sex, occupation and destination as arguments. Excepting for completed college, schooling is found not to be a significant explanatory variable. The other variables exerts their expected influence in a significant way but destination proves to have the strongest influence on foreign wage. The paper concludes that would-be OFWs are unable to choose the best destination partly because of immigration restrictions and partly because they do not meet the qualifications required. Examples are ICT and nursing occupations. There is a proliferation of academic programs for these occupations but their generally poor quality disables the country from responding to the foreign demand for these skills.

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Introduction

Close to eight million Filipinos resided abroad in 2003, 2.87 million as permanent emigrants and 4.90 million as migrant workers, popularly referred to as overseas Filipino workers or OFW. (Appendix Table 1) The two groups comprised about 9% of the population. The permanent migrants have settled mainly in the US and Canada which have absorbed 2.34 Million with the rest in other advanced economies such as Japan, Australia and Europe. The OFWs were employed in varied occupations and in varied destinations encompassing all the world's continents. They formed two big groups, the land-based and the seamen who respectively numbered 4.68 Million and .216 Million. This large stock of Filipinos overseas resulted from an accumulation of continuous emigration since the 1930s for either permanent settlement or for temporary employment that had been extended for several years or even changed to permanent status. In the beginning of the last Century, agricultural workers left for Hawaiian and California plantations. In the immediate post-WWII, engineers and other skilled labor found employment in American military bases in the Asia Pacific region such as Guam and Okinawa. The liberalization of the US immigration policy in 1965 has allowed a regular, albeit restricted, entry to America for family reunification and employment in selected occupations. Subsequently Canada and Oceana began to allow entry of a relatively small number of skilled Filipino workers. The outflow to these destinations has been restricted to only about 50,000 per year in the past decade. It comprised a small fraction of the total outflow, largely of migrant labor, which has reached 868,000 in 2003.

Large scale labor migration of labor began in the mid 1970s with the opening of the Middle East market. (Appendix Table 2) From 36,000 in 1975, the number of workers departing each year continually increased as they found employment in more varied occupations and in more varied destinations. When the construction boom in the Middle East started to slow down, jobs were obtained in the East Asian tiger economies whose labor markets were experiencing tightening labor markets. Currently they are reported to be scattered in some 190 country destinations. The Middle East has, however, remained a most important destination. In 2001, 34.4% of the outflow was for the Middle East, 32.3% for Asia and 23.5% for various international shipping companies. Only 2.0% was for America and 5.1% for Europe. Note that the stock of OFWs is close to 4 times the yearly outflow since a large proportion of them have been able to renew their short-term contracts, usually two years, once or more times. In fact over the 2000-2003 period, less than 40% of departing OFWs were new hires, the rest were rehires or returning to their foreign jobs. Our survey shows that on average, the latter have worked abroad for an average of 7 years. Bagasao, et al. (2004) found the

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[*] Professor Emeritus, UP School of Economics. Two people collaborated in the research: Ms. Helen Barayuga, Director of POEA Electronics Data Processing Office, developed the sampling design and supervised the surveys and encoding and Ferdinand Co, Information Technology Officer of the UP School of Economics, helped process the raw file and run the regressions. Gloria Lambino rendered her usual excellent secretarial assistance. PCED provided financial support especially for the surveys and data processing.

average stay abroad of their sampled OFWs who were here for the Christmas holidays in 2003 was about 5 years.

Filipinos enjoy freedom to migrate internally and externally. Labor migration is essentially a family decision aimed at maximizing expected economic benefits or returns. Some economists (Stark 1991) argued that labor migration might be partly a risk-avoidance strategy as families try to diversify the sources and locations of their income. Migration, however, entails its own risk as evidenced by the experience of OFWs. According to the Philippine Overseas Employment Administration, POEA which keeps track of problems encountered by OFWs, there were significant occurrences of contract violations, fraudulent job placement, physical violence and poor working conditions. (Tan, 2002, 2004a). Migration may also be a means of diversifying investment. Generally, it entails substantial costs for job placement, transport and various departure fees. Many migrant families are reported to have sold assets and/or borrowed to finance migration cost. The whole family bears the psychic cost of separation and shares in any problem encountered by its migrant member.

Foreign wage, working condition and quality of social and physical environment for each occupation differ between destinations, not necessarily in line with competitive compensating wage differential for work hazard. Foreign wage may be negatively related to work hazards and positively to quality of work and living environment. The US, for example, offers the highest wage and the best working and social conditions while the reverse holds for some Middle East destinations. The structure of foreign wage and working conditions are taken to be the result of foreign labor market segmentation that arises from restrictive immigration policies of labor-importing countries. Countries adopt different forms of restrictions on foreign workers that act as barriers to labor mobility and competitive compensation setting. Each government decides on the number of foreign workers of specific skills to be allowed entry, their wage and whether or not to extend to them the guarantees of human rights and the protection of domestic laws. Only a handful of labor-importing countries have ratified the ILO convention on migrant labor.

Immigration barriers tend to give labor-importing countries some monopsony power over foreign workers. The power goes beyond that created by geographic barriers that isolate small distantly located labor markets, e.g. the market for nurses. (Sullivan 1989, Hirsch and Schumacher 1995). The paper presents a simple model illustrating the monopsony impact of restrictive immigration policies on employment and wage rate. Variation in immigration policy leads to variation in wage rate paid to a given skill category and to net returns to migration among migrants.

Two surveys were conducted to obtain data on wage rates of land-based OFWs, one on newly hired OFWs or new hires, another on OFWs who were returning to their foreign jobs or rehires. For new hires, the data was obtained from the information sheet that each departing OFW has to fill up when his foreign employment contract is processed for approval and certification by POEA. [1] A certificate of POEA approval of his

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[1]The POEA is charged with responsibility for developing policies and strategies aimed at protecting OFWs in their job placement, immigration procedure and at their work place and promoting foreign employment. The POEA sets standard placement practices, placement fee ceilings and minimum foreign wage rates by occupation. It screens placement agents before they are registered and investigates and punishes agents for recruitment abuses filed against them. Foreign employment contracts have to meet minimum standard wage rates and working

contract is needed for immigration purposes and for registration as an OFW. Registration provides him with death and disability insurance and other protective services. A random sample of 12,679 information forms was drawn from a population of 250,000 forms filed by new hires who left the country in January to March 2003. For rehires, a sample of 1,988 was drawn from those waiting for their POEA certificate. The survey was conducted during the second and third week of May 2004. The sampled rehires were asked to give more information than was asked in the information sheet for new hires. (Appendix A for the questionnaire and Appendix B for the sampling).

The paper is organized as follows: Section 2 integrates migration into education/training decision in an open labor market. Earlier migration theory mainly looks at migration decision by itself. (Ehrenberg and Smith 2003, Mincer 1978, Stark 1991) Section 3 discusses a model of monopsonistic employment and wage setting for foreign workers. Section 4 presents descriptive statistics from the surveys and Section 5, the regression results of the wage function. Section 6 concludes the study with some policy prescriptions especially on quality of education/training.

Section 2. Schooling and Migration Decisions

The Philippines labor market may be reasonably characterized as an open one. There are minimal restrictions on labor outflow except for protective reasons when risk to life has become palpably high as in Iraq presently. (October, 2004)[2] The scale of outflow and stock of OWF have for years been large enough to be perceptible to large segments of the population, making foreign employment a relevant option in their job and skill choices. Skill is defined here as an occupational skill obtained through education/training and experience. On the aggregate, foreign employment has raised returns to education since most foreign jobs require high school or higher levels of education. The large wage and cost differentials in foreign employment across skills and destinations have changed the relative returns to categories of education/training. Returns depend on foreign-domestic wage differentials, migration-related costs, duration of foreign employment and the probability of foreign employment. The formula for estimating returns to migration is as follows.

$$\sum_{t=0}^{T} D_t P_f Y_{ft} - \left[\sum_{t=0}^{T} D_t P_d Y_{dt} + \overline{C} + s(1 - P_f) + C_p \right]$$

Where

W_f = foreign wage
W_d = domestic wage
P_f = probability of foreign employment
P_d = probability of domestic employment

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conditions. POEA certification of approval of the contract is required for immigration purposes. The certification process allows the POEA to keep track of outgoing OFWs thus letting it provide relatively accurate information on the outflows. However, it has not kept track of returning OFWs. The Department of Foreign Affairs Commission on Filipinos Overseas makes the estimates on stock.

[2]Since March 2004, the government has prohibited deployment of labor to Iraq. However, some OFWs in neighboring countries are reported to transfer to Iraq where they are offered higher wages. OFWs may also get a contract for another destination but proceed to Iraq via this destination. News media report that some 6,000 OFW are now in Iraq.

$\overline{C}$ = fixed cost of migration for transport, placement services, immigration processing cost

C_{js} = cost of job search = $s(1-P_f)$

C_p = psychic cost and risk premium assumed fixed

T = is duration of foreign employment, t is time period

D_t = discount factor, = $1/(1+r)^t$

d is domestic, f is foreign

Generally $P_f \geq 0$, $P_d > P_f > 0$.

Returns increase as wage differential, probability of foreign employment, P_f, and its duration, T, increase, and fall as s and any of the fixed cost components increase. An increase in the probability of foreign employment increases wage gain and reduces the cost of job search. The probability of foreign employment may be inferred from the number of new hires or total deployed relative to the labor force and market studies. There are many skills that at this time have close to zero foreign employment chance, e.g., legal skills, but there is supposed to be a large demand for or even a shortage of nurses and high-level ICT skills especially in high-wage economies such as the US and Canada. (Khadria, 2001, Biao Xiang 2001,Shields 2004) But while high wages may be earned in these countries, the probability of employment for most other skills is small. The Middle East may pay lower wages but employs more OFWs. Hence the probability of employment there may raise the expected returns to levels competitive with the higher-paying destinations.

When foreign jobs become available for a particular skill, those in the labor force with the skill may directly decide to migrate. Those in the labor force without the appropriate skill may consider investing in the skill. The youth, on the other hand have to invest first in education/ training, ET, before they can respond to foreign demand. ET decision is more complex as the choices are wider, not just to migrate or not to migrate but which skill to invest in. A person's ET choice set is bounded by financial constraints and his ability and personal taste (or inclination for different types of occupations, e.g., service oriented, sciences, arts and what he can afford to pursue). He is assumed to assess or estimate returns to each skill in the set and choose the one that promises the highest returns. The above formula is applicable to the choice of education/training categories and even to alternative foreign destinations. The returns to ET_i relative to ET_j depend on their wage differential in foreign and domestic employment, in the probability of their foreign employment and in their ET costs.[3]

The supply of skills to foreign markets has reservation wage on the vertical axis which is interpreted here to be the second term in the returns formula. Foreign wage must at least equal foregone domestic income and all migration-related costs plus risk premium and psychic cost in order to make migration worthwhile. Psychic cost is assumed to differ between individuals. Variation in psychic cost will result in a positively sloped supply curve to foreign employment.

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[3] Formula for education choices i, j

$$\left[\sum_{t=0}^{T} D_t P_{fi} Y_{fit} - \sum_{t=0}^{T} D_t P_{fj} Y_{fjt}\right] - \left[\sum_{t=0}^{T} D_t P_{di} Y_{dit} - \sum_{t=0}^{T} D_t P_{dj} Y_{djt}\right] - \left[\overline{C} + s(1-P_{fi}) - s(1-P_{fj})\right] - \left[C_i^{ET} - C_j^{ET}\right]$$

The responsiveness of the domestic market to foreign demand for a given skill will depend on the size of the stock of the skill and the degree of flexibility of the education-labor market in producing it. Clearly the larger the stock, the larger the potential supply for foreign markets. In the intermediate term, the labor force without the appropriate skill may decide to invest in acquiring the skill demanded through additional education/training. Acquiring a new skill entails additional ET cost which has to be added to the total cost of migration. There may even be de-skilling which has happened with engineers accepting technician level foreign jobs, new medical graduates taking nursing courses in order to qualify for foreign nursing jobs and teachers working as nannies. Shifts between related fields such as from medicine to nursing will be less costly than shifts between broadly differentiated skills such as law to medicine or teacher training to engineering. The parameters of the long-run supply of a skill – its position, size and elasticity – will reflect the relative cost of the ET it entails, the relative scarcity of the ability and desirable traits it requires and the level of prestige society places on it. The supply parameters are likely to differ between skills. The more costly the ET of a skill and the higher the ability it requires, the smaller the size and elasticity of the supply curve. On the other hand, the demand curve for each skill is assumed to follow marginal productivity theory.

Section 3. World Wage Structure and Wage Function

Consider a rich but closed economy. Its restrictive immigration policies confine the country's labor market to its own domestic demand-supply conditions and shield it from foreign labor market influences. It determines its own wage and employment structures. Suppose it decides to import labor of particular skills, say ICT experts and housemaids. Figure 1a and 1b give the rich economy's and the world's initial supply and demand curves for ICT workers and for housemaids. The vertical axis of both markets has reservation wage for the particular skill. The world market for ICT skill is taken to be competitive mainly because the supply is relatively small and not very elastic. ICT education/training is relatively costly and requires relatively high ability. World employment is N_{w0}^{ict} and wage rate is W_{w0}^{ict} and the rich country's employment is N_{d0}^{ict} and wage rate is W_{d0}^{ict}. The rich country's desire to increase its employment by AC shifts the world demand curve to the right by AC in Figure 1a. World wage rate goes up to W_{w1}^{ict}. The rich country's new equilibrium employment is at N_{d1}^{ict} which includes both labor imported and additional domestic workers. It may pay world wage W_{w1}^{ict} or higher for wage efficiency reasons. All ICT workers enjoy the higher wage.

The market for housemaids is different - the rich country faces a small domestic supply and a very large world supply. Without labor imports, demand and supply would intersect at W_{d0}^{h} and employment is at N_{d0}^{h}. The world supply is $W_{w0}^{h}S_{w0}^{h}S_{w1}^{h}$. The rich country has three immigration and wage options 1) allow as many housemaids as demand warrants at the world reservation wage, W_{w0}^{h}. The employment of foreign maids would be at N_{d1}^{h}. This decision would eliminate the employment of domestic housemaids. 2) restrict entry to say, AB. The supply curve shifts outward by the number allowed entry to $S_{d2}^{h}S_{d2}^{h}$. If the government lets the immigrants compete in the

domestic labor market, wage will equilibrate at W^h_{d1} for both domestic and foreign workers. The wage rate will be higher than the world wage rate for housemaids. 3) A third tack is to restrict entry to say AB, pay domestic workers market equilibrium wage , W^h_{d1} and set the wage of foreign workers at world level or slightly higher at say W^h_{f3}.

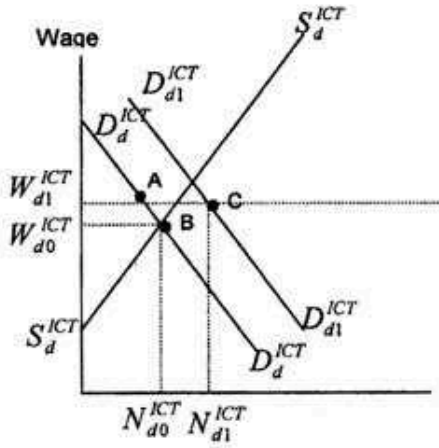

Figure 1a

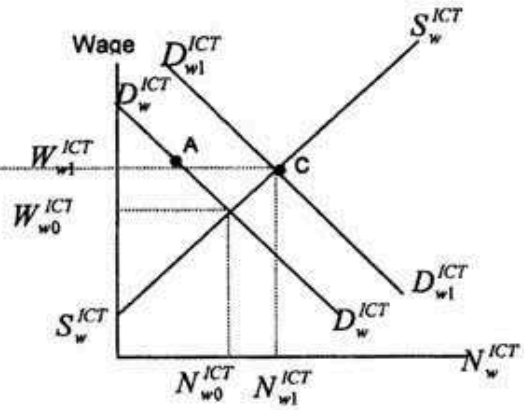

Figure 1b

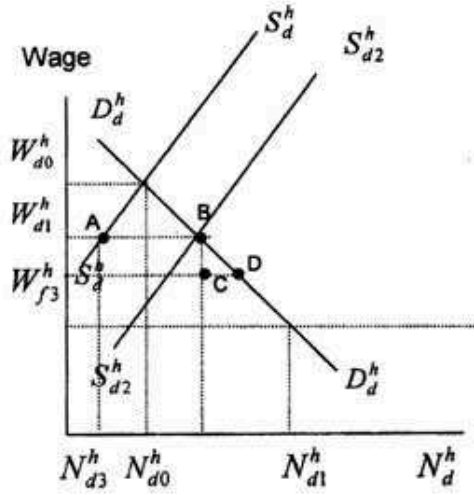

Figure 2a

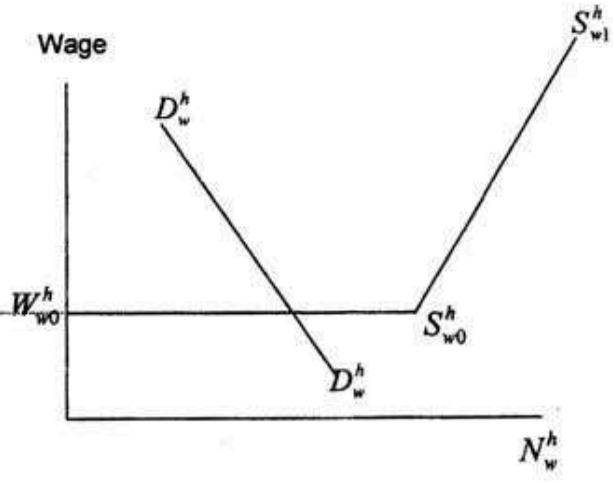

Figure 2b

There will be excess demand CD. This policy results in three wage levels for maids, one for domestic or native maids, one for imported maids and one for world supply. The disequilibrium condition may be sustained by imposing rules such as penalizing illegal immigration and employment of illegally entered foreign workers. The Philippine Commission on Filipinos abroad reports about 1.9 Million irregular emigrants with majority in the US and other advanced economies. The point is that the importing country has the power to decide on both the number of foreign workers to employ and the wage rate to pay them. Labor importing countries have actually made different decisions on these two variables. The US and Canada restrict the number of foreign workers of selected skills to let in but once inside, the foreign workers are allowed to compete with the natives for wage and other terms of employment. Singapore, Taiwan and other countries, in contrast, restrict both the number and the wage rate of foreign workers. Saudi Arabia approximates tack 1 where it relies on foreign workers for a number of occupations which it pays wage rates that may be close to their reservation levels. No country has followed policy 1) where entry is totally free, and only the US, Canada and Australia follow the second policy. Apparently most labor-importing countries adopt variants of the third policy.

Immigration barriers tend to preserve the wage structure of each labor-importing country. Our surveys show that in fact wage rate varies across destinations not so much because of the variation in their per capita income but because of variation in immigration policy. (Appendix Table 3) This leads us to posit a wage function with destination as an explanatory variable. (Section 5)

Section 4. The Structure of OFW Wage Rates

Our two surveys give the wage structure of OFWs. Table 1 presents the mean wage of new hires and of rehires by major occupations and destinations. For each occupation, wage rate varies widely across destinations. For nurses, wage rates range from $458 in Taiwan, $506 in Saudi Arabia to $2,075 in the UK and Ireland and $3,359 in the US and Canada. The wage rates for Other professionals range from $478 in Singapore and $460 in Other Americas to $2,415 for UK and Ireland and $3,323 in the US and Canada. There is as wide variation in all other occupations excepting for entertainers who are mainly employed in Singapore and Japan – their respective wage rates being $1,000 and $1,733. Housemaids earn as low as $189 in Brunei and $204 in Saudi Arabia and as high as $1,744 in the UK and Ireland and $2,114 in the US and Canada.

Table 1: Average Monthly Wage of New Hires by Occupation and Destination

DESTINATIONS	OCCUPATIONS								
	Not Stated	Nurse	Other Professio-nals	Sales	Clerk	Domestic Helper	Entertainer	Others	TOTAL
Saudi Arabia	789	506	532	367	436	204	.	320	359
	298	145	364	142	276	26	.	139	210
	28	222	349	17	51	215	0	1,898	2,780
Brunei	.	.	877	208	429	189	.	211	230
	.	.	437	20	346	10	.	156	193
	0	0	3	5	4	3	0	128	143
Other Europe + Spain + Cyprus	.	.	.	816	.	482	.	424	473
	.	.	.	0	.	144	.	169	178
	0	0	0	1	0	6	0	8	15
Other Middle East	392	959	760	295	333	201	.	360	335
	59	362	337	63	138	7	.	212	226
	2	32	120	184	159	709	0	1,271	2,477
Other Asia + Papua New Guinea + China + East Timor	743	.	896	1,144	.	200	500	454	436
	235	.	443	0	.	0	0	533	483
	5	0	12	2	0	65	26	302	412
Other americas (cuba)	693	.	460	.	400	.	.	387	406
	0	.	0	.	0	.	.	127	133
	1	0	1	0	2	0	0	17	21
Taiwan	.	458	630	.	.	458	.	458	459
	.	0	576	.	.	0	.	.	57
	0	26	18	0	0	17	0	1,855	1,916
Hong kong	.	.	.	.	.	471	.	2,500	479
	.	.	.	.	.	4	.	0	126
	0	0	0	0	0	258	0	1	259
Africa	.	.	843	.	666	.	.	458	511
	.	.	482	.	233	.	.	308	353
	0	0	23	0	7	0	0	166	196
Singapore	.	813	478	.	.	201	1,000	829	633
	.	284	573	.	.	2	0	1,299	823
	0	22	9	0	0	18	1	25	75
Trust Territories + Diego Garcia	372	1,914	845	.	421	200	.	340	459
	0	0	522	.	187	0	.	181	405
	1	2	7	0	3	2	0	41	56
Israel	.	.	.	.	.	.	.	1,163	1,163
	.	.	.	.	.	.	.	887	887
	0	0	0	0	0	0	0	34	34
Japan	.	.	1,212	.	1,369	1,680	1,733	1,540	1,732
	.	.	264	.	0	0	332	242	333
	0	0	5	0	1	1	4,035	3	4,045
United Kingdom + Ireland	.	2,075	2,415	.	2,602	2,146	.	1,744	1,992
	.	261	1,167	.	0	0	.	512	459
	0	129	9	0	1	1	0	62	202
United States + Canada	.	3,359	3,323	.	3,934	.	.	2,114	3,203
	.	305	984	.	320	.	.	1,249	1,013
	0	7	33	0	2	0	0	6	48
TOTAL	748	1,063	796	309	415	262	1,725	407	855
	292	785	805	117	416	130	346	287	716
	37	440	589	209	230	1,295	4,062	5,817	12,679

Note: First row for mean wage, second, for standard deviation and third, for number of observations

Table 2: Average Monthly Wage of Rehires by Occupation and Destination

DESTINATIONS	OCCUPATIONS							
	Nurse	Other Professio-nals	Sales	Clerk	Domestic Helper	Entertainer	Others	TOTAL
Saudi Arabia	769	1,180	700	738	280	787	535	650
	342	910	550	366	154	0	372	538
	108	141	20	8	38	1	660	976
Brunei	.	2,650	295	292	234	.	393	542
	.	1,626	148	0	111	.	328	780
	0	2	2	1	4	0	15	24
Other Europe + Spain + Cyprus	.	500	.	.	543	.	692	610
	.	0	.	.	424	.	457	440
	0	1	0	0	38	0	32	71
Other Middle East	930	1,670	536	366	325	.	607	716
	502	1,157	379	208	393	.	508	708
	33	51	24	3	55	0	265	431
Other Asia + Papua New Guinea + China + East Timor	.	1,941	4,770	350	545	500	1,124	1,289
	.	1,158	6,154	0	469	0	1,833	1,915
	0	22	3	1	8	1	103	138
Other americas (cuba)	.	1,381	.	1,286	.	.	1,400	1,362
	.	1,246	.	0	.	.	0	721
	0	2	0	1	0	0	1	4
Taiwan	.	1,293	.	.	473	.	457	490
	.	189	.	.	0	.	61	173
	0	3	0	0	8	0	68	79
Hong kong	.	.	.	.	807	.	419	794
	.	.	.	.	1,076	.	0	1,061
	0	0	0	0	30	0	1	31
Africa	.	1,767	.	.	.	.	1,134	1,280
	.	1,079	.	.	.	.	621	748
	0	3	0	0	0	0	10	13
Singapore	952	1,977	.	.	472	.	1,061	1,205
	466	759	.	.	492	.	657	812
	12	16	0	0	9	0	19	56
Trust Territories + Diego Garcia	.	.	.	.	350	.	1,800	1,075
	.	.	.	.	0	.	0	1,025
	0	0	0	0	1	0	1	2
Israel	.	.	.	.	500	.	636	625
	.	.	.	.	0	.	78	84
	0	0	0	0	1	0	11	12
Japan	.	1,500	.	.	.	478	445	632
	.	0	.	.	.	585	127	506
	0	1	0	0	0	2	3	6
United Kingdom + Ireland	6,865	6,104	.	.	638	.	2,272	5,899
	10 064	7,772	.	.	129	.	2,308	9,124
	96	6	0	0	2	0	23	127
United States + Canada	1,452	3,559	.	.	.	.	1,106	1,398
	0	624	.	.	.	.	420	890
	1	2	0	0	0	0	15	18
TOTAL	3,143	1,555	852	638	458	561	653	1,065
	6,986	1,667	1,673	387	555	370	781	2,735
	250	250	49	14	194	4	1,227	1,988

Experience[4] is compensated by higher wage in virtually all destinations and occupations as shown by the higher wage rates earned by rehires than by new hires. (Table 2) In Saudi Arabia and other Middle East countries, rehires earned much higher wages than new hires in all occupations. In Singapore, experienced Other professionals and housemaids earned more than double new hires. An exception is the entertainer group in Japan. Entertainers usually work on 3 to 6 months contracts. Rehired entertainers earned less than new hires perhaps because they may no longer be working as regular entertainers. For this occupation, novelty rather than experience, tends to have a higher market value. Excepting for entertainers, the ratio of mean wage of new hires to mean wage of rehires exceed 1.0 and ranges from 1.5 for clerical workers to 2.9 for nurses. On average, rehires have worked 7.0 years abroad, longest in Saudi Arabia at 9.3 years and 5.7 years in other Middle East countries. This region has the longest history of large scale labor imports. Length of experience in other destinations such as Hong Kong, Other Europe and Other Asia was also relatively long, at least 4 years. (Table 3)

4. OFW Wage Function

The following wage function was estimated by regression:

$$\text{Ln wage} = a + b_1 S + b_2 E + b_3 D + b_4 O + b_5 G \cdot e$$

where:

- W = monthly wage in US$
- S = education classified into elementary, incomplete high school, high school graduate, some college, college graduate and vocational-technical training
- E = experience, for new hires this is proxied by age = 2003 – birth year for rehires and E= 2003 – year of first foreign job.
- D = country of destination
- O = occupation
- G = gender

[4]The survey questionnaire for rehires tried to asked for a history of foreign employment but too few answered the question. We resort to measuring experience abroad as year 2003 less year of first foreign employment. For new hires experience is proxied by 2003-birth year.

Table 3: Average Monthly Wage (US$) of New Hires and Rehires and Average Years of Experience of Rehires by Occupation

OCCUPATION	New Hires	Rehires		Ratio of Rehires to Rehires
	Wage (US$)	Wage (US$)	Experience (No. of Years)	
Not stated	**748** *292* *37*			
Nurse	**1,063** *785* *440*	**3,134** *6,873* *251*	**4.9** *6.0* *251*	**2.9**
Other Professionals	**796** *805* *589*	**1,555** *1,667* *250*	**6.6** *6.0* *251*	**2.0**
Sales	**309** *117* *209*	**852** *1,673* *49*	**6.6** *5.2* *49*	**2.8**
Clerk	**415** *416* *230*	**638** *387* *14*	**7.8** *5.5* *14*	**1.5**
Domestic Helper	**262** *130* *1,295*	**460** *554* *195*	**6.8** *5.7* *195*	**1.8**
Entertainer	**1,725** *346* *4,062*	**561** *370* *4*	**6.3** *6.7* *4*	***0.3***
Others	**407** *287* 5,817	**660** *795* 1,233	**7.5** *51.5* 1,234	**1.6**
TOTAL	**855** *716* *12,679*	**1,068** *2,732* *1,996*	**7.0** *40.6* *1,998*	**1.2**

Note: First row for mean wage, second, for standard deviation and third, for number of observations

Regressions were run on 4 sets of data. The first two sets consist of the observations of new hires and rehires that have complete information on the education variable; the other two sets have the full samples including those with incomplete education answers. In the second two sets, unanswered education question was treated as a separate education category.

The results of the regressions that have complete information on all variables – education, occupation, destination, age/experience and sex using individual new hires are given in column 1 of Table 4. The results are quite robust with a high R^2 of .89. Only completed college is found to exert a significant and expected influence on foreign wage. Having completed college increases wage by 12.1% relative to elementary educated. All the other occupations including Other professionals earn less than nurses. Housemaids earn the lowest at -68.2% less than nurses, sales next lowest at -.60%, and Others which largely comprise skilled manual workers, -.45.8%. The entertainer occupation stands out for not being a significant variable. Wage increases by .85% for every year of age and being female reduces wage as compared to male by 10%. Destination contributes the largest variation in wage rate. Using Saudi Arabia as the base, the highest wage is earned in the US, next UK and Ireland, then Japan and Hong Kong. Wage is higher by 193.6% in the US and 152.9% in the UK and Ireland as compared to Saudi Arabia. The only destination that pays less than the latter is Brunei.

Table 4: Regression Results (ln wage = $a + b_1S + b_2E + b_3D + b_4O + b_5G + e$)

VARIABLES	NEW HIRES	REHIRES	
	MODEL 1	MODEL 1	MODEL 2
Vocational	0.0225	(dropped)	(dropped)
	0.88		
H.S. Level	-0.0392	(dropped)	(dropped)
	-1.33		
H.S. Graduate	-0.0086	-0.0900	-0.0721
	-0.39	-1.36	-1.09
College Level	0.0270	-0.0111	-0.0164
	1.14	*-0.17*	*-0.25*
College Graduate/Higher	0.1208	0.2273	0.2257
	5.17 *	*3.29* *	*3.27* *
Other Professionals	-0.0350	0.1074	0.1215
	-1.63 *	*1.02*	*1.16*
Sales	-0.6004	-0.4037	-0.4333
	-20.67 *	*-2.61* *	*-2.81* *
Clerk	-0.3284	-0.5089	-0.5244
	-11.35 *	*-1.69* *	*-1.74* **
Domestic Helper	-0.6822	-0.7484	-0.7440
	-14.50 *	*-6.44* *	*-6.41* *
Entertainer	0.0131	-0.5933	-0.6489
	0.26	*-1.29*	*-1.42*
Others	-0.4577	-0.5799	-0.5729
	-25.04 *	*-6.01* *	*-5.94* *
Brunei	-0.2431	-0.1916	-0.1733
	-7.33 *	*-1.05*	*-0.95*
Other Europe + Spain + Cyprus	0.0568	0.0669	0.0919
	0.44	*0.55*	*0.75*
Other Middle East	0.0925	0.0899	0.0880
	7.90 *	*1.64* *	*1.60* *
Other Asia + Papua New Guinea + China + East Timor	0.2727	0.4219	0.4355
	15.28 *	*4.92* *	*5.06* *
Other americas (cuba)	0.1702	0.4693	0.4433
	2.61 *	*0.81*	*0.76*
Taiwan	0.4394	0.2237	0.2382
	38.35 *	*2.08* *	*2.21* *
Hong kong	1.0208	0.4766	0.5071
	8.43 *	*2.63* *	*2.80* *
Africa	0.2989	0.7341	0.7648
	12.67 *	*2.95* *	*3.08* *
Singapore	0.3526	0.4561	0.4627
	8.86 *	*3.49* *	*3.54* *
Trust Territories + Diego Garcia	0.1081	0.8604	1.0318
	2.96 *	*1.48*	*1.78* *
Israel	0.9765	0.5754	0.6551
	3.77 *	*1.95* *	*2.23* *
Japan	1.3993	-0.0623	-0.0735
	29.47 *	*-0.17*	*-0.20*
United Kingdom + Ireland	1.5293	1.3560	1.3586
	63.31 *	*12.83* *	*12.86* *
United States + Canada	1.9359	1.0209	1.0457
	46.39 *	*4.08* *	*4.18* *
Age	0.0085	0.0125	0.0168
	17.31 *	*4.89* *	*5.02* *
Experience			0.0168
			5.02 *
Female	-0.0959	-0.2537	-0.2626
	-10.96 *	*-4.51* *	*-4.68* *
Constant	5.8871	6.3760	6.4900
	174.53 *	*46.78* *	*57.18* *
R^2	0.8931	0.3206	0.3211
Adjusted R^2	0.8927	0.3097	0.3103
No. of Observations	7,162	1,587	1,587

Note: 1. Base variables for **Education** – Elem. Level and Graduate, **Occupation** – Nurse and **Destination** – Saudi Arabia

2. First row is for the estimated coefficient and second, for the t-statistic:
   ** - significant at 0.10 level * - significant at 0.05 level

3. Dropped means no observations

The regression results for rehires which have an alternative proxy for experience (year 2003 less year of first job foreign job) are given in Columns 2 and 3. Age and foreign experience were alternatively used in the wage regression. For new hires every year increases wage by .085%. For rehires age has a smaller coefficient value than foreign experience, 1.25% vs. 2.68%, but both are significant and of the expected sign. This is to be expected since having worked abroad likely reflects longer tenure with the current employer, hence more specific training and better personal relationship. Tan (2004b) observes that advertisements for foreign jobs place much importance on experience but the age variable in the survey appears not to capture well the experience desired by foreign employers. The quadratic form with age^2 or experience^2 is not supported by the data. (Appendix Table 4) As in the case of new hires, completed college is the only education category that exerts a positive and significant effect on wage, increasing wage by 22.7% relative to elementary education. The wage rate of Other professionals is not significantly different from that of nurses. Also not significant is the entertainer category. There is a larger difference in the wage rate of clerks, housemaids and other skilled manual workers relative to nurses among rehires than among new hires. It is not unreasonable to expect more opportunities for on-the-job training and therefore higher returns to experience of nurses as compared to these three occupations. Excepting for Other Americas and Japan, all destinations exert significant influence on wage rate relative to Saudi Arabia. However, the coefficients for UK and Ireland and for the US and Canada are smaller among rehires than among new hires.

Alternative specifications were run to take account of possible multicolinearity especially between occupation and education and occupation and destination. The skills demanded tend to be destination specific except for the Middle East countries which employ varied skill categories including sales. (Appendix Table 4) North America and the UK import mostly nurses and other professionals while Japan, factory workers and entertainers. One specification excludes education, another excludes occupation. The alternative specifications marginally lowered R^2 by 2 percentage point from .89 to .87. Most coefficients retained their significance level and value. The coefficient of college education increases when occupations are excluded in the regressions. Destination remains a strong determinants of wage rate.

There was a large number of non-response about education, 42% of the sample of new hires and 15% of the sample of rehires. We ran regressions on the full sample and treated no stated education as another education category. Those who did not state their educational attainment have more than elementary education as they are distributed across the various occupations. The results are given in Appendix Table4. For the regression of new hires, this education category like all other education categories excepting completed college is insignificant. The coefficients of the occupation categories are slightly larger in the full sample than in the small sample but the coefficients of the other variables are not significantly different in the two samples and the R^2s are the same, about .90

As far as the rehires are concerned, the observations with no stated education form a much smaller proportion of the total sample, 15%. R^2 is .34 which is higher than for the smaller sample at .30. Completed college as well as no stated education are both significant and have positive coefficient relative to elementary education. The categories Other professional, Other Americas exert significant effect on wage rate in the larger sample but not in the smaller sample. On whole the regression results are robust with

relatively high R^2 and with most coefficients significant and of the expected sign. Either samples may be used.

Section 5. Related information on Migration

Recall returns to migration partly depend on foreign-domestic wage differentials, migration-related costs and premium to risk. Some information on domestic wage, migration-related costs and risk is presented here.

Table 5 gives the annual gross returns defined as foreign-domestic wage differential in US dollars for selected occupations for new hires and rehires. Foreign wage is from our surveys. Domestic wage is obtained from the monthly wage rates of employees in "large" establishments for selected occupations in Metro Manila. See Appendix Table 5 (Large establishments are those with 50 or more employees.) Monthly domestic wage rates are quite low ranging from $191 for nurses and $192 for service workers other than housemaids to $320 for Other professionals. Clerical workers earn $260 and Other skilled workers, $285. Note the rather narrow range. Compare the range to the average monthly foreign wage rates of $407 for Service and Other skilled workers to $1063 for nurses. The annual foreign-domestic wage differential ranges from $1,464 for Service and Other skilled workers to $10,464 for nurses. Annual gross returns vary even more widely when we consider destination. Gross returns for nurses are $3,780 in Saudi Arabia, $7,464 in Singapore and $38,016 in the US. For Other professionals, gross returns in the respective locations are $2,544, $1,896 and $36,036. Note that domestic wage is the average for all employees, not taking account of experience and other relevant variables.

The annual gross returns for rehires who receive higher wage rates than new hires are much higher. The average gross returns are $35,316 for nurses, $14,820 for Other professionals, $4,536 for Clerks, $5616 for Service workers and $4,500 for Other skilled workers. Rehired nurses in Saudi Arabia gain by $6,936 and in Singapore, $9,132. Rehired Other professionals have much higher gross return than new hires – in Saudi Arabia, $10,344, in Singapore $19,844 and in the US, $38,868.

Table 5
Annual Gross Returns to Migration for Selected Occupations, 2002

	New Hires			Rehires		
	Monthly Foreign Wage	Monthly Domestic Wage	Annual Gross Return	Monthly Foreign Wage	Monthly Domestic Wage	Annual Gross Return
A. Occupations						
1. Nurse	1063	191	10464	3134	191	35136
2. Other Professionals	796	320	5712	1555	320	14820
3. Clerks	415	260	1860	638	260	4536
4. Service workers	407	192	2580	660	192	5616
5. Others		285	1464		285	4500
B. Selected Locations						
1. Nurses						
Saudi Arabia	506	191	3780	769	191	6936
Singapore	813		7464	952		9132
US	3359		38016			
2. Other Professional						
Saudi Arabia	532	320	2544	1182	320	10344
Singapore	478		1896	1977		19884
US	3323		36036	3559		38868

Note: Gross returns are simply foreign-domestic wage differential. Domestic wage is assumed to be the mid-point of the wage range for other professionals, service workers and technicians.

In Table 6, we have out-of-pocket cost of migration for OFWs bound for Hong Kong and Italy. The estimated cost is based on a small, albeit unrepresentative sample OFWs. Nevertheless, it is insightful. The out-of-pocket costs are categorized into placement fees paid to recruiters, fees paid to POEA and the Overseas Workers Welfare Fund, OWWA, and miscellaneous expenses for passport, medical examination, National

Table 6
Pre-departure Expenses of Migrant Women
Bound for Hong Kong, China or Italy

	Lowest Range		Maximum Range	
Placement fee (Hong Kong	P30,000	($581)	P65,000	($1260)
OWWA Contribution	5000	(or $100)	5000	(or $100)
POEA Administrative fee	1250	(or $25)	1250	(or $25)
Mandatory Medical fee	900	$17	900	$17
	P37150		P72150	
Miscellaneous expenses:		$723		$1,402
Passport	850		850	
Medical, NBI clearance, Video	1905		2750	
Pre departure orientation	200		200	
POEA certificates of overseas Employment (COE)	100		100	
Agency registration fee	100		500	
	P3155	61	P4400	85
Total for Hong Kong	P40,305	$784	P76,550	$1487
Total for Italy	P80,305	$1556	P311,550	$6038

Notations: In US$ total cost:
Exchange Rate for 2002 was P51.6/$1

Source: Añonuevo and Añonuevo (eds.) 2002, Coming Home, Women, Migration and Reintegration, Manila, BalikBayani Foundation and Alikha Overseas Workers and Community Intralive, Inc.

Bureau of Investigation clearance, pre-departure orientation fee, POEA certificate fee and Agency registration fee. By POEA rule, cost of transport is to be paid for by employers but is sometimes borne by the migrant. The total cost for Hong Kong-bound OFW ranges from $784 to $1,487 and for Italy, $1,556 to $6,038. Placement fee comprises the bulk of the cost and explains most of the cost variation. For Hong Kong-bound workers, placement fee comprises from 74% to 85% of total cost, for Italy-bound workers, from 87% to 96%. Placement fee is higher for Italy than for Hong Kong perhaps because the higher wage rates in Italy attract more job applicants and those more willing to pay higher placement fees. The annual gross returns of all five occupational categories of new hires exceed the out-of-pocket cost of placement for Hong Kong. (Table 5) Rehires do not have to pay placement fee but only the POEA and OWWA fees and some of the miscellaneous fees, at most P10,305 or $200. If OFWs can work beyond one year, returns would be positive for all categories. Those bound for Italy would earn at least $1,000 per month or $12,000 per year. Net returns would be positive even if the migrant pays the maximum cost of $6,038. The same holds for Taiwan-bound OFW. The average monthly wage for housemaids and other workers is $458 or $5,496 per year. A small survey by St. Christopher Church (catholic) in Taiwan found placement cost at P72,000 or $2000 in 1998.

OFW bear three kinds of risk – risk of fraudulent placement where no job has been contracted, risk of contract violations consisting of non-payment, delayed payment or below-contracted payment of salary, physical abuses such as rape and injuries and even death. New hires generally face more risk than rehires. The latter have acquired better information about their foreign destination and have built more satisfactory terms of employment and relationship with employer than new hires. POEA and the Overseas Workers Welfare Administration (OWWA) have put in place rules and offices to minimize such abuses. POEA screens and registers placement agents before they can recruit OFWs. It evaluates and approves employment contracts. POEA's certificate of approval is required for immigration purposes. In turn, OWWA maintains service centers in cities with a large concentration of OFW such as Riyadh and Hong Kong. The $25 registration fee covers death and disability insurance, albeit of meager amounts – P100,000 ($179) for natural death and P200,000 ($358) for accidental death, injuries up to P100,000. The medical fee of P900 ($16) covers health insurance of the same benefits as the national PhilHealth insurance.

Table 7 gives a sense of the risks involved in foreign employment. Both POEA and OWWA receive complaints from the workers and try to settle them through hearings, negotiations with employers and death and disability insurance. The number of complaints must be seen as a ratio of total stock, total deployed or total deployed new hires. Close to 5,000 cases were received by POEA and OWWA in 2000. New hires numbered more than 150,000. (Appendix Table 2). Exploitative and fraudulent recruitment practices where no job has been contracted regularly occur. Frequently reported were non-payment, below-contracted wage payment and delayed payment of wages. There were also accidental death and disability claims which numbered 163 and 62 in 2002 . (Tan, 2004b) There have been physical violence including rape. The incidence of contract and physical violence differed by destination. POEA and OWWA do not publish these data. But the experience by Sri Lankan workers likely applies to OFWs. Incidence is most serious for the less skilled in some Middle East destinations. (Table 8)

Professional workers tend to find their own foreign employment through advertisements in the internet and other sources and avoid high placement cost. Because of the shortage of nurses in the US, recruiters are reported to earn $10,000 to $12,000 per placed nurse in American hospitals. In turn they offer nurses free placement services and immigration and transport cost plus allowance for settling accommodation in the US. Nevertheless. the excess demand for nurses there has not abated because the great majority of nursing graduates are unable to meet its more stringent requirements: the passing of Philippine licensure examination, experience in large hospitals and the passing of the US Council for Nursing Graduates of Foreign Schools (CNGFS) examination. Apparently relatively few meet all these requirements

Table 7. Cases Filed and Settled by POEA, 1984-2000

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
1. Welfare cases																
I. Cases Handled	5742	8427	13404	8625	7308	6074	5386	5715	5810	6431	6637	7038	7747	4733	5620	5391
A. Cases pending at the beginning																
B. Cases received	791	1783	3448	3929	5026	3811	2667	2989	2838	3126	3768	4654	5108	1854	2603	2603
II. Cases Disposed	4951	6644	9956	4696	2282	2263	2719	2726	2972	3305	2869	2384	2639	2879	3017	2788
III. Cases pending At the end	3959	4979	9475	3599	3497	3407	2397	2877	2684	2663	1983	1930	5893	2130	3017	2788
	1783	3448	3929	5026	3811	2667	2989	2838	3126	3768	4654	5108	1854	2603	2603	2603
2. Recruitment Cases																
I. Cases Handled	4943	4359	3991	3880	3239	3741	3701	4589	7530	9993	10331	8381	6161	3995	4770	4064
-Employment related	2427	1759	1811	2169	2149	3020	2564	3727	6140	8173	8476	NB	NB	NB	NB	NB
- Recruitment regulation	2516	2600	2180	1711	1090	721	1137	862	1390	1820	1835	NB	NB	NB	NB	NB
A. Pending cases at the beginning	2087	2168	1751	1355	1125	820	929	978	1706	3097	6064	5747	4179	1636	2662	1836
-Employment related	1316	759	874	760	692	693	855	869	1378	2336	5284	NB	NB	NB	NB	NB
- Recruitment regulation	771	1409	877	595	433	127	74	109	328	761	780	NB	NB	NB	NB	NB
B. Cases received	2856	2191	2240	2525	2114	2921	2772	3611	5824	6896	4247	2634	1982	2359	2148	2228
-Employment related	1111	1000	937	1409	1457	2327	1709	2858	4762	5837	3192	664	685	699	684	673
- Recruitment regulation	1745	1191	1303	1116	657	594	1063	753	1062	1059	1055	1970	1297	1660	1464	1555
II. Cases Disposed	2775	2608	2636	2755	2419	2812	2723	2883	4433	3929	4564	4202	4525	2889	3322	2977
A. Regular Dis-Position	2775	2608	2636	2755	2419	2812	2723	2883	4433	3929	2581	2335	3001	1945	2331	2493
-Employment related	1668	885	1051	1477	1456	2165	1695	2349	3804	2889	1502	1062	1787	1458	1276	675
- Recruitment regulation	1107	1723	1585	1278	963	647	1028	534	629	1040	1079	1273	1214	487	1055	1818
III. Cases pending At the end	2168	1751	1355	1125	820	929	978	1706	3097	6064	5747	4179	1636	2622	1836	1087

Legend: NB – no breakdown available.
Source: POEA Overseas Employment Statistics 1982-1990, unpublished 1991-2002.

Table 8
Complaints Filed by Sri Lankan Overseas Workers by Sex, 2002

A. Distribution of Complaints by Cause, 2002

	Female	% of Total	Total	% of Total	% of Female
Violation of Contract	2552	39.0	3631	45.7	70.3
Harassment	1411	21.6	1458	18.4	96.8
Death	114	1.7	233	2.9	48.9
Lack of communication	1756	26.8	1826	23.0	96.2
Stranded-lack of reception on arrival & stranded without employment	5	–	7	–	
Other	707	10.8	783	9.9	
Total Complaints	6545	100.0	7938	100.0	

B. OCW Given Assistance by Complaints

	Female	% of Total	Total	% of Total	% of Female
Harassment & non payment of Wages	1877	28.8	2281	26.3	82.3
Harassment	1606	24.7	1722	19.9	93.3
Sexual harassment	375	5.8	375	4.3	100.0
Non-payment of salary	1200	18.4	2779	32.1	43.2
Insane	161	2.5	161	1.9	100.0
Disabled	121	1.9	127	1.5	95.3
Sick	977	15.0	100	11.6	97.3
Pregnancy	60	0.9	60	0.7	100.0
With babies	31	0.5	31	0.4	100.0
Other problems	104	1.6	125	1.4	83.2
Total	6512	100.0	8665	100.0	

Source: Sri Lanka Bureau of Foreign Employment Handbook, 2003, Research Division,SLBFE

Table 9
Percentage Distribution of Overseas Contract Workers and Complaints – 2002*

Country	OCW	Complaints	% Complaints % of Total OCW
KSA	33.5	42.5	126.9
UAE	14.2	10.5	3.9
Bahrain	2.8	1.4	50.0
Oman	3.7	1.4	37.8
Kuwait	17.0	16.2	953
Qatar	4.1	5.5	134.1
Jordan	4.1	8.4	204.9
Singapore	1.4	0.3	21.4
Lebanon	8.2	11.7	142.7
Cyprus	1.5	0.7	46.7
Malaysia	0.2	0.3	150.0
Maldives	1.4	0.7	50.0
Others	7.9	0.3	3.8
Total	100.0	100.0	

***Provisional**
Source: Conciliation Division – Sri Lanka Bureau of Foreign Employment SLBFE
Information Technology Division – Sri Lanka Bureau of Foreign Employment SLBFE

since the Philippines, despite the attractiveness of the US offer, fails to meet its demand. Less than 20% of US job order for nurses were filled up in recent years. The same holds for UK and Ireland. (Tan 2004b)

Section 6. Conclusion

Returns to foreign employment are, on average, positive. The foreign-domestic wage differential is generally high and compensates for the monetary costs of migration. However, foreign wage rates vary widely not just across occupations but for each occupation, across destinations. The variation across destinations is attributed to the segmentation of the world labor market arising from immigration barriers that each labor importing country imposes on foreign workers. The paper illustrates how the more common immigration barriers provide an importing country some monopsony power over the employment and wage rates of foreign workers. It may decide to pay them a wage that is competitive with the natives as in the US and Canada or it may decide to pay them just their reservation wage. Some rich economies like Singapore, Taiwan and Spain pay Filipino housemaids way below what they pay their lowest-wage workers. With each country setting its own wage for foreign workers, the wage rates of migrant workers tend to differ across destinations. This is clearly evidenced by the wage structure obtained in the surveys conducted for this study.

The wage regressions show destination to be the strongest variable determining foreign wage rate. Experience enhances foreign wage but being female reduces it. Working in America and Canada could earn double the wage rate in Saudi Arabia, and working as a nurse and in other professions also earns much higher wage rates than as a housemaid and other occupations. Professional occupations require college education but all the other occupations have looser educational requirements. Excepting for completed college all education categories exert an insignificant influence on wage rate.

Obviously America, Canada and a few other OECD destinations are relatively attractive destinations. But they have small if not zero immigration quota for most occupations. Currently there is a large demand for nurses and highly skilled ICT labor. The Philippines has been unable to supply the demand for these skills. There is a very active recruitment by American hospitals for Filipino nurses but relatively few meet their requirement. Most foreign hospitals require a few years experience, completion of the nursing degree and passing the Philippine professional licensure. In addition to these, the US requires the passing of the examination by the Council for Nursing Graduates of Foreign Schools. Apparently few pass this examination for less than 20% of the US job orders for nurses were filled up in the last two years. The job orders for nurses for UK and Ireland which pay relatively high wages have also been partially filled. Most Philippine nurses are employed in the Middle East where the pay is less than half that of US or UK.

The OFWs enjoy substantial returns from foreign employment but on the whole they do not maximize the gains from migration. The poor quality of their schooling and training prevents them from qualifying for jobs in high-wage destinations. The inability of the Philippines to supply nurses and ICT specialists in the US and other OECD countries may be blamed on the scarcity of good quality college education for these fields. There is as well a dearth of good quality teachers and engineers. Yet hundreds of

colleges and universities of dubious quality offer these fields. What happens is a draining of the better quality manpower. The domestic semi-conductor industry complains of the drain by foreign companies of their experienced ICT personnel. The annual exodus of nurses in recent years of about 6,000 exceeds the number passing the licensure examination each year of about 5,000. This means the draining of the more qualified and experienced nurses from hospitals.

Migration policy has focused on protection of migrant workers. This is a priority and must remain a priority. There is, however, a strong basis for directing migration policy to the supply of high quality migrants so that they can maximize the returns to their foreign employment. The POEA, OWWA and the Department of Labor and Employment as a group needs to connect with CHED in planning not just for domestic labor demand but for world demand. Labor migration is here to stay not just because of the stagnation of the economy but because the population has learned to widen its labor market horizon to the world at large. The would-be migrants must be enabled to maximize their gains from migration. Their gain is the nation's as well.

A closer supervision of placement agents is called for. Most of the complaints filed by OFWs relate to contract violations by employers. Placement agents must be made responsible for screening would be employers and monitoring the welfare of the OFWs they have placed. Placement fees are shown to exceed the maximum of one month salary in many cases.

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Appendix A

Sampling Design for Newly Hired Overseas Workers

The demographic and economic characteristics of newly hired overseas Filipino workers are captured in the Information Sheets of OFWs that is a requirement for processing of their contracts at the Philippine Overseas Employment Administration. The Information Sheet captures the contract details of the OFW as well as personal details such as address, dependents, and beneficiaries.

In order to estimate the characteristics of the OFWs, a sample group is to be drawn from OFWs processed during the first quarter of 2003. The sampling frame comprises a total of One Hundred Forty-Six Thousand Two Hundred Eighty-Five OFWs (146,285) that were deployed to seventy (70) countries with Japan having the highest deployment and European countries having the least deployment.

The number of samples was estimated to be Twelve Thousand One Hundred Fifty-Five (12,155) respondents using simple random sampling. To be able to get equitable distribution of samples, equal proportion from the identified countries of destination were computed. Ranking the deployment from highest to lowest and apportioning of equal proportion, the total sample size were allocated to only thirty-one (31) countries out of the 70 that were identified.

The total number of respondents was computed based on the following parameters:

Sampling frame = number of processed newly hired OFWs during the first quarter of 2003 by jobsite/country.

Standard error = 5%, z value = 1.96

Standard difference between observations = d = 120

Variance = 45,559,812.90

Formula for computation: Simple Random Sampling

$$n = \frac{Z(alpha)^2 \, X \, \text{var}iance}{d^2}$$

Method of Data Collection

The contract and personal details of the sample OFWs were drawn from the POEA database of processed workers. The entries in the POEA database were first scrutinized for complete entries. All sample of OFW with incomplete entries were identified and the image copy of their corresponding OFW information sheet were retrieved so that all missing entries relevant to this study be reflected in the database of sample OFWs.

Sampling Design for Returning Workers or Rehires

To be able to capture demographic and economic characteristics of returning overseas Filipino workers, a 2-page questionnaire will be floated to returning OFWs who have lined-up for processing of their exit clearances at the Philippine Overseas Employment Administration from May 3-7, 2004.

The number of samples was estimated to be One Thousand Five Hundred Four (1,504 respondents. The total number of respondents was computed based on the following parameters:

Sampling frame = number of processed OFWs during the first quarter of 2003 by jobsite/country. The countries with total processed workers less than 40 were not included so that the variance between receiving countries of the OFWs is not too high. A total of about 8,000 workers have their papers processed during the first quarter of 2003 for 34 receiving countries.

Standard error = 5%, z value = 1.645

Standard difference between observations = d = 5

Formula for computation: Simple Random Sampling

$$n = \frac{Z(alpha)^2 \, X \, \text{var}\, iance}{d^2}$$

Method of Data Collection

The respondents will be selected randomly among the OFWs who are in the Balik-Manggagawa processing center waiting for the release of their documents on May 3-8, 2004. It will only take 15 minutes to accomplish the questionnaire.

Three Research Assistants (RAs) will float the questionnaire at the Balik Manggagawa Processing Center from 8 a.m. to 12 noon during the specified dates. The RAs will see to it that all questions have been answered correctly. They will also act as consultants to the respondents over matters that need clarification.

Date Today: _____ (MM/DD/YYYY) **Control Number: 2004 - _____**

BALIK-MANGGAGAWA INFORMATION SHEET

Dear Balik-Manggagawa,

You have been chosen as respondent to the survey being conducted by POEA, in coordination with the UP School of Economics, for a study on salary structures of OFWs. Your inputs in this study will be of much impact on future policies on foreign employment of Filipinos. Rest assured, all information you provided are STRICTLY CONFIDENTIAL. The data cannot be used for taxation, investigation or enforcement purposes. Thank you for your cooperation.

INSTRUCTION: Please fill-up the required information or **check** the box of your choices below.

I. PERSONAL DATA

A. Name _____ (Family Name) _____ (First Name) Age ____ ☐ Male ☐ Female

B. Marital Status: ☐ Single ☐ Married ☐ Widowed ☐ Separated

C. Permanent residence in the Philippines: (Province) _____

D. Highest Educational Attainment: (Please check)

- ☐ College Graduate or Higher
- ☐ College undergraduate
- ☐ Vocational
- ☐ High School Graduate
- ☐ High School undergraduate
- ☐ Elementary or Lower

E. Do you have children? ☐ YES ☐ NO (GO TO PART II)

If *YES*, how many are
- 6 yrs old and younger _____
- 7 – 12 yrs old _____
- 13 – 22 yrs old _____
- 23 yrs old and older _____

F. Who take care of your children while you are working abroad?

☐ Spouse ☐ Parents ☐ Sisters / brothers ☐ Aunts/uncles ☐ Others (Please specify): _____

II. EMPLOYMENT HISTORY:

A. Information on **present** foreign job.

Occupation / Work	Year when first Employed	Country of Job Location	Monthly Salary	
			US Dollar	Foreign Currency

B. Were you employed in the Philippines **before** you worked abroad? ☐ YES ☐ NO

If YES, what was your last job here in the Philippines?

Occupation / Work	Last Year of Employment	Province of Job Location	Monthly Salary (in Pesos)

III. FOREIGN EMPLOYMENT IN THE PAST:

Please list all foreign employment you had before this present job, its jobsite (country), years employed and monthly salary in US dollar or foreign currency.

Position/Occupation	Country of Job Location	Year Employed		Monthly Salary	
		From	To	US Dollar	Foreign Currency

A. Who helped you find your **present** job abroad?
- ☐ Own self
- ☐ Relatives and friends who are working abroad
- ☐ Recruitment agent
- ☐ Others. (Please specify):_____

B. Who helped you find your **first** foreign job?
- ☐ Own self
- ☐ Relatives and friends who are working abroad
- ☐ Recruitment agent
- ☐ Others. (Please specify):_____

C. Please **check** which benefit you get for free in your present job. (check all applicable)
- ☐ lodging
- ☐ board and lodging
- ☐ vacation leave without pay. Number of days a year : _____
- ☐ vacation leave with pay. Number of days a year : _____
- ☐ roundtrip airplane ticket for vacation
- ☐ Others (Please specify) _____

D. Reason for returning home. (Please check your choice below)
☐ for vacation ☐ to renew a contract ☐ Others, specify _____

E. If for a new contract, how many years is the contract? _____

F. How much did you spend on the following?

Required Fees	for your first job abroad **Amount (in ₱esos)**	for this return job abroad **Amount (in ₱esos)**
1. Passport and visa		
2. Airfare and other travel costs		
3. Recruitment fee		
4. Other expenses (specify):		
a.		
b.		

G. Had you experienced any problem in your foreign job? (Please specify: Physical Harm, Contract Violation, etc.) Where and When?

Appendix Table 1

STOCK ESTIMATE OF OVERSEAS FILIPINOS
As of December 2003

REGION / COUNTRY	PERMANENT	TEMPORARY	IRREGULAR	TOTAL
WORLD TOTAL	**2,865,412**	**3,385,001**	**1,512,765**	**7,763,178**
AFRICA	**318**	**53,706**	**16,955**	**70,979**
EGYPT	54	2,383	1,280	3,717
EQUATORIAL GUINEA	0	1,471	150	1,621
LIBYA	75	5,982	485	6,542
NIGERIA	18	10,939	586	11,543
OTHERS / UNSPECIFIED	171	32,931	14,454	47,556
ASIA, East & South	**85,570**	**944,129**	**503,173**	**1,532,872**
BRUNEI	26	21,043	1,500	22,569
HONGKONG	404	185,500	2,500	188,404
JAPAN	77,310	197,268	30,100	304,678
KOREA (South)	4,561	28,540	9,015	42,116
MACAU	56	16,000	1,000	17,056
MALAYSIA	311	59,599	363,000	422,910
SINGAPORE	152	58,194	71,917	130,263
TAIWAN	1,992	151,824	4,300	158,116
OTHERS / UNSPECIFIED	758	226,161	19,841	246,760
ASIA, West	**2,290**	**1,361,409**	**108,150**	**1,471,849**
BAHRAIN	63	28,238	5,000	33,301
ISRAEL	104	9,186	23,000	32,290
JORDAN	108	5,235	7,000	12,343
KUWAIT	93	69,217	10,000	79,310
LEBANON	19	21,521	5,500	27,040
OMAN	18	18,632	1,500	20,150
QATAR	13	44,279	1,000	45,292
SAUDI ARABIA	243	948,329	18,000	966,572
UAE	389	172,755	20,000	193,144
OTHERS / UNSPECIFIED	1,240	44,017	17,150	62,407
EUROPE	**165,030**	**459,042**	**143,810**	**767,882**
AUSTRIA	21,854	1,203	2,000	25,057
BELGIUM	3,473	2,524	4,933	10,930
FRANCE	1,082	4,808	26,121	32,011
GERMANY	42,489	7,015	4,392	53,896

Appendix Table 2
Processed and Deployed Overseas Filipino Workers (OFWs)
Distribution by land-based and Sea-based, 1975-2003

Year	Total Number of Land-based	Annual Growth Rate	Percent of Land-based to Total Deployed OFWs	Total Seamen	Annual Growth Rate	Ratio (%) New Hires Deployed land-based	Total Deployed OFWs	Annual Growth Rate
1975	**12,501**		34.7	**23,534**			**36,035**	
1976	**19,112**	52.9	40.0	**28,614**	21.6		**47,726**	32.4
1977	**36,676**	91.9	52.1	**33,699**	17.8		**70,375**	47.5
1978	**50,961**	38.9	57.8	**37,280**	10.6		**88,241**	25.4
1979	**92,519**	81.5	67.4	**44,818**	20.2		**137,337**	55.6
1980	**157,394**	70.1	73.3	**57,196**	27.6		**214,590**	56.3
1981	**210,936**	34.0	79.2	**55,307**	-3.3		**266,243**	24.1
1982	**250,115**	18.6	81.9	**55,307**	0.0		**305,422**	14.7
1983	**380,263**	52.0	87.6	**53,944**	-2.5		**434,207**	42.2
1984	**371,065**	-2.4	87.3	**54,016**	0.1	44.4	**425,081**	-2.1
1985	**320,494**	-13.6	86.0	**52,290**	-3.2	50.2	**372,784**	-12.3
1986	**323,517**	0.9	85.5	**54,987**	5.2	52.8	**378,504**	1.5
1987	**382,229**	18.1	85.1	**67,042**	21.9	55.5	**449,271**	18.7
1988	**285,117**	-25.4	76.8	**85,913**	28.1	47.3	**371,030**	-17.4
1989	**355,346**	24.6	77.5	**103,280**	20.2	48.0	**458,626**	23.6
1990	**334,883**	-5.8	75.1	**111,212**	7.7	65.1	**446,095**	-2.7
1991	**476,693**	42.3	79.1	**125,759**	13.1	61.5	**602,452**	35.1
1992	**517,632**	8.6	79.1	**136,806**	8.8	53.0	**654,438**	8.6
1993	**509,653**	-1.5	77.8	**145,758**	6.5	49.8	**655,411**	0.1
1994	**517,662**	1.6	77.0	**154,376**	5.9	47.5	**672,038**	2.5
1995	**436,884**	-15.6	72.5	**165,401**	7.1	44.8	**602,285**	-10.4
1996	**424,259**	-2.9	70.7	**175,469**	6.1	42.7	**599,728**	-0.4
1997	**559,227**	31.8	74.8	**188,469**	7.4	39.7	**747,696**	24.7
1998	**638,343**	14.1	76.8	**193,300**	2.6	35.0	**831,643**	11.2
1999	**640,331**	0.3	76.5	**196,689**	1.8	37.1	**837,020**	0.6
2000	**643,304**	0.5	76.4	**198,324**	0.8	39.4	**841,628**	0.6
2001	**662,648**	3.0	76.5	**203,951**	2.8	41.0	**866,599**	3.0
2002	**682,315**	3.0	76.5	**209,593**	2.8	42.3	**891,908**	2.9
2003	**651,938**	-4.5	75.1	**216,031**	3.1	-	**867,969**	-2.7

Source: Philippine Overseas Employment Administration

EUROPE				
GREECE	88	15,527	7,500	23,115
ITALY	4,075	70,113	50,000	124,188
NETHERLANDS	10,250	2,368	1,000	13,618
SPAIN	15,753	6,071	4,000	25,824
SWITZERLAND	842	5,971	6,199	13,012
UNITED KINGDOM	46,234	38,256	7,125	91,615
OTHERS / UNSPECIFIED	18,890	305,186	30,540	354,616
AMERICAS / TRUST TERRITORIES	**2,386,036**	**286,103**	**709,676**	**3,381,815**
CANADA	359,118	30,027	2,975	392,120
UNITED STATES	1,979,408	99,815	510,000	2,589,223
CNMI	1,288	15,399	1201	17,888
GUAM	44,917	1,628	500	47,045
OTHERS / UNSPECIFIED	1,305	139,234	195,000	335,539
OCEANIA	**226,168**	**55,814**	**31,001**	**312,983**
AUSTRALIA	209,017	716	2,923	212,656
NEW ZEALAND	17,051	260	120	17,431
PALAU	5	3,266	400	3,671
PAPUA NEW GUINEA	64	4,140	7,339	11,543
OTHERS / UNSPECIFIED	31	47,432	20,219	67,682
REGION UNSPECIFIED		**8,767**		**8,767**
SEABASED WORKERS		**216,031**		**216,031**

Permanent - Immigrants or legal permanent residents abroad whose stay do not depend on work contracts.

Temporary - Persons whose stay overseas is employment related, and who are expected to return at the end of their work contracts.

Irregular - Those not properly documented or without valid residence or work permits, or who are overstaying in a foreign country.

Source: The Commission on Filipinos Overseas covering 192 countries / territories.

Appendix Table 3
GDP Per Capita and Labor Productivity in Destination and Source Asia Countries

Country	GDP per Person Employed 1990 (US$)	GDP Per Hour Worked
US	58,874	31.33
Canada	46,807	25.64
Australia	45,734	25.46
U.K.	42,578	25.76
Germany	41,845	28.24
France	52,145	34.09
Spain	40,299	22.22
Italy	46,755	28.84
Japan	41,441	23.28
Taiwan	39,347	17.24
Hong Kong	47,659	20.84
Singapore	44,055	
Korea	32,039	12.88
Malaysia	19,036	
Bangladesh	2,592	
India	4,933	
Indonesia	7,587	
Pakistan	7,510	
Philippines	6,848	
Sri Lanka	11,078	
Thailand	11,969	
China	6,336	

Source: ILO Key Indicators of Labor Market, 2002

Appendix Table 4: **Average Monthly Wage (US$) of New Hires and Rehires and Average Years of Experience of Rehires by Destination**

DESTINATION	New Hires	Rehires		Ratio of Rehires to Rehires
	Wage (US$)	Wage (US$)	Experience (No. of Years)	
Saudi Arabia	**359** *210* *2,780*	**650** *538* *976*	**9.3** *57.8* *976*	**1.8**
Brunei	**230** *193* *143*	**542** *780* *24*	**6.9** *5.6* *24*	**2.4**
Other Europe + Spain + Cyprus	**473** *178* *15*	**610** *440* *71*	**7.4** *5.3* *71*	**1.3**
Other Middle East	**335** *226* *2,477*	**716** *708* *431*	**5.7** *5.5* *431*	**2.1**
Other Asia + Papua New Guinea + China + East Timor	**436** *483* *412*	**1,289** *1,915* *138*	**4.3** *4.8* *140*	**3.0**
Other americas (cuba)	**406** *133* *21*	**1,362** *721* *4*	**2.8** *1.7* *4*	**3.4**
Taiwan	**459** *57* *1,916*	**490** *173* *79*	**1.9** *2.6* *79*	**1.1**
Hong kong	**479** *126* *259*	**794** *1,061* *31*	**6.3** *5.2* *31*	**1.7**
Africa	**511** *353* *196*	**1,280** *748* *13*	**4.4** *5.4* *13*	**2.5**
Singapore	**633** *823* *75*	**1,205** *812* *56*	**3.6** *4.1* *56*	**1.9**
Trust Territories + Diego Garcia	**459** *405* *56*	**1,075** *1,025* *2*	**1.0** *1.4* *2*	**2.3**
Israel	**1,163** *887* *34*	**625** *84* *12*	**4.7** *6.0* *12*	**0.5**
Japan	**1,732** *333* *4,045*	**632** *506* *6*	**14.3** *14.2* *6*	**0.4**
United Kingdom + Ireland	**1,992** *459* *202*	**5,899** *9,124* *127*	**2.4** *4.0* *127*	**3.0**
United States + Canada	**3,203** *1,013* *48*	**1,398** *890* *18*	**1.8** *1.7* *18*	**0.4**
TOTAL	**855** *716* *12,679*	**1,065** *2,735* *1,988*	**7.0** *40.7* *1,990*	**1.2**

Note: *First row for mean wage, second, for standard deviation and third, for number of observations*

Appendix Table 5: Regression Results ((ln wage = a + b_1S + b_2E + b_3D + b_4O + b_5G + e)

VARIABLES	NEW HIRES		REHIRES			
	MODEL 1	MODEL 2	MODEL 1	MODEL 2	MODEL 3	MODEL 4
Vocational	0.0406 *1.46*		(dropped)		(dropped)	
H.S. Level	-0.0559 *-1.74*		(dropped)		(dropped)	
H.S. Graduate	-0.0211 *-0.87*		-0.1093 *-1.60* **		-0.0886 *-1.30*	
College Level	0.0272 *1.05*		0.0263 *0.39*		0.0192 *0.28*	
College Graduate/Higher	0.2025 *8.02* *		0.5274 *8.20* *		0.5263 *8.18* *	
Other Professionals		-0.0463 *-2.57* *		0.1980 *2.38* *		0.2162 *2.61* *
Sales		-0.6139 *-25.87* *		-0.4699 *-3.59* *		-0.4791 *-3.66* *
Clerk		-0.4430 *-19.64* *		-0.4548 *-2.03* *		-0.4656 *-2.08* *
Domestic Helper		-0.9470 *-56.81* *		-0.9519 *-10.52* *		-0.9279 *-10.27* *
Entertainer		-0.1157 *-2.51* *		-0.7336 *-1.66* **		-0.7747 *-1.76* **
Others		-0.5443 *-36.53* *		-0.6307 *-8.97* *		-0.6143 *-8.73* *
Brunei	-0.3550 *-9.85* *	-0.3375 *-14.87* *	-0.2709 *-1.44*	-0.2087 *-1.26*	-0.2528 *-1.34*	-0.1977 *-1.19*
Other Europe + Spain + Cyprus	-0.0304 *-0.21*	0.5325 *7.87* *	-0.0860 *-0.70*	0.1669 *1.54*	-0.0570 *-0.47*	0.1865 ** *1.72*
Other Middle East	0.0096 *0.80*	0.1021 *13.00* *	0.0582 *1.04*	0.1269 *2.67* *	0.0541 *0.97*	0.1235 *2.60* *
Other Asia + Papua New Guinea + China + East Timor	0.2353 *12.61* *	0.2708 *18.94* *	0.3627 *4.14* *	0.4714 *6.39* *	0.3772 *4.29* *	0.4889 *6.61* *
Other americas (cuba)	0.1498 *2.17* *	0.1348 *2.30* *	0.5071 *0.85*	0.7349 *1.82* **	0.4827 *0.81*	0.7524 *1.87* **
Taiwan	0.3022 *26.10* *	0.4905 *55.77* *	0.0666 *0.61*	0.2250 *2.33* *	0.0827 *0.76*	0.2356 *2.44* *
Hong kong	0.7077 *5.58* *	0.9359 *49.20* *	0.2014 *1.15*	0.5979 *3.70* *	0.2364 *1.34*	0.6230 *3.86* *
Africa	0.2681 *10.42* *	0.2767 *14.30* *	0.7181 *2.80* *	0.6660 *3.00* *	0.7544 *2.94* *	0.7215 *3.25* *
Singapore	0.4433 *10.27* *	0.3386 *11.01* *	0.5534 *4.14* *	0.5118 *4.61* *	0.5616 *4.20* *	0.5203 *4.69* *
Trust Territories + Diego Garcia	0.0701 *1.77* **	0.1028 *2.89* *	0.7652 *1.28*	0.7636 *1.35*	0.9573 *1.60*	0.9350 *1.66* **
Israel	0.7778 *2.75* *	1.2725 *28.10* *	0.4479 *1.48*	0.4941 *2.11* *	0.5411 *1.79* **	0.5678 *2.42* *
Japan	1.7640 *140.17* *	1.4225 *32.12* *	-0.1353 *-0.39*	-0.0343 *-0.10*	-0.1681 *-0.49*	-0.0479 *-0.13*
United Kingdom + Ireland	1.6890 *68.02* *	1.5702 *75.97* *	1.5453 *15.68* *	1.4109 *16.24* *	1.5430 *15.67* *	1.4240 *16.35* *
United States + Canada	2.1505 *48.17* *	1.9459 *50.31* *	1.0095 *3.92* *	1.0076 *5.28* *	1.0379 *4.03* *	1.0620 *5.55* *
Age	0.0091 *17.16* *	0.0040 *14.12* *	0.0142 *5.43* *	0.0116 *5.26* *		
Experience					0.0187 *5.44* *	0.0158 *5.49* *
Female	-0.0437 *-4.84* *	-0.1356 *-20.28* *	-0.2548 *-5.04* *	-0.1710 *-3.61* *	-0.2688 *-5.34* *	-0.1819 *-3.86* *
Constant	5.4751 *174.90* *	6.1546 *344.62* *	5.5246 *46.02* *	6.2817 *55.25* *	5.9238 *92.62* *	6.5880 *86.17* *
R^2	0.8722	0.9034	0.3206	0.3218	0.2752	0.3227
Adjusted R^2	0.8718	0.9032	0.3097	0.3142	0.2664	0.3151
No. of Observations	7,172	12,642	1,587	1,974	1,587	1,974

Note: 1. Base variables for: **Education** – Elem. Level and Graduate, **Occupation** – Nurse and **Destination** – Saudi Arabia

2. First row is for the estimated coefficient and second, for the t-statistic:
   ** - significant at 0.10 level * - significant at 0.05 level

3. Dropped means no observations

Appendix Table 6: Regression Results (including *Educ Not Stated* category)
(ln wage = $a + b_1S + b_2E + b_3D + b_4O + b_5G + e$)

VARIABLES	NEW HIRES	REHIRES	
	MODEL 1	MODEL 1	MODEL 2
Vocational	0.0185 *0.73*	(dropped)	(dropped)
H.S. Level	-0.0368 *-1.25*	(dropped)	(dropped)
H.S. Graduate	-0.0052 *-0.24*	-0.0957 *-1.51*	-0.0771 *-1.22*
College Level	0.0216 *0.92*	-0.0137 *-0.22*	-0.0183 *-0.29*
College Graduate/Higher	0.1053 *4.60**	0.2487 *3.92**	0.2487 *3.92**
Educ Not Stated	0.0237 *1.07*	0.3219 *4.84**	0.3225 *4.85**
Other Professionals	-0.0223 *-1.24*	0.1977 *2.41**	0.2175 *2.66**
Sales	-0.5809 *-24.51**	-0.3246 *-2.48**	-0.3355 *-2.57**
Clerk	-0.4147 *-18.42**	-0.3781 *-1.71*	-0.3893 *-1.76*
Domestic Helper	-0.8927 *-51.67**	-0.6918 *-7.25**	-0.6732 *-7.05**
Entertainer	-0.0310 *-0.67*	-0.4752 *-1.09*	-0.5250 *-1.20*
Others	-0.4922 *-32.17**	-0.4528 *-6.17**	-0.4393 *-5.99**
Brunei	-0.3414 *-15.14**	-0.1882 *-1.15*	-0.1797 *-1.10*
Other Europe + Spain + Cyprus	0.5320 *7.92**	0.1416 *1.32*	0.1639 *1.53*
Other Middle East	0.0977 *12.49**	0.1238 *2.64**	0.1195 *2.55**
Other Asia + Papua New Guinea + China + East Timor	0.2616 *18.31**	0.4152 *5.67**	0.4335 *5.90**
Other americas (cuba)	0.1492 *2.56**	0.6502 *1.63***	0.6652 *1.67*
Taiwan	0.4640 *51.49**	0.1892 *1.98**	0.1988 *2.07**
Hong kong	0.9311 *49.29**	0.5209 *3.26**	0.5508 *3.45**
Africa	0.2775 *14.43**	0.6371 *2.90**	0.6981 *3.18**
Singapore	0.3185 *10.42**	0.4885 *4.46**	0.4958 *4.52**
Trust Territories + Diego Garcia	0.0924 *2.61**	0.8844 *1.59*	1.0507 *1.89**
Israel	1.2689 *28.17**	0.4428 *1.91**	0.5228 *2.26**
Japan	1.4038 *31.87**	-0.0799 *-0.23*	-0.0885 *-0.25*
United Kingdom + Ireland	1.5480 *75.19**	1.4021 *16.28**	1.4128 *16.35**
United States + Canada	1.9103 *49.61**	0.9540 *5.07**	1.0096 *5.35**
Age	0.0041 *14.58**	0.0125 *5.74**	
Experience			0.0163 *5.75**
Female	-0.1313 *-19.67**	-0.2067 *-4.38**	-0.2199 *-4.67**
Constant	6.0710 *213.19**	6.0148 *48.16**	6.3531 *68.76**
R^2	0.9048	0.3424	0.3424
Adjusted R^2	0.9046	0.3336	0.3336
No. of Observations	12,642	1,974	1,974

Note: 1. Base variables for: **Education** – Elem. Level and Graduate, **Occupation** – Nurse and **Destination** – Saudi Arabia
2. First row is for the estimated coefficient and second, for the t-statistic:
** - significant at 0.10 level * - significant at 0.05 level
3. Dropped means no observations

Appendix Table 7
Average Monthly Wage Rates of Selected Occupations in Metro Manila, 2002[1]

	Range in Phil. Pesos	Mean in Phil. Pesos	Range in US$	Mean in US$
Professional workers	9869		191-449	
Accountants & Auditors		17113		332
Engineers		19595		380
Doctors		12971		251
Professional Nurses		9869		191
Teachers		18255		354
Computer Programmers		23146		449
Aircraft pilots & navigator engineers		72070		
Technicians	8435-21019		163-407	
Ship Engineers		20688		401
Ship Deck officers		21019		407
Computer Equipment operator		11516		223
Medical Equipment operator		10001		194
Securities/Finance dealers		16096		312
Clerical Workers	8262-18641		160-361	
Production clerks		8763		170
Tel. switch board operator		18641		361
Statistical & finance clerks		11545		224
Machine Operators/ Assemblers		9172		178
Service Workers	7982-11808		155-229	
Service crew		7982		155
Cooks		11752		228
Waiters		10165		197
Bus conductors		8199		159

Source: National Statistical Coordinating Board, 2003 *Philippine Statistical Yearbook* and Bureau of Labor and Employment, 2002 Occupational Wage Survey. Hhtp://www.manila-online.net/bles/download/vol 7 14.pdf

[1] The data are for non-agricultural establishing 50 and more workers. The peso wage was converted to US$ by the exchange rate in 2002 at P51.60?1US$.