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Filipino Overseas Employment— An Update

by

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ABSTRACT

The paper is an update of earlier papers on migration (Tan and Canlas 1989, Tan 1993). Overseas employment continued to increase though at decelerating rate. There were changes in destinations and occupations with Asia gradually replacing the Middle East. The overseas workers' occupations were destination-specific as exemplified by the preponderance of domestic workers in Singapore and Hongkong. The overseas workers were not predominantly domestic workers. They formed only 37% of the total outflow. Production workers, seamen and professionals were as important. Available data are for outflows, not stock. The paper made stock estimates and compared them with other estimates. The annual flows were about 700,000 in the 1990, the stock in 1998 is estimated at 2.0Million. This is smaller than the 4.5 quoted by the Department of Foreign affairs. The stock estimates are used for assessing the reliability of the remittances reported by the central bank. These averaged about 6% of GNP and 20% of exports. They appear to be grossly underestimated, the actual which include those brought in directly by returning workers and channelled through informal media could easily double the reported values. Overseas employment is found to give fairly high rate of return as seen in wage abroad, wage here and placement cost. Working abroad is expected to remain an attractive option considering the high unemployment and poor performance of the economy.

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Earlier papers by the writer (1987, 1991, 1991) and other studies (Carino 1987) have pointed to the Philippines rather unique and rich emigration experience. A confluence of factors including its colonial history and labor market flexibility have made a large proportion of Filipinos more willing and able to take advantage of available foreign market opportunities. Filipinos have migrated in large numbers to varied destinations across several continents, first in North America then to Africa, Europe, Australia and within Asia. This experience contrasts with the more common one of movement across proximate areas, such as has happened in the Americas, the Mediterranean and Europe, the Middle East, and in the golden triangles of Southeast Asia, Johore-Singapore and Batam-Singapore and Indonesia and Thailand. The Filipino migration to North America was largely for permanent settlement but the more recent migration is for temporary employment in the Middle East and other countries.

The paper updates the studies on migration. The paper is organized as follows: Section 2 gives a brief history of emigration that explains the Filipino's high propensity to migrate. It reviews the findings from earlier studies. Section 3 traces the changes in the destination and composition of overseas Filipino workers, OFW, the term used for labor migrants. Section 4 analyzes the impact on the domestic labor market and the economy of the overseas employment. Section 5 gives the conclusion.

2. A Brief History of Emigration

The Philippines was colonized by the United States in 1898 and obtained its independence in July,1946 shortly after World War II. Large scale emigration took place first in the 1930s when agricultural labor from the Ilocos region in the North was recruited to work in Hawaiian and California plantations. The Ilocos region is mountainous and relatively poor. A second wave followed in the 1960s when the US immigration law was liberalized replacing racial quotas with occupation-based quotas and entry for humanitarian reasons such as refugees and close family relationship to the permanent residents and citizens of the US. Selected occupations were opened to foreign labor on the basis of observed labor shortages and for other economic reasons such as to weaken the American Medical Association monopoly on the supply of doctors. The US Department of Labor would certify occupations which could be filled by foreign labor, in the 1960s they were for medical doctors and nurses. Filipinos enthusiastically responded to the migration opportunities to such an extent that half of the graduating doctors went to the US in this decade. As the shortage diminished the immigration door was closed. Shortly after WWII, engineers and other skilled workers were employed in American bases in the Pacific, particularly Guam and Hawaii. At the same time a high proportion of Filipino scholars under Fullbright, Ford, Rockefeller and other foundation scholarship remained in American

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and joined the doctors, nurses and other Filipino Americans there. Then the Middle East market opened in 1975 following the oil shock that provided it with resources for large-scale construction and other development activities. The Middle East opened the first large market for Filipino labor on temporary basis and started the large labor migration which has become an important and apparently permanent feature of the domestic labor market. An increasingly number of the destinations and the occupations has opened up to Filipino workers. The employment of seamen or shipping crew began earlier in the 1950s but in much smaller numbers. It has grown slowly but steadily through time. More than 700,000 left each year in the later half of the 1990s. A much larger number than this is working abroad for those who leave each year tend to stay for a years in their foreign job. Estimates of the stock vary widely from 0.9 to 6.5 million. More on this later.

Migration tends to take a life of its own and create a migration chain. Each major emigration flow tends to generate opportunities for later emigration and so heightens the propensity to emigrate by those left behind. The first migrants provide information about the labor market and the quality of environment in their destination. In some cases they offer protection and other services to would-be migrants. The US immigration law allowing for close relatives to join their families directly creates a migration chain. Filipinos have formed the third largest emigrant group the US estimated at about 1.4Million in 1990. Each migrant who has become a citizen or permanent resident can "petition" for his/her mother, father, child and even brother or sister to join him/her in the US. Filipino applicants for the relation-based visas have reached such a dimension as to alarm the US government to slow-down the processing of their papers. It now takes more than 5 years to obtain such a visa.[1] A similar migration chain for permanent residence in Australia and Canada. A migration chain also exists for temporary overseas employment. Those working abroad provide information and sometimes recruitment services to their relatives and friends. Some overseas Filipino workers (OFW) are able to recommend people from home for vacancies. The migrants could also provide assistance in finding accommodation and offer some sense of security to newcomers. The migrants might also help finance the cost of migration of their kin. The chain need not be direct between the migrants and residents. The information about successes and risks experienced by individual migrants cumulate to become public information that guides would-be migrants in their migration decision.

Monetary benefits are assumed to be the main motivation driving migration. The gains from migration differ greatly depending on destination and occupation. The wage rate offered to labor migrants is in most cases an administered wage set below prevailing wage rates. It is only in North America where legal migrants would compete in the labor market and receive prevailing wage rates. America's superior social services and quality of physical environment are generally accessible to migrants. Canada and Australia have a similar immigration policy. Other countries segment overseas workers from the domestic labor market and exclude them from most social services provided the citizens. In most destinations the wage rate of is only a fraction of the domestic wage. The Singapore government, for instance, decides the wage rate of Filipino domestic workers to be about US$300 per month, small fraction of the wage paid its citizens for an equivalent job. Saudi Arabia and other Middle East countries have a similar wage policy.

[1]There was always a long queries of visa applicants at the gates of the US Embassy in Manila that started at dawn. The embassy replaced the ground queue with telephone queue.

Italy and England pay much higher wage rates than these countries even if not exactly equal to their citizens' wage rate.

Foreign employment carries risks. There are recruitment frauds where recruitment fees are exhorted for non-existing jobs. There are contract violations by some employers where the wage promised is not honored in full, is delayed or is not paid at all. There are cases of physical abuses such as rape, physical assault and unhealthy work environment. There have been cases of unexplained deaths and illnesses. The incidence of reported cases is small, i.e., number of cases as a ratio of the population of OFWs. As in the case of wage rates, the incidence varies by occupation and destination. Domestic workers are the most vulnerable to abuses since they work in homes that are isolated from the other workers who could help monitor each other. Female domestic workers are less educated and of the young age and vulnerable to their male employers' instincts. In contrast, the OFWs in factories, transport industries and construction sites work in groups and usually live in dormitories. They are able to offer protection to each other. The professional OFW are in the enviable position of earning the highest wages and working in the most comfortable and safest conditions.

The government has encouraged overseas employment by providing services to protect the OFW from fraudulent placement agents and from risks in the place of work. It established The Philippine Overseas Employment Administration (POEA) and the Overseas Workers Welfare Administration (OWWA). POEA screens and licenses private recruitment agencies and facilitates the processing of OFWs immigration papers. Placement agencies have developed into an important service industry. The firms search for foreign labor markets negotiate with foreign employers and foreign recruitment agents, and assist in the preparation of immigration papers and employment contracts. POEA screens employment contracts to assure their fairness and is responsible for prosecuting illegal recruiters. In the early years, many illegal recruitment were reported in the papers but the problem appears to have diminished. Some sensational violations were publicized and the agents imprisoned. OWWA, on the other hand, works as a mixture of insurance and welfare agency for OFWs. It collects US$25 per each OFW on a new contract. A fund is established which pays for all sorts of things such as pre-departure training, small loans for OFW family venture and OFW cooperatives, OFW children's scholarship and principally, compensation for death at overseas work, funeral expenses and some work-related medical cost. The insurance benefits are, however, rather small.[2] The government has placed labor attaches and established OFW centers in the important OFW destinations such as Saudi Arabia, Singapore and Hongkong.

The high performing East Asian Countries (HPEA) were approaching full employment towards 1980 and importing labor was an obvious means of sustaining their high growth rate. At the same time their people had become affluent enough to shun certain occupations such as domestic work and the other 3-D (dirty, dangerous and demanding) jobs. Domestic workers have concentrated in Hongkong and Singapore, entertainers and factory workers in Japan and agricultural workers in Malaysia. The growth rate of OFW flows to Asia accelerated from 1978 to 1987 averaging 35.3% per year. Japan, Korea, Hongkong and Singapore were the principal destination. Indonesia and

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[2] Compensation for death is only about US$1,250.

Thailand have employed professional workers. In the 1990s Taiwan allowed the entry of OFW in production workers, Malaysia legally imports domestic workers but has allowed undocumented agricultural workers in Sabah. They could easily breached the adjacent islands by small boats. The West has always admitted limited numbers of Filipino workers in fairly strictly selected occupations, in North America medical personnel particularly nurses, in Europe domestic workers and in Oceana professionals.

2. Changes in the Destinations and Characteristics of OFW Flows, 1975-1998

Labor migration has generally been demand driven, determined by whatever foreign market opens its doors to Filipino workers. Destination governments decide which occupations in which industries to allow foreign labor to enter. The domestic labor market has been flexible enough to respond to the occupations and destinations that open up. This is clearly reflected in the changes in the OFW's destinations and occupations over the 1975-1998 period. The trends are seen in Tables 1-4. The POEA provides annual data on processed OFW since 1975, i.e., the workers who have obtained contracts and immigration papers. Since 1984, the numbers who had actually been deployed or left the country were reported. The deployed OFW are disaggregated into new hires and rehires. The outflow (processed OFW) numbered just over 36,000 in 1975 with only 12,500 land-based workers destined for Asia, North America and its trust territories and Europe and 23,534 seamen. (Table 1) The outflow of land-based OFW shot up by almost 6 times from 36,000 to 214,519 comprising largely of construction workers going to the Middle East. The OFW flow to this destination rose from 1,552 in 1975 to a peak of 311,517 in 1984. The outflow to the ME took an inverted-V shape increasing at annual rates of 120.7% until 1984 and dropping by 6.0% annual rate from 1984 1o 1998. The flows in subsequent years exhibit wide fluctuations. Nevertheless, the ME has remained the most important OFW destination about 47% of the total flow in 1998 was to this area.

As stated earlier, the increased demand in Asia and in international shipping compensated for the ME slack in demand. Deployment to Asia grew fairly well, albeit slower than the ME. The annual growth rate from 1983 to 1987 was double-digit averaging 35.5% and then decelerated to 10.0% in subsequent years. There were also wider fluctuations in the growth rate after 1988 ranging from -14.1% to 46.1%. Seamen, on the other hand, hold more stable jobs than land-based workers and the outflow has grown more steadily though slower than for land based workers. The average duration of their foreign employment was 7.5 years as compared to 3.5 years for the land-based OFW. The 23,534 deployed seamen in 1975 increased to 193,300 in 1998.

The distribution of OFW across destinations changed as the rate of outflow to them changed. In 1975, seamen though of relatively small number dominated the OFWs with a share of 65.3%, the ME only 2.4%, Asia 33.7%, North America 18.3% and Europe 25%. The ME hosted 85% of deployed OFW in 1983 now only 46.7%. The numbers going to America, Europe and Oceana have been relatively small at less than 20,000 in total. Asia absorbed an increasing proportion from 10.7% at the ME peak in 1983 to 45.5% in 1998. While the seamen were the main OFW in 1975, their relative importance was overwhelmed by the ME market. But from 1983 onwards their share gradually rose reaching 25.5% in 1998. (Table 2)

The downward trend in outflow to the two major markets, the ME and Asia may be expected to continue. There are no clear prospects for a trend reversal. Excepting for Taiwan, all the labor importing East Asian economies have suffered from an economic crisis with negative GDP growth. Recovery to the past high growth is not surely at hand. Korea reports high GDP growth this year (2000), but the other crisis countries are still in the process of economic restructuring, which is proving difficult because of their weak financial market. The failure of a large segment of the financial market in Japan, Thailand, Malaysia and Indonesia will take time to solve. They have to institute extensive financial and corporate reforms as well as massive recapitalization. Moreover, the recession in Japan, Asia's big market, is slowing down the recovery in the neighboring economies. The outflow to this region was, in fact, negative 6% in 1997-1998, possibly also negative in 1998-1999. But even absenting the crisis, demand for land-based OFW appears to be falling as reflected in new hires in a declining trend from 1992 to 1996, recovery at 74.% in 1996-1997 and then growing at only 0.6% in 1997-1998. Would the increased OPEC income from the current oil shock lead to increased demand for foreign workers? The ME countries have experienced significant social and economic development that have improved the quality of their labor force, state of technology and institutional and physical infrastructures. A construction boom is unlikely. They will be less dependent on production workers if they apply more advanced technology in their goods and services sectors. The demand for professional and scientific manpower may increase but this is likely to be recruited from different sources including the West. Demand for Filipinos will likely be small.

3. Characteristics of the OFW

We present in Table 4 the breakdown of the OFW by occupation, education and sex which are later juxtaposed to the corresponding categories of the labor force. This shows the likely impact of the labor outflow on the domestic labor supply. As earlier stated, the characteristics of the OFW are determined by the occupations which became open in particular destinations. Consequently, the OFW occupation and the educational qualification and gender preference for the occupation is location specific. For instance, Hongkong and Singapore import mainly domestic workers who tend to be female with less than college education. Seamen are male and have post-secondary training, even college degrees in marine science and technology.

Panel A of Table 4 shows an increasing feminization of OFW as previously observed by Abella (1991). The early migrant workers were largely male since the large majority were seamen, as much as 65% of the 1975 OFWs. The early migrants to the ME were construction workers and also mainly male. The proportion of female gradually rose as the proportion of domestic workers increased, some to the ME and the others to Asia particularly Hongkong, Singapore, Malaysia. Domestic workers also dominate those who went to Italy and Spain. The nurses who go to the ME and North America and the entertainers who go to Japan are mainly women. In 1987, 40% of OFS were female, the ratio rose to 61% in 1998. Panel A shows that in 1992, 27.8% of land-based OFW were in professional/technical and managerial occupations, 34.9% in production and other blue-collar skilled occupations and 37.1% in domestic service. Seamen comprised 25.5% of the total. In proportion of the total OFWs, domestic workers shared 27.6%.

The location-specificity of occupation is seen in Panel B. In the ME, 22.4% of the deployed OFW were in the professional/technical/managerial position, 6.3% in clerical, 25.9% in domestic service and 45.0% in production. In Asia, only 1.6% were in the first occupation, 58.0 % in domestic service and 37.7% in production. In Europe 85.9% were domestic workers. Oceana's OFW were largely in the professional and production work. There is further concentration in the field of specialization among the OFW professional. A special survey by the National Statistics Office shows that in 1991, 44.0% of the professional workers in Saudi Arabia were architects and 41.7% in medical fields; in Japan, the entertainers were classified as composers and performing artists and they comprised 78.4%, in America, 48.9% were in medical professions and 32.2% aircraft skills, likely to be engineers. The Commission on Filipino Overseas Workers, an agency of the Department of Finance provided stock estimates by occupations in each major destination. The figures also show the location-specificity of the occupations. (Table 4)

There appears to be some skimming of labor for overseas work as evidenced by their higher educational attainment as compared to the domestic labor force. (Table 3). The average schooling years of OFW deployed in 1990 was 10.6 or a little higher than high school (10 years) with 6 years elementary and 4 years high school. The proportion of OFW with 1-5 years of elementary was very much lower than for the labor force –3.1% vs. 14.8 and for completed elementary schooling, 9.3% vs. 41.0%. Proportionately more OFW had higher schooling levels than the labor force - 148.4% for completed high school, 276.3% for incomplete college and 205.8% for completed college. Among the OFW, women had a slightly higher schooling years –10.7 vs. 10.5. This is because there are more women professional OFW especially the nurses. Even some domestic workers have some college education.

4. Estimation of the Stock of OFW and Remittances

There are no good statistics on the stock of OFWs. The estimates are based on available information which improves through time. Until 1983, the only data were on on processed OFW or those whose immigration papers were coursed through the POEA, hence the word "processed" workers. Since 1984 POEA began collecting data on the deployment or departures from its desk at the international airport and other transshipment areas. In the 1990s, the deployed land-based workers were classified into new hires and rehires. The data on seamen are not, however, disaggregated into new hires and rehires. Very rough methodologies have used in estimating stock.

In her 1989 paper, Tan simple assumed contract duration of 1.5 years and used this to estimate the stock. POEA's special survey of returning land-based OFW found that the duration of last foreign employment was 3.5 years for the land-based workers and 6.7 years for the seamen. The duration of employment was used to estimate the stock as follows:

If the duration of last employment was 2 years, then

$Stock(t) = 0.5N(t) + N(t-1) + 0.5N(t-1)$

If duration is 3 years

$Stock(t) = 0.5N(t) + N(t-2) + N(t-1) + 0.5N(t-3)$

It now appears that the estimates based on flows and duration of employment are grossly understated especially for 1989 when the duration was assumed to be only 1.5 years. We have three sets of new data.

The Commission on OFW of the Department of Foreign Affairs tracked Filipinos in their destinations through their consular offices. Their stock estimate in 1997 is 6.445 Million. Presumably this includes OFW and permanent emigrants to the US. Tan (1993) estimated that in 1990 a total of 1.406 Million Filipinos had settled in the US, Canada and Australia as per their population census and annual flow of immigrants. About 1.309 Million were in the US, 0.075Million in Canada and 0.032 Million in Australia. From 1985-1988 about 60,000 Filipinos were being admitted to the US on relationship basis each year. There could now be about 2.1Million Filipinos in these countries assuming 40,000 to 50,000 annual emigration to the US and a doubling of the numbers in Canada and Australia. The total OFWs in Asia and the Middle East numvered 2.4 Million. Add around 2.0 Million in the US, Canada and Australia and we obtain only 4.4 total not the Commission figure of 6.4 Million.

The Commission's figure appears to be an overestimate considering the size of the flows and the reported duration of employment. The figure also greatly exceeds the National Census and Statistics data on the number of families that received income from relatives abroad. In 1997, these families numbered only 881,158 or 6.2% of families. (National Statistics Office, 1997 Family Income and Expenditures Survey)

The conflicting figures lead us to attempt alternative estimations using again the POEA flow figures. Three rough estimates are offered.

1. Assume that the rehires stay abroad indefinitely, then the stock would simply be the cumulative sum of the rehired deployed OFWs since the great outflow in 1975. For the period 1975 to 1983 when the only data available were processed OFW, the number rehired is estimated to be the product of the ratio of rehires to deployed (r/d), the ratio of deployed to processed (d/p) and the number processed or (r/d x d/p x Number processed). The ratios used were averages over 1983 to 1988.)

2. The cumulated sum of rehired deployed land-based OFW from 1975 to 1998 amount to 3.901 Million. Add to this the stock of deployed seamen. It may not be unreasonable to assume that half of the seamen take a yearly vacation and the other half biannually. Under this assumption, the stock of seamen at year t is equal to the number deployed at t plus 1/2 of those deployed at t–1. The stock in 1998 would equal the 193,300 + .5x188,469 or 287,535. The stock of land-based OFW and seamen totals 4,189 Million. Add to these the illegal migrants to Taiwan and Japan and the professionals and scientists who obtain their working visas outside the POEA and we arrive at close to 4.5 Million OFW in place. The number exceeds The Commission's figure of 2.403 Million OFW in Asia and the ME.

A more conservative and possibly more realistic estimate assumes that a proportion of the rehired return home for good or take a break in between jobs.

Unfortunately there is no information on this. We try different rates of return migration to get a sense of the possible size of the stock, say 30% and 50%. The reader can try alternative return rates. The following are obtained:

3. 0.30% return of rehired land-based OFW:
   3,901Million x .30 = 1.300 Mill
   +0.288 Mill seamen
   1.588 Mill total
4. 0.50% return of rehired land-based OFW:
   3.901Million x .50 = 1.951 Mill
   + 0.288 Mill seamen
   2.239 Mill total

The approximately 2.0 Million permanent emigrants to the US and elsewhere may be added to each of these numbers to get the total number of Filipinos abroad. The OFW stock estimates range from the National Statistics Office remittance recipients of 0.881 Million, the above at either I.588 Million, 2.239 Million or 4.189 Million and the Commission on OFW 6.445 Million. The NSO figure seems to be an underestimate considering that the deployed alone already reached 747,696 in 1997. Definitely there were OFW in place aside from the number deployed who left that year. The more realistic figure for OFW stock appears to be around 2.0 Million using a return of rehire rate of 30%.

5. The Economic Impact of Overseas Employment

Overseas employment has brought substantial economic benefit to the country and to the OFW families. At the macro level, the OFW have contributed significantly to GNP and foreign exchange earnings, they have also lightened the unemployment problem. From the micro viewpoint, overseas employment has raised the OFW's income allowing them and their families to enjoy a higher standard of living and invest in education and physical capital. Overseas employment, however, means separation and this entails psychological cost for both the OFW spouses and their children. The OFW are at the age when their children are in their formative years. The separation of young couples must wring much personal cost. POEA undertook a special survey in 1990 to look into the effect of overseas employment on family relationships but it failed to show negative results. It tells that the relationship between the absent parent and children as well as between the separated spouses remained intact. (Tan 1993). There is tradeoff between the happiness (utility) obtained from the wider choices afforded by overseas income and the unhappiness from the separation. The resident spouse likely exerts greater effort at preserving family relationship and traditions. The extended family system and existing social institutions like the church provide protective mantle to the separated families. A returned OFW who now drives his own taxi acquired from his saving from overseas employment tells the writer that his Mormon church helped guide his spouse and children during his absence. And because of its help, his three children were able to do well in school. There likely exists many similar stories but there must also be sad ones. The paper will not dwell on this issue and instead focus on the monetary returns to overseas employment.

5.1. Remittances

The Central Bank of the Philippine (Bangko Sentral ng Pilipinas or BSP since 1995) reports remittances from all sources including permanent emigrants to North America. There is reason to argue that the official figure on remittances does not fully account for the foreign exchange inflow from the migrants. The BSP reports the remittances made through the banks. It is well recognized that Filipino residents abroad and the remittance coursed through these channels are not officially recorded.OFW use informal carriers - friends and relatives who are coming home and private non-bank carriers so called door-to-door couriers. Second, the inflow varies depending on interest rate and exchange rate risks. Most OFW are located in cities with modern financial institutions. They can save their foreign exchange earnings abroad or in the Philippines depending on the interest rate differential and currency risk. If a peso depreciation is expected for one reason or another, the remittance of earnings is likely to be postponed and the funds retained abroad. The third capital account liberalization in 1992 which allowed banks to lend their foreign currency deposits and other foreign funds to domestic borrowers encouraged banks to tap OFW remittances into their loanable funds. Foreign currency deposits have been allowed since the 1980s though they usually paid lower interest rate than local currency deposits. It is possible that part of the increase in reported remittance in 1991 to 1992 reflect increased use of the banking channel.

Remittances increased as OFW deployment increased but not all the variation in remittance can be explained by the number of deployed OFW. As mentioned above, interest rate differentials and financial exchange rate risk are expected to influence remittance levels. There were changes in these variables. For instance remittances grew faster in the 1990s despite the slowdown in the growth of OFW deployment. Part of the movement in reported remittances may therefore be due to these factors - interest rate differential, exchange rate risk and other risks. In fact, remittances fell during the economic crisis of 1983-1985. Remittances fell again during the recent Asian crisis (1997-1998). The presence of informal channels will tend to undervalue the recorded remittances but as capital account liberalization would tend to increase them. This will be analyzed below.

Remittances have contributed substantially to the country's foreign exchange earnings and GNP. Table 8 shows that the reported remittances comprised, on average, .9% of GNP from 1975 to 1979, 2.1% in the 1980s and 4.8% in the 1990s. Remittances as a ratio of export earnings rose from average rates of 6.4% to 13.1% to 20.4% for the same periods. It was argued in an earlier paper (Tan 1989, 1993) that there could be significant underreporting of remittances so that in fact OFW generate more foreign income than was tracked through the banking system. The same still holds. The informal channels continue to flourish despite the banks greater effort to tap remittances. The recorded remittances are not realistic. In 1997, $5.742 Billion remittances were reported of which $4.109billion were from the US, leaving only $1.632 for the OFW, $1.558Billion came from land-based workers with only $75 Million from seamen. Using this figures would show very meager remittances by OFW. Consider the seamen who earn at least $500 per month or $6,000 per year. Their average remittance in 1997 was only $272 ($75Million remittance by seamen / stock of seamen of about 288,000). The average remittance in 1997 for land-based workers ranges from $431 to 1436 depending on the stock estimate. Table 9 gives the calculations. If we use the Commission on OFW stock of 6.445 Million, the average remittance worldwide would only be $ 890. Compare these figures with remittance values obtained from a 1991 survey.

If we argue that the actual value of remittances is much larger than that reported by the central bank, then the contribution of OFW to GNP and to export earnings is much higher than is reported. But we have no accurate measure of either the stock of OFW or the remittances. We may show ballpark figures based on average foreign wage and stock estimates. Using our low stock estimate of 2.263 in 1998, and assuming remittance of $4,000 per year would amount to $9.052 Billion. Add to this the remittances from the permanent migrants in the US, Canada and Australia and we can easily get a figure double the official report of $4.9Billion. An average remittance of $4,000 does not seem unrealistic considering the remittance values obtained from a special survey in 1991. Domestic workers remitted $2,140, seamen $4,736, professional $4,590 and production workers $3,281.

5.2. Impact on the Labor Market

The outflow of workers has barely made a dent in the unemployment situation in toto and in the skilled segments of the labor market. (Table 11). Unemployment has prevailed from 1975-1997 for all education level so that no shortages were experienced in any broad education categories. The unemployment rate among the educated groups has been relatively high, among high school graduates was 7.6% in 1980, 10.9% in 1990 and 10.2% in 1997. The rates among those with some college were 11.1%, 12.8%, and 11.8% and among the college graduates were 6.6%, 10.7% and 9.1% in the same years. The number of new hires formed only a fraction of the increment in the labor force, 22.8% in 1980-1990 and 34.9% in 1990-1997. The stock of OFW between estimated form only a small fraction of the 30.3 million labor force in 1997. The OFW are in skills that are not in any shortage in the domestic economy, namely domestic service, teachers and nurses in the professional category and production workers.

The country's labor market is fairly flexible. There are no class barriers to occupational mobility. The school system is notably extensive with enrollment rates at the primary grades, high school and college comparable to the more advanced economies in Asia - 95-100%, 55% and 27%. There are some 1000 colleges and universities and another 1000 vocational and technical schools which make post-high school education physically accessible. While they offer large poor quality programs, the schools nevertheless provide enough general education and some degree of specialization (like nursing) that meet minimum skill requirements and trainability among the graduates. The OFW could be easily replaced by the labor force left behind. What is wanting in the educational system is high quality programs and graduate studies in the sciences and engineering. But this is a problem that is not an issue on overseas employment. It is a serious concern for developing global competitiveness. (Table 12)

5.3 Private Returns to Overseas Employment

The monetary returns to overseas employment is the increase in income minus placement and other costs. Both variables vary across occupations and to some extent across destinations. The spate of special surveys in 1990-1991 provide good information on these variables. Tan (1993) made estimates of the absolute gains from labor migration using average foreign wage, average domestic wage, placement cost and duration of employment. (Table 12) Indeed working abroad is found to be a worthwhile investment. Note that the net returns differ substantially across occupations. Expectedly it is highest for the professional group with a net gain of about P100,000 in 1990. It is lowest for domestic workers who not only received the lowest wage but also bore the highest placement cost. Seamen had a more organized placement system which result in the lowest placement fee. The wage scale for seamen is also fairly standardized. In contrast, the wage rate of domestic workers vary widely across destination. Singapore and Saudi Arabia pay less than $300 per month, Hongkong $500-600, Italy and Spain more than $1000. Production workers' earnings also depend on destination. Those in Taiwan are reported to earn more but they pay higher placement cost to both local and Taiwanese placement agents. Compare these wages to the minimum wage rate in urban centers at around P6000 or $1250 per month.

Interest in the welfare of OFW has waned since the early 1990s partly because the institutional infrastructure for protecting OFW have been put in place. The processing of OFW papers and the licensing and supervision of placement agents have been systematized. Fewer cases of illegal recruitments are being reported. The number of labor attachés in major destinations has been increased. OFW centers have been opened to service the labor and personal needs of OFWs in these destinations. The Department of Foreign Affairs have been more alert to legal problems encountered by OFWs. At the same time the outflow of OFW has slowed down. Overseas employment is no longer a thorny social issue and for this reason less support is being given for surveys and studies.

No recent data have been collected to update the returns analysis. It is likely that the placement cost has risen since 1991 but the peso value of the foreign wage has also risen with the depreciation of the currency. The exchange rate in 1991 was P24.2/$1.0, now (March 2000) it is P41.0/$1.0. The domestic wage has also been rising so the opportunity cost of foreign employment has also risen in peso terms. Considering all these changes, the net gains from overseas employment are expected to remain fairly high.

6. Conclusion

The OFW have contributed substantially to the GNP and to foreign exchange earnings. In 1998, reported remittance to GNP ratio was 7.1% and remittances to export earnings ratio, 16.7%. Because of their large contribution and the personal cost of working in alien cultures and being separated from the families, the OFW have been regarded as modern heroes. Because of the presence of informal couriers, not all remittances are officially recorded and the remittance data are undervalued, possibly by as much as 100%. The clearest evidence of undervaluation is in the seamen's group whose foreign incomes are automatically remitted to their families by their foreign agents. Yet their average remittance in 1998 was only $275 per year.

Overseas employment has lightened the unemployment problem. The stock of

OFW in 1997 was less than 10% using the moderate estimate of 2.0 million OFW of the labor force. The outflow of new hires formed 34.9% of the increment in the labor force over the 1995-1998 period. The cost to the economy is seen to be minimal considering the prevalence of high unemployment across all education categories. The large majority of OFWs are in the sub-professional skills where the country has an excess supply.

OFW do earn fairly high monetary returns from their overseas employment despite the high placement cost they incur. The net returns differ across occupations and destination. Domestic workers pay the highest placement cost and earn the lowest average income. Seamen pay the lowest placement cost and have a relatively permanent overseas job. The professional group earn the highest and pay medium-range placement cost and so have the highest returns.

The rehired workers likely pay minimal placement fees, bear lower risk and earn more. Precisely because they decide to go back means they expect positive returns. Being rehired also means lower or zero placement cost. They have information on working conditions since they have become familiarized with the culture and overall environment of their destination. About 50% of each years flow or deployed workers are rehires.

The demand for Filipino workers abroad whether for land-based and shipping has continued to increase but at rapidly decelerating rate from 1978 to 1998. The deployment of land-based OFW grew at 66.3% annual rate in the late 1970, then at 55.3% in the 1980s and 4.6% in the 1990s. The deployment of seamen has been more stable except in the first half of the 1980s when growth rate was negative. Annual growth in the 1990's average 6.7% though it was negative in 1997-1998. The total deployed in 1998 was 755,684 including 183,300 seamen. More Filipino workers are overseas at place of work (stock) than the deployment numbers indicate. There are different estimates of the stock of OFW ranging from the National Statistics Office estimate of families receiving remittances at 0.881 to the Commission on OFW estimate of 4.6Million OFW plus other migrants amounting to 6.445 Million. This would include settlers in the US, Canada, Australia and cross-boarder agricultural families in Sabah. Our own estimate based on rehires ranges from 2.3Million to 4.2 Million.

It is argued that there is minimal adverse impact of overseas employment on the labor market considering the high unemployment rate that has persisted throughout the migration history. The paper shows that the labor market is fairly flexible and could readily replace each year's outgoing OFW from the rank of the unemployed and the school leavers. Unemployment has been spread across all educational categories and was in fact higher among the high school and college education from which most OFWs come from. The unemployment rate for those with incomplete high schools was 8.9% in 1990 and 8.1% in 1998, for the high school graduates, 10.9% and 10.2%, for those with some college 12.8% and 11.8% and for the college graduates 10.7% and 9.1%

On average the net monetary gains from overseas employment were relatively high after factoring in the opportunity wage in the domestic market and the placement cost. Domestic workers have the lowest absolute gain considering they earn the least but pay the highest placement cost. They also face the highest risk of personal abuses having to work in isolation of other workers in separate not so tractable homes. Incidents of physical abuse and violation of terms of employment such as non-payment or delayed payment of salaries are concentrated in domestic workers. Serious and horrible cases like the unjust hanging of a maid in Singapore occur but infrequently. The POEA has been fairly effective in monitoring the placement and immigration of OFWs thus reducing the risk of fraudulent placements. Other protective mechanisms such as the assignment of labor attaché and establishment of OFW centers in major destinations have been fairly effective in reducing physical abuse and contract violations at place of work.

The flexibility of the labor market which enables it to supply labor of varied skills to foreign market, the long and fairly positive experience with overseas employment and emigration, the palpable monetary gains, the slack performance of the economy in creating employment and raising wage rate, and the positive impression created by Filipino workers abroad all have created strong impetus for migratory employment. As the Middle East market tightened, jobs in neighboring Asia opened up including those for domestic workers. Taiwan is the newest market for production workers. The Asian crisis did not result in clear reduction in demand. Deployment to Asia has been fluctuating from high to negative growth throughout the 1990s. New hires have been declining from 1992 to 1995 but turned positive in 1996-1997 to 1997-1998.

The short-run prospects are not bright considering that crisis in East Asia has resulted in unemployment. But a the region recovers, demand is likely to increase at least to the old level. Additionally, the ageing problem in East Asia and North America may create job opportunities for health workers which Filipinos appear to have a comparative advantage. The training cost of nurses, therapists and medical doctors is relatively low and there is a greater willingness on the part of Filipinos to serve in medical cases.

The push factors arising from slow growth remain. The present government has no clear direction for accelerating growth. The desire to work abroad is expected to remain strong.

Table 1 Processed and Deployed Overseas Workers and Distribution by Destination, by Land-based and Sea-based by 1975-1998

						Growth Rate of Deployment to Major Destination				
	Total Number Land-based	Annual Growth Rate	Total Seamen	Annual Growth Rate	Total	Middle East	Asia	Sea-Men	Total	New Hires Land-based
1975	12501		23534		36035					
1976	19112	52.9	28614	21.6	47726	403.4	25.4	21.6	32.7	
1977	36676	91.9	33699	17.8	70375	228.5	0	17.8	47.1	
1978	50961	38.9	37280	10.6	88241	33.9	88.9	10.6	25.4	
1979	92519	81.5	44818	20.2	137337	112.6	26.1	20.2	55.6	
1980	157394	70.1	57196	27.6	214590	80.4	40.5	27.6	56.3	
1981	210936	34.0	55307	–3.3	266243	39.0	14.8	–3.2	24.1	
1982	250115	18.6	55307	–0.2	305422	14.9	52.6	16.0	18.0	
1983	380263	52.0	53944	–2.3	434207	53.2	31.6	–14.0	38.2	
1984	371065	–2.4	54016	0.1	425081	–3.7	6.3	0.1	–2.1	
1985	320494	–13.6	52290	–3.2	372784	1.4	36.1	3.3	6.2	20.5
1986	323517	0.91	54987	5.1	378214	–6.9	37.3	4.6	1.4	6.2
1987	382229	18.1	67042	21.9	449271	15.0	24.7	22.6	18.8	24.2
1988	285117	25.4	85913	28.1	471030	–1.8	2.4	28.1	4.8	–14.2
1989	355346	24.6	103280	20.2	458626	–9.7	–7.0	20.2	–2.6	–16.4
1990	334883	–5.7	111212	7.7	446095	–9.5	5.3	7.7	–2.6	27.9
1991	476693	42.3	125759	13.1	615019	38.8	46.1	13.1	37.9	38.3
1992	517632	8.6	136806	8.8	686461	12.5	1.6	8.8	11.6	–3.4
1993	509653	–1.5	145758	6.5	696630	–11.0	26.9	6.5	1.5	–5.8
1994	517662	1.6	154376	5.9	719602	5.5	15.4	5.9	3.3	–2.0
1995	436884	–15.6	165401	7.1	654022	–18.2	–14.1	7.1	–9.1	–18.5
1996	424259	–2.9	175469	6.1	660122	–5.6	4.5	6.1	0.9	–5.6
1997	486627	14.7	188469	7.4	747696	0	34.9	7.4	13.3	7.4
1998	486045	–0.1	183300	–2.7	755684	2.2	–6.0	–2.6	1.1	0.6

Source: POEA Overseas Employment Statistics 1982-1998;
POEA Overseas Employment Statistical Compendium 1982-1995

(Continuation of Table 1)

	% Distribution of Land-Based Workers							
	Middle East	North America	Asia	Europe	Oceana	Trust Territories	Africa	Seamen Total
1975	12.4	18.3	33.7	25.3	4.4	3.2	2.7	65.3
1976	40.9	11.3	27.7	15.2	0.7	1.8	2.5	60.0
1977	70.1	6.2	14.4	6.8	0.4	0.7	1.4	47.9
1978	67.6	6.6	19.6	2.5	0.2	1.0	2.6	42.2
1979	79.1	4.0	13.6	0.7	0.3	0.9	1.2	32.6
1980	84.0	2.4	11.3	0.5	0.1	0.8	1.0	26.7
1981	87.0	1.1	9.6	0.5	0.1	0.6	1.0	20.8
1982	84.4	1.5	12.4	0.6	0.2	0.4	0.4	18.1
1983	85.1	1.5	10.7	0.8	0.5	0.8	0.6	12.4
1984	83.3	0.8	12.9	1.2	0.3	0.8	0.6	12.7
1985	79.2	1.2	16.5	1.3	0.3	1.0	0.6	14.0
1986	73.3	1.2	22.4	1.1	0.3	1.2	0.6	14.5
1987	71.2	1.5	23.7	1.5	0.3	1.4	0.5	14.9
1988	69.3	2.0	24.1	2.0	0.4	1.7	0.5	18.2
1989	67.9	2.8	24.3	2.2	0.4	2.1	0.5	22.5
1990	65.2	2.9	27.1	2.0	0.3	2.2	0.4	24.9
1991	63.5	2.8	27.8	2.8	0.3	2.4	0.4	-
1992	65.8	2.4	26.0	2.8	0.3	2.2	0.5	19.9
1993	59.4	2.4	33.0	2.6	0.3	1.7	0.5	20.9
1994	55.3	2.4	37.5	2.2	0.3	1.6	0.6	21.5
1995	53.6	3.1	38.2	2.3	0.3	1.6	0.8	25.3
1996	52.1	2.0	41.1	2.7	0.4	1.1	0.6	26.6
1997	45.4	1.5	48.3	2.6	0.4	1.1	0.7	25.2
1998	46.7	1.7	45.5	3.2	0.4	1.3	1.1	25.5

Source: Philippine Overseas Employment Administration, Department of Labor and Employment, Annual Report, 1987; Overseas Employment Statistics, 1982-1998.

Table 2 Top Asian Destination of DFW

	Hong Kong	Japan	Taiwan	Singapore	Brunei
1984	17442	11656	6	5886	2251
1985	22020	16029	9	10047	3292
1986	25594	24511	15	15093	4643
1987	30811	33791	3	17601	4737
1988	34793	41289	37	8221	5528
1989	37661	32688	88	4706	5617
1990	34412	41558	54	4698	4206
1991	50652	57344	33	7697	8738
1992	52261	51949	1193	8656	10866
1993	62583	43542	23025	11568	10960
1994	62161	54879	34387	11324	9731
1995	51701	25032	50538	10736	6807
1996	43861	20143	65464	15087	7651
1997	75513	33226	72748	16055	9594
1998	64161	38122	79664	13373	12337

Source: Philippine Overseas Employment Administration, Department of Labor and Employment, Annual Report, 1987; Overseas Employment Statistics 1982-1998.

Table 3 Characteristics of New Hires Overseas Filipino Workers – Education, Sex, Age and Occupation, 1986-1998

A. Occupation and Sex

Year	Total % Female	Professional, Technical And Managerial		Clerical		Service Workers		Production and Other workers		Enter-Tainers
		% of Total OFW	% Female	% of Total OFW	% Female	% of Total OFW	% Female	% of Total OFW	% Female	% of Total OFW
1986		17.9[1]	n.a.	3.7	n.a.	26.9	n.a.	35.6	n.a.	8.9
1992	50.0	27.8	74.8	3.1	31.0	31.6	82.0	37.4	4.9	n.a.
1993	54.0	25.4	74.7	2.6	33.0	34.9	86.0	37.1	11.8	n.a.
1994	59.0	28.6	77.8	2.3	33.0	35.0	88.0	34.1	15.8	n.a.
1995	58.0	20.5	70.6	2.5	38.0	37.8	91.0	39.1	21.7	n.a.
1996	54.0	17.7	66.6	2.5	38.0	41.2	91.0	38.7	10.8	1.6
1997	56.0	23.5	71.4	2.8	42.0	34.6	89.0	39.0	16.9	n.a.
1998	61.0	25.5	74.6	2.4	45.0	37.1	91.0	34.9	20.9	n.a.

[1]The 1987 POEA Annual Report has a breakdown of entertainers which was included in the professional category.
The 1997 Yearbook of Labor Statistics has 12.5% classified as composers and performing artists in the professional, technical and managerial class.

B. Occupational Distribution of Processed OFW by Destination, % of total for Each Destination

	Total	Professional	Clerical	Service	Production	Entertainer
Africa	100.0	23.5	2.0	3.7	70.1	0.2
Asia	100.0	1.6	0.3	58.0	2.4	37.7
Europe	100.0	4.9	0.9	85.9	4.7	3.5
Middle East	100.0	22.4	6.3	25.9	45.0	0.5
America	100.0	52.8	3.6	31.2	12.1	–
Trust Territories	100.0	11.7	2.8	21.8	63.2	0.6
Oceana	100.0	43.6	2.2	3.4	50.7	0

Sources:

Panel A: POEA in Susan Cabreros, What we Know of the Volume and Characteristics of Overseas Filipino Workers in Philippines, from OFWs to Micro Entrepreneurs, WR Bhoning (ed.) ILO Southeast Asia and the Pacific Multidiciplinary Advisory Team, March 1999..

Panel B: POEA Annual Report 1987.

Table 4 Distribution by Age and Sex, 1995

	Total	Male	Female
No grade completed	1.1	0.9	1.4
Pre-school to Grade IV	2.8	2.5	3.2
Grades V to VI	8.8	7.1	10.8
Some High School	–7.2	6.0	8.6
High school graduate	24.0	21.2	27.3
Some College & other post HS	25.2	28.3	21.5
College Graduate	29.7	32.9	25.9
Post Baccalaureate	0.4	0.4	0.4
Not Stated	0.8	0.6	0.9

Sources: Department of Labor and Employment, Yearbook of Labor Statistics, 1997.

Table 5 Estimated stocks of Filipinos in selected countries, mid-1997

Country or Territory	Regular Status[1]	Irregular Status	Total	Main occupation of Filipinos in a regular status
Asia	816,400	565,000	1,381,400	
Hong Kong, China	125,400	1,000	126,400	Domestic workers (~85%), electrical and electronics workers
Japan	94,600	58,000	152,600	Entertainers, product workers
Republic of Korea	23,500	14,600	38,100	Industrial trainees, production workers, entertainers
Malaysia[2]	100,000	400,000	500,000	Domestic workers (~80%), professionals, hotel and restaurant staff
Singapore	35,100	30,000	65,100	Domestic workers, entertainers, supervisory construction workers
Taiwan, China	85,700	5,000	90,700	Domestic workers, construction and production workers
Thailand	n.a.	n.a.	6,000	Professionals, hotel staff, entertainers, domestic workers
Other	352,100	56,400	408,500	
Middle East	944,200	78,000	1,022,200	
Kuwait	33,000	13,400	46,400	Engineers, nurses, domestic workers, production & construction workers
Saudi Arabia	620,200	43,400	663,600	Professionals, domestic workers and other service workers
UAE	85,200	6,000	91,200	Engineers, domestic workers, nurses, construction & production workers
Total Asia & ME	1,760,600	643.000	2,403,600	
Grand Total[3]	4,668,800	1,776,600	6,445,400	

[1] Overseas Filipino workers and permanent residents
[2] Own estimate for 31. 12. 97
[3] Adjusted for changes concerning Malaysia

Source: Commission on Filipino Overseas in "The impact of the Asian crisis on Filipino employment prospects abroad," in W.R. Bohning, South-East Asia and the Pacific Multidisciplinary Advisory Team SEAPAT WORKING PAPER 1, International Labour Office, Manila, 1998.

Table 6 Deployed, New Hires and Rehires OFW 1975-1998

	Depolyed / Processed	New Hires / Deployed	Rehires OFW
1975			5713
1976			8784
1977			16760
1978			23289
1979			42281
1980			71929
1981			96370
1982			114300
1983			123780
1984	81.0	44.4	166884
1985	94.9	50.2	159679
1986	90.4	52.8	152812
1987	89.8	55.5	170267
1988	100.8	47.3	202975
1989	87.1	48.0	184913
1990	71.5	65.1	116941
1991	88.2	61.5	187943
1992	97.3	53.0	258436
1993	96.3	49.8	276567
1994	96.1	47.5	296515
1995	101.5	44.8	269603
1996	102.0	42.7	277922
1997	101.2	40.0	337088
1998	105.1	39.8	338795
TOTAL			3900546

Source: POEA Overseas Employment Statistics 1982-1998.

Table 7 Remittances of Overseas Filipino Workers Land-based and Seamen, and by Country Source

A. Remittances of Overseas Filipino Workers (US$ Million)

	Total	Land-based	Seamen	Export Earnings	Ratio Remittance to: Export Earnings (%)	GNP %
1975	103	71	32	2294	4.5	0.7
1976	111	67	44	2574	4.3	0.6
1977	213	154	59	3150	6.8	1.0
1978	291	209	82	3425	8.5	1.2
1979	365	265	100	4601	7.9	1.2
1980	421	300	122	5788	7.2	1.2
1981	545	383	162	5720	9.5	1.4
1982	810	642	168	5021	16.1	2.1
1983	944	660	284	5005	18.9	2.8
1984	659	473	186	5391	12.2	2.1
1985	687	598	89	4629	14.8	2.3
1986	680	572	109	4842	14.0	2.4
1987	792	671	120	5720	13.8	2.4
1988	857	683	174	7074	12.1	2.3
1989	973	755	218	7821	12.4	2.3
1990	1181	893	288	8186	14.4	2.7
1991	1500	1125	375	8840	17.0	3.3
1992	2202	1757	445	9824	22.4	4.1
1993	2230	1840	389	11375	19.6	3.9
1994	2940	2561	379	13483	21.8	4.4
1995	4878	4667	211	17447	28.0	6.4
1996	4307	4055	251	20542	21.0	5.0
1997	5742	5484	258	25228	22.8	6.6
1998	4925	4651	275	29496	16.7	7.1

B. Largest Sources of Remittance, 1990, 1995, 1998

	1990	1995	1998
U S A	788	2748	3962
Saudi Arabia	87	11	33
Hong Kong	20	171	171
UK, Germany	72	164	231
Japan	40	152	108
Singapore	12	106	69

Source: Bangko Sentral ng Pilipinas reported by Philippine Overseas Employment Administration, Overseas Employment Statistics, 1982-1998; and White Paper The Overseas Employment Program, April 1995.

Table 8 Computation of Average Remittance, 1997, 1998

	1997	1998	1997	1998
Total Remittance ($Billion)			5741	4925
Land-based			5484	4651
Seamen			258	275
US			4109	3961
Land-based			3926	3759
Seamen			183	202
Non-US			1632	964
Land-based			1558	892
Seamen			75	72
	(in million)	(in million)		
US Emigrants	2.000	2.050	$2055	$1932
Commission on OFW Total	6.445	–	890	–
This Paper				
Land-based				
(a) .30 (Rehires)	1.084	1.185	1437	752
(b) .50 (Rehires)	1.806	1.975	862	451
(c) 1.0 (Rehires)	3.612	3.950	431	226
Seamen	.276	.288	272	264
Total				
(a) .30 (Rehires)	1.360	1.473	1200	654
(b) .50 (Rehires)	2.082	2.263	783	425
(c) 1.0 (Rehires)	3.888	4.283	420	225
Average Remittance, NSO				1991
1991 Survey				
Land-based				
Seamen				$4736
Professional/managerial				4590
Service workers				2140
Production workers				3281
Other				3090

Source: NSO Special Survey of Overseas Employment Workers, 1991.

Table 9 Monetary Gains from Overseas Employment 1998

	Monthly Wage and Placement Cost by OFW Occupation		
	Month Wage	**Annual Wage(P)**	**Placement Cost**
Professional	893	220278	11375
Office Staff	417	102862	6175
Entertainers	450	111002	9818
Skilled Workers	431	106316	8494
Domestic Service	205	50568	10865
Seamen	503	124076	2723
Laborer	261	60381	11203

Table 10 Labor Force and Unemployment by Schooling Level

	1980			1990			1997		
	LF	UnE	Un(%)	LF	UnE	Un(%)	LF	UnE	Un(%)
No grade	1083	32	3.0	880	56	6.4	923	53	5.7
Elementary I-V	4991	141	2.8	5149	247	4.8	5613	278	5.0
Graduated	4496	182	4.0	5562	295	5.3	6396	332	5.2
High School 1-3	2314	161	7.0	3177	284	8.9	3957	321	8.1
Graduated	2293	175	7.6	4516	494	10.9	6393	650	10.2
College: some	1467	163	11.1	2274	292	12.8	3472	410	11.8
Graduated	1753	116	6.6	2942	316	10.7	3441	313	9.1
No report	26	14	53.8	25	9	36.0	99	20	20.2
Total	18423	984	5.3	24525	1993	8.1	30265	2377	7.9

Source: National Statistics Office, Labor Force Survey, 3rd Quarter 1981, October 1990, 1997; Department of Labor and Employment, Yearbook of Labor Statistics, 1997

Table 11 Percentage Distribution of OFW and the Labor Force by Years of Schooling, 1990

	OFW			Labor	Ratio
	Total	Male	Female	Force	OFW/LF
Elementary I-V	3.1	2.8	3.6	21.0	14.8
Graduated	9.3	9.0	10.0	22.7	41.0
High School: 1-3	8.4	7.4	9.9	13.0	64.6
Graduated	27.3	27.8	26.4	18.4	148.4
College: Some	25.7	28.6	21.4	9.3	276.3
Graduated	24.7	22.5	28.4	12.0	205.8
Average years[1]	10.6	10.5	10.7	7.9	134.2

[1]It is assumed non-graduates had 4 years in elementary, 2 years in HS and 2 years in college. There are 6 years to complete elementary 4 years high school and 4 years first degree college. It is assumed college graduates had 14 years.

Source: National Statistics Office, Labor Force Survey, 3rd Quarter 1990

Table 12 Net Monetary Gains from Overseas Work by Occupation, 1988

Occupation	Domestic Wage (Pesos)	Foreign Wages L^1 (Pesos)	Placement Cost (Pesos)	OS net Earnings (Pesos)
Professional			6,182	
Nurses	34,776	135,279		94,321
Elementary & secondary Teachers	36,552	142,187		99,453
Average	35664	138,733		96,887
Clerical (bookkeepers/ Accountants)	42,060	163,613		115,371
Service Workers			8,796	
Waiters/bartenders	27,372	96,076		59,908
Bakers/cooks	31,212	109,554		69,546
Average	29,292	102,815		64,727
Production Workers			7,385	
Machine tool operators	36,440	139,201		95,376
Motor vehicle mechanics	33,336	127,344		86,623
Electricians/repairers	41,136	157,140		108,619
Plumbers/pipe fitters	34,440	131,561		89,736
Carpenters/joiners/ Parquetry makers	34,020	129,956		88,551
Motor vehicle drivers	33,636	128,490		87,469
Laborers	31,248	119,367		80,734
Average	34,894	133,295		91,016
Entertainers	356,642[2]	77,391	1,884	39,843
Seamen	348,942[2]	127,363	2,740	89,729

[1]OS net earnings = length of stay in last job L_1 times average net monthly earnings times 24.32 pesos.

[2]Assumed foregone earnings of entertainers equal to the domestic earnings of professionals and for seamen, those production workers.

Source: Department of Labor and Employment, Bureau of Labor and Employment Statistics, *Occupational Wage Survey, 1990.*

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