

Mobilizing and Maximizing the Diverse Skills of Filipino Migrants

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Bonjour and warmest greetings to all of you!

First of all, I would like to thank the organizers of this conference for inviting the **Commission on Filipinos Overseas (or CFO)**, which I head under the Office of the President of the Philippines, and for giving us the opportunity to share with you the Philippines' experience in managing migration, particularly in mobilizing and maximizing the diverse skills of our people both at home and overseas. For more information about CFO, please go to our website: www.cfo.gov.ph

Overview of Philippine Migration

With almost four decades of sustained and large-scale migration of Filipinos to foreign countries, the Philippines has emerged as one of the major migrant-sending countries, next to China and India.

As of December 2010, there is an estimated 9.4 million overseas Filipinos in more than 200 countries, primarily US, Saudi Arabia, Canada, UAE, Australia, Malaysia, Japan, UK, Hong Kong and Kuwait.



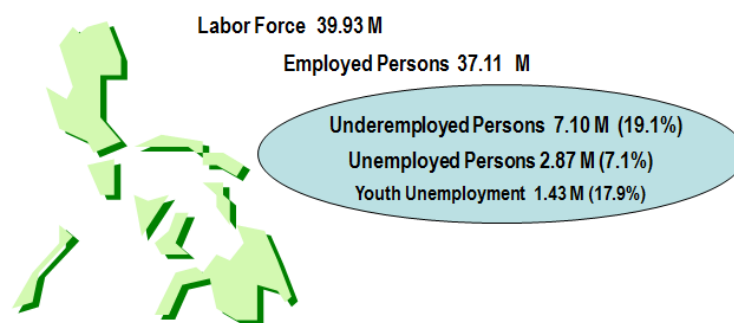
Source: Commission on Filipinos Overseas

These overseas Filipinos are classified into three categories – 47 % are permanent migrants or those who sought permanent residency in the host country, 45% are temporary migrants, more popularly known in the Philippines as Overseas Filipino Workers (or OFW), and 8% are irregular migrants or those who left the country without passing through the proper process, without proper documents or with expired travel documents.

Although much has been said about the Philippines being one of the world's biggest Human Resources Department supplying many countries worldwide with both skilled and low skilled workers, we would like to underline that we have gone beyond labor migration with many of our people leaving the country for a variety of reasons from marriage migration to family reunification, from educational opportunities to professional advancement.

Philippine Employment Scenario

The Philippine Employment Scenario (July 2011)



In thousands except rates. Details may not add up to totals.

Source: Preliminary July 2011 Labor Force Survey (LFS)

National Statistics Office (NSO) website & Bureau of Labor & Employment Statistics (BLES)

Department of Labor and Employment



Having said that, allow me to show you a landscape of the current Philippine employment scenario. Most of the data shown here are courtesy of our Philippine Department of Labor and Employment (or DOLE).

Based on the 2011 report of the Philippine National Statistics Office and Bureau of Labor and Employment Statistics, the Philippine Labor Force stands at 39.3 million. Out of this number, 37.11 million are employed, leaving 7.1 % or 2.87 million unemployed.

From those not working, 19.5 % or 557,000 are college graduates and 32.5 % or 930,000 are high school graduates.

Moreover, out of the employed persons, 19.1% or 7.10 million are underemployed¹.

Going back to the unemployment data, it is interesting to point out that among the educated unemployed, 19.5 % or about 557,000 are college graduates. This shows the mismatch between education and employment in our country.

The case of oversupply of nurses will best illustrate this problem. The international demand for nurses in US, United Kingdom and other countries facing critical shortage of health workers has enticed many Filipinos to take up nursing. High salaries abroad have

¹ Based on NSO Labor Force Survey, "Underemployed" include all employed persons who express the desire to have additional hours of work in their present job or an additional job, or to have a new job with longer working hours.

motivated them to pursue the career with some 28,000 to 30,000 new nurses passing the licensure exams each year.

The Philippine Professional Regulation Commission (or PRC) estimates, however, that in 2011 there were 230,000 jobless and underemployed nurses.² The cause of the unemployment according to PRC is mainly "pacing," i.e. supply and demand do not match especially in terms of timing. While the majority of the health care sector abroad would like to hire experienced nurses, fresh nursing graduates who want to work overseas need to gain experience in the country for a couple of years.

Unfortunately, the local hospitals can not employ all the nursing graduates, which continue to rise every year. Because of this, many of these nurses are now employed in the country's booming business process outsourcing (or BPO) industry. Also our Department of Health has started its program of hiring these nurses by the thousands and assigning them to the areas where they are most needed.

While we have an oversupply of nurses, our Philippine Department of Labor and Employment (or DOLE) reports that we also have hard to fill professional vacancies of accountants and auditors, systems analysts and designers, electrical engineers, computer programmers, computer engineers, mechanical engineers, chemical engineers, HRD professionals, electronics and communications engineers, and industrial engineers.

Top 10 Hard to Fill Professional Vacancies, 2007- 2008



| Professional Vacancies | |
|--|--------------|
| 1. Accountants and auditors | 1,668 |
| 2. Systems analysts and designers | 1,152 |
| 3. Electrical engineers | 1,059 |
| 4. Computer programmers | 795 |
| 5. Computer engineers | 772 |
| 6. Mechanical engineers | 730 |
| 7. Chemical engineers | 480 |
| 8. HRD professionals | 471 |
| 9. Electronics and communications engineers | 428 |
| 10. Industrial engineers | 409 |

Source: BLES, BITS 2007 / 2008

Department of Labor and Employment



So this demand is not met by the supply side. This problem could be explained by the number of graduates we produce every year which are mostly in the fields of Medical and allied course, Business Administration and related courses, Education and Teacher Training, Engineering and Information Technology.

² Mayen Jaymalin, "PRC sees more jobless nurses," The Philippine Star, December 26, 2011

Supply Profile: CHED



Top 10 Higher Education Graduates by Discipline Group,
2005-2010

| DISCIPLINE GROUP | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-2010* |
|--|---------|---------|---------|---------|------------|
| Medical and Allied | 86,373 | 110,312 | 121,382 | 128,057 | 70,755 |
| Business Administration and Related | 94,819 | 95,646 | 93,720 | 106,746 | 102,398 |
| Education and Teacher Training | 66,362 | 70,711 | 62,720 | 56,777 | 69,895 |
| Engineering and Technology | 48,951 | 49,617 | 48,462 | 48,448 | 47,844 |
| Information Technology | 38,435 | 35,901 | 39,037 | 45,830 | 43,328 |
| Social and Behavioral Sciences | 12,176 | 11,937 | 11,614 | 12,506 | 13,112 |
| Agricultural, Forestry, Fisheries, Vet Med | 13,040 | 12,528 | 11,181 | 9,842 | 12,647 |
| Maritime | 8,801 | 11,121 | 10,341 | 11,768 | 11,960 |
| Humanities | 4,436 | 4,345 | 4,429 | 4,678 | 4,705 |
| Mass Communication and Documentation | 4,506 | 4,439 | 4,665 | 5,454 | 4,906 |
| | 377,899 | 406,557 | 407,551 | 430,106 | 381,551 |

Notes:

1. Data for graduates include graduates in pre-baccalaureate, baccalaureate, post baccalaureate, masters & doctorate programs.
2. Data for AY 2009/2010 graduates is projected data. Data as of November 30, 2010

Source of Data: Commission on Higher Education (CHED), www.ched.gov.ph

Department of Labor and Employment



These 2 charts show that even if we have graduates in some of the above-mentioned hard-to-fill jobs, many of them do not meet the “hiring” requirements of those jobs.

Global Demand for Workers

According to the 2010 Overseas Filipino Workers’ Deployment Report released by the Philippine Overseas Employment Administration (POEA), the primary sources of employment for Overseas Filipino Workers in the next five years are in the sectors of health care, construction, energy, information and communication technologies, services, environment, education and transport and shipping.

However, despite the steady demand for workers in the global market, many positions are still going unfilled due to skills mismatch. According to Manpower, Inc. the top 10 hard to fill jobs in 36 countries are: skilled trades workers, sales representatives, technicians, engineers, accounting and finance staff, production operators, secretaries and office support staff, management executives, drivers and laborers.³

While migration has its advantages and disadvantages, challenges and opportunities, this whole scenario of migration depicts the main labor market challenges we have to face - structural unemployment, jobs-skill mismatch, and talent shortage.

Government Programs, Services and Initiatives

Recognizing this problem, the Philippine President Benigno S. Aquino III in his 22-Point Platform and Policy Pronouncements on Labor and Employment, issued a directive to **“Invest in our human resource and make it more competitive and employable while promoting industrial peace based on social justice.”**

With regard to international migration, our President also expressed in his 16-point Social Contract with the Filipino People that he is committed to transform the government from one **“that treats its people as an export commodity and a means to earn foreign**

³ Manpower, Inc.

exchange, disregarding the social cost to Filipino families to a government that creates jobs at home so that working abroad will be a choice rather than a necessity and when its citizens do choose to become Overseas Filipino Workers, their welfare and protection will still be the government's priority”.

To realize the vision of making migration a matter of choice and not a matter of necessity, the Philippine government is taking many steps, foremost of which is to ensure that issues and concerns on migration was incorporated into the blueprint of our national development planning – the Philippine Development Plan (PDP) for 2011-2016.

The government is also adopting a multi-stakeholder approach in developing a Filipino quality workforce and in responding to the challenges of migration and development: from national government agencies to local governments, from the private sector to academe, from non-governmental to multi-lateral organizations, from the migrants themselves to their families and communities.

1. Improving the Quality of Labour Supply and Addressing the Jobs-Skills Mismatch

To address the needs of the domestic and global labor market, and to lessen jobs-skills mismatch, the Philippine government is developing and implementing several programs to alleviate, if not entirely, solve these problems. The President himself and the cabinet created a task force to come up with recommendations and plan of action to solve the jobs-skills mismatch in the country. Here is just a quick glimpse of what the government has done so far:

A. Education and Training Curriculum Review – K to 12, Higher Education, Vocational and Training Programs

Basic Education

Our Philippine **Department of Education (or DepED)** recently implemented, what it calls “the K to 12 Program”. This hopes to improve the competitiveness of our country's graduates. The program makes kindergarten mandatory and adds two years to the present 10-year basic education. This hopes to improve the competitiveness of our country's graduates.

To cite an example, a 12-year basic education curriculum is required for Filipino graduates to be eligible for employment under the Washington Accord for engineers and the Bologna Accord for the European Union. For graduates proceeding to tertiary education, the K to 12 Program puts them at par with their international counterparts and makes them more competitive in colleges and universities, both in the Philippines and abroad.

Higher Education

On the other hand, the Commission on Higher Education (or CHED) is keen on revitalizing the country's **higher education institutions (or HEIs)**. This is done through rationalization of these institutions, improving their quality of standards, and increasing access to quality education.

To hone the competencies and skills of our higher education graduates, CHED is currently reviewing the Higher Education and Training Curriculum mindful of rapid technological changes, skills obsolescence and globalization of skills and qualifications.

Vocational and Training Programs

The other partner that is part of the Philippine government's effort to jobs-skills matching is the **Technical Education and Skills Development Authority (or TESDA)**, the government agency in-charge of technical vocational education and training. TESDA is implementing programs to improve training responsiveness and relevance, to increase training participation and to achieve effective training management.

B. Development of a Philippine Qualification Framework

To harmonize all of the country's educational systems encompassing basic education, technical vocational education and training, and higher education, the National Economic and Development Authority (our national planning agency or NEDA) approved the **PHILIPPINES QUALIFICATION FRAMEWORK** on which standards and qualifications are determined and agreed upon by all education and training institutions. It brings together into a unified national system, all recognized qualifications in the Philippines. It will have qualifications with clearly specified learning outcomes or competencies, so industry and professional bodies can be certain of the knowledge and skills of our graduates.

C. Career Guidance Advocacy

The Philippine Department of Labor and Employment (DOLE) is currently intensifying the career guidance on a national scale by developing advocacy plan and organizing innovative avenues to share labor market information. The Career Guidance Advocacy Plan will pave the way to making national and regional labor market information (LMI) trends (e.g. Hot Jobs, In-demand and Hard-to-fill occupations) and publications (e.g. Occupational Briefs, Career Industry Guides, Labor Market Intelligence Reports) more accessible to the public.

D. Skills Registry System and Expand Links of the DOLE Data Warehouse

One of the strategies developed by the Department of Labor is to encourage all new graduates to register to the Skills Registry System (SRS), that facilitates the referral and placement of jobseekers, given the available job vacancies of establishments especially in their respective communities.

The DOLE is also integrating government data hubs through its Data Warehouse which allows on-line verification of applicant information on skills certification and accreditation, licensure, and local and overseas employment data.

2. Managing Migration of Health Workers

The continued massive outflow of our health human resources has affected the quality of health service offered in the country. To address this problem, the Philippine government established the **Human Resources for Health Network (or HRHN)** in 2006. Chaired by the Department of Health, the Health Network is a multi-sectoral organization composed of government agencies, the academe and NGOs.

The Network has developed policies in managing migration of health workers, including the Proposed Guidelines on the inclusion of the principle of ethical recruitment in bilateral

and/or multilateral agreements on the migration of Filipino healthcare workers, and development of Reintegration Program for returning health professionals.

Presently, the Network is reformulating the Human Resources for Health Master Plan (2012-2030), the road map that will empower all the stakeholders in achieving the common vision for the development and advancement of our health workforce.

3. Reintegration and Transfer of Skills Programs

While migration of highly skilled workers is often viewed as brain drain or a drain of talents and human resources, we at the government would like to turn this problem around to brain gain or brain circulation. We have established programs to entice and encourage Filipinos abroad to share the skills, knowledge and resources they have acquired for several development initiatives.

A. Diaspora to Development (D2D) Program of the Commission on Filipinos Overseas (CFO)



Recognizing overseas Filipinos as partners of Philippine development, the Commission on Filipinos Overseas (or CFO) launched the **Diaspora to Development or D2D Program in 2011** during the First 1st Global Summit of Filipinos in the Diaspora.

The D2D Program was designed to maximize the potential developmental contributions of migrants to the home country going beyond remittances. CFO laid down a comprehensive menu of 10 areas of engagements ranging from arts and culture exchange to science and technology transfer, from diaspora philanthropy to diaspora investment, from legal assistance to advocacy, from medical missions coordination to tourism initiatives, from doing business in the Philippines to return and reintegration:

1. **Business Advisory Circle** is a matching and linkage program that assists overseas Filipino set up business partnerships in the country.
2. **Alay Dunong Program** systematizes and strengthens the skills and technology exchange/transfer between overseas Filipinos and the mother country, in fields such as science and technology, engineering, arts and culture, among others.
3. **Diaspora Philanthropy** (Lingkod sa Kapwa Pilipino) is one of the existing programs of CFO that is currently being reformatted to focus primarily on facilitating

donations in cash or in kind for development projects, in line with the implementation of the Millennium Development Goals (MDG).

4. **Diaspora Investment** is a program where new financial instruments are developed and promoted for overseas Filipinos to invest in and the channeling of remittances for development (both in the local and national level).
5. **Balik-Turo (Teach-Share) and Educational exchange** is the continuing Professional and Vocational Education Exchange program of CFO, under which CFO intends to entice the return of academics and professionals to teach and work with the academe in strengthening and enhancing the academic programmes of partner schools.
6. **Tourism Initiatives** focuses on supporting the drive for **Balibayan** tourism by encouraging migrant investments in small tourism enterprises, like local bed and breakfasts, and other tourism related services, such as health and wellness services, among others.
7. **Global Legal Assistance and Advocacy** mobilizes the support of overseas and local Filipino lawyers and legal experts to provide legal assistance and advice to overseas Filipinos in distress.
8. **Medical Mission Coordination** coordinates and facilitates the conduct of medical missions sponsored and organized by overseas Filipinos in areas needing these medical interventions.
9. **Arts and Culture Exchange** promotes and facilitates the exchange of artistic and cultural workers and products between the country and Filipino communities abroad.
10. **Return and Reintegration** focuses on providing returning overseas Filipinos and retirees information and facilitating services for a successful reintegration into local life.

While the CFO has been assisting medical doctors overseas in conducting medical missions, especially in far-flung and underserved areas of the country, we are able to engage other professional groups in promoting and strengthening their skills-transfer program in the country thru the D2D Program – to cite several example: the **Balik Turo or Teach-Share Programs of the Philippine Nurses Association of America and Association of Filipino Teachers in America.**

The Philippine Nurses Association of America (PNAA) envisioned a program of “teach back” wherein nurses from the US impart their knowledge and subject matter expertise to their compatriots in the Philippines thru a series of lectures and presentations that have been pre-arranged with counterpart schools or hospitals.

The Association of Filipino Teachers in America, on the other hand, aimed to bring US-based Filipino teachers to the Philippines to share their expertise and experience with their Philippine counterparts through symposia, seminars, workshops, and mentoring covering different areas of teaching.

In view of our D2D program (or Diaspora to Development), the Commission on Filipinos Overseas is setting up by next year a one-stop portal of information and inter-action for the above-mentioned diaspora engagements for Overseas Filipinos – **“Everything you wanted to know about getting involved in Philippine development”**. We call the one-stop portal **“balinkbayan”**, a play of words in the popular Pilipino term of **“balikbayan”** (meaning Filipinos returning to the country) and the word **“link”** with its internet connotation.

B. Balik Trabaho sa Pinas Program and Reintegration Program of the Department of Labor and Employment (DOLE)

The Department of Labor and Employment is currently establishing a multi-sectoral brain gain program to improve the skills and provide entrepreneurship opportunities for returning OFWs. The Program engages highly-skilled and professional former overseas Filipino workers as expert trainers in the transfer of new technologies and in the sharing of new knowledge they have learned from abroad to their fellow Filipinos who need such training to find better paying jobs or engage in business or livelihood in the country.

The National Reintegration Center for OFWs (or NRCO), an attached agency of the DOLE, was established, to provide responsive, productive and sustainable reintegration services to OFWs who are returning to the Philippines. The NRCO is tasked to develop and support programs and projects for livelihood, entrepreneurship and financial literacy for returning Filipino migrant workers and their families. This assistance is especially needed to cushion the impact of forced repatriation due to unexpected events.

The Overseas Workers Welfare Administration (OWWA), also an attached agency of the Department of Labor, is also implementing a 2- Billion peso Reintegration Program. It is a special loan program, in partnership with Development Bank of the Philippines (DBP) and the Land Bank of the Philippines (LandBank), intended to support enterprise development among OFWs and their families.

C. Balik-Scientist Program

The Balik Scientist Program is a program of the Department of Science and Technology (DOST) which allows foreign-based science and technology experts who are of Filipino descent to return or reside in the Philippines, and share their expertise in order to accelerate the scientific, agro-industrial and economic development of the country.

D. Brain Gain Network (BGN)

The Brain Gain Network is a private sector initiative – a network of talented professionals and organizations focused on people who can initiate new ventures that will help the Philippines in the following areas: starting companies in the Philippines, providing consultancy services for Filipino organizations, or forming foreign-based companies for business in the Philippines.

E. Philippine Development Foundation (or PhilDev, used to be known as the Ayala Foundation USA)

PhilDev is another private sector initiative which has concentrated on building an ecosystem of science and technology-based entrepreneurs and innovators of overseas

Filipinos and Filipinos in the Philippines towards the country's social and economic development.

4. Overseas Filipinos Remittance for Development Project (OFs-RED) and Remittance for Development Council (ReDC)

While overseas migration has high social costs, one of its benefits is the remittances sent back to home country. According to the World Bank's 2011 Report, the Philippines now ranks fourth globally in terms of remittances. The top remittance-receiving countries are: India, projected to receive \$58 billion, followed by China (\$57 billion), Mexico (\$24 billion) and the Philippines (\$23 billion). These remittances constitute 10.7% of the country's gross domestic product or 2010 GDP, the highest of any country in Southeast Asia and the 21st highest in the world.

Recognizing the developmental potential of remittances, the CFO together with the National Economic Development Authority, has been implementing since 2011 the project called: the **Overseas Filipinos Remittance for Development: "Building a Future Back Home" or OF-ReD**. It is spearheaded by the United Nations Development Program (UNDP) and sponsored by Western Union's philanthropy arm – The Western Union Foundation (WUF).

It is under this project that CFO undertook a review and assessment of remittance-related policies and laws and identified significant and enabling policy measures and programs that can lead to remittance-related economic activities particularly in the local and/or community level.

We have identified several models on the use of remittances for local development, namely, microfinance institutions, rural banks, cooperatives, and social enterprises. We are hoping to replicate this project in other areas with the cooperation, support and political will of the leaders of the local government units e.g. mayors or governors.

To help create an enabling environment for leveraging remittances for development, we have established, with the invaluable support of the Philippines' Central Bank (or Bangko Sentral ng Pilipinas), a multi-stakeholder **Remittance for Development Council (or ReDC)**. The membership of the Council includes the organizations of commercial and rural banks, the remittance agents, the migration-related government agencies, the regulatory government agencies, multi-lateral agencies like the World Bank and UNDP, civil society organizations involved in remittances or serving overseas Filipinos and the migrants themselves.

The ReDC is both an advisory and policy recommending body and a venue for regular dialogues and feedback on issues regarding remittances especially on measures to lower remittance costs; easier, greater and faster access to remittance channels; more innovative and non-traditional remittance conduits, continuing and enhancing financial literacy campaigns for the migrants and their families left behind.

Perceived Gaps and Challenges

After giving you a picture on the Philippine initiatives, programs and services geared to address jobs and skills mismatch, and engaging overseas Filipinos from the diaspora towards development, it would seem that our country is a benchmark model in managing migration.

Unfortunately, our migration management system is far from perfect. We also face major challenges and obstacles. Allow me to mention just a few of these:

- There is still a need for a more responsive educational curriculum that will meet the local employment and industry needs, as well as the global demand and standards.
- There is a lack of advocacy and appreciation of Labor Market Information in career planning and development of students.
- There is a lack of incentives to maximize knowledge and experiences of OFs (professionals, workers and trainees) in key industries i.e. electronics, IT/BPO etc.
- There is lack of awareness on Return and Reintegration mechanisms and programs for overseas Filipinos.
- Because migration policies and development policies are conceptualized and implemented by various Philippine government agencies, there is still a lack of coherence and institutionalized coordination between and among them in relation to migration and development (M & D).
- There is a need for timely, comprehensive and harmonized databank on migration and development which can be provided through a well-coordinated information sharing mechanism involving government agencies and other stakeholders concerned with migration. The development of this databank is essential for informed and evidence-based policy formulation and the effective protection of overseas Filipinos. We are hoping that with the implementation of the EU-funded project on Philippine Migration Data Management by the last quarter of this year, and the much needed cooperation of all agencies involved, we would be able to respond substantively to this challenge.
- While the Philippines is doing its part in delivering the much needed programs and services for migrants, we also are advocating for the host countries to take an active part in contributing to the skills development of our migrants.

Concluding Remarks

These are serious concerns that the Philippine government is aware of and are responding to. We believe that the greatest wastes are unused talents and skills of our people. We would exert every effort to transform the Filipino diaspora to development, to minimize the costs of migration and maximize its gains, for the migrants, their families, their communities, both in their host and home countries.

To this end, we hope to achieve the Aquino administration's goal that migration would no longer be a matter of necessity but a matter of choice. We also look forward to the day when we realize the full human potential of every Filipino whether he or she is in the Philippines or outside the Philippines.

Merci beaucoup and mabuhay!

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