Best Practices in Fostering Migration Opportunities: Do they work?

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Abstract
The paper looks at examples of good practices – at the country, bilateral, and multilateral levels, and with special focus on the Philippine experience – for maximizing opportunities for legal migration, especially temporary and circular labour migration. The paper examines the challenges faced by both labour sending and labour receiving countries and provides practical examples of how the capacities of each can be strengthened to facilitate cooperation in labour and skills exchange.

About the author

The responsibility for opinions expressed in this working paper rests solely with the author or authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them, or of any products, processes or geographical designations mentioned.
TABLE OF CONTENTS

1. Introduction ................................................................................................................................. 1
2. Theory of benefits: why benefits/impacts differ across migration regimes ............................... 3
3. Best practices .................................................................................................................................. 4
   3.1 Benefits and the 3Rs: some preliminaries .................................................................................. 4
   3.2 Degree of responsiveness to global shortages: the case of nursing ....................................... 5
   3.3 Worker rights and welfare ....................................................................................................... 12
   3.4 The provision of training programmes .................................................................................... 16
   3.5 Remittance flows ................................................................................................................... 21
   3.6 Recruitment ............................................................................................................................ 23
   3.7 Returns .................................................................................................................................... 25
4. Lessons: A Summary ...................................................................................................................... 27
References ........................................................................................................................................... 29

LIST OF TABLES

Table 1: Deployment of Filipino Nurses, by country of destination .................................................. 7
Table 2: Distribution of Filipino nurses, by work setting ................................................................. 8
Table 3: Deployed domestic helpers, by country of destination ....................................................... 17
Table 4: Deployment of Seafarers by Category and Sex, 2006 ....................................................... 20
Best practices in fostering migration opportunities: do they work? ¹

By Lawrence B. Dacuycuy

1. Introduction

The widespread view is that global legal migration will continue to exhibit an upward trend, thereby continuing to generate policy debates as to the benefits as well as challenges of migration. The principal causes in support of this trend are well known: demographic transitions in affluent destination countries, meagre economic opportunities at source countries, and rising demand for skilled labour as a result of economic growth.

Demographic transitions either refer to slowdown or acceleration in population growth. Some countries have declining fertility rates and migrant workers in these countries are substantial in relation to their labour force. Spain, for instance, only grows in population due to immigration of Morroccans and Latin Americans (Arango and Martin, 2005). Japan and Korea have two of the lowest fertility rates worldwide and face rapidly ageing populations. As the proportion of the elderly has increased relative to the labour force, and with the advances in life saving/extension medical technologies, demand for healthcare migrants has increased.

Scarce economic opportunities at home fuel emigration pressures. African nations continue to suffer from net emigration, reflecting dismal economic performance caused by decades of war, economic mismanagement, and health epidemics.² The health care debacle in sub-Saharan Africa is a case in point. Opportunity gaps between developing and developed countries are still wide and are reflected in huge income inequalities. The result is that developed countries become welfare and opportunity magnets in the sense that wages offered there are much higher relative to those offered in developing countries.

As economic growth is experienced in many destination countries – such as in the OECD, and with birth rates declining, more skilled migrants are needed. However, economic downturns are known to slowdown immigration as economic prospects sour. Recently, the US subprime crisis has spawned painful economic adjustments which have impacted negatively on border crossings.

² Hatton and Williamson (2001) predict that emigration out of Africa due to economic and demographic pressures will continue to intensify due to the fact that growth has faltered, a case that largely reflects European experience centuries ago.
A good number of countries have been shown to benefit from heightened migration activity. Despite inter-country differences, the wave of optimism has not ebbed and is particularly shared well by labour exporting countries, believing in the developmental prospects of the benefit stream in the form of remittances, skill transfers and reduction of unemployment pressures.

Identifying the various actual and realizable benefits is a daunting task due to the multidimensional nature of the migration process. When benefits are defined in terms of monetary values or remittances, then the higher the level of remittance, the higher the benefits. But there is an increasing realization that saving mobilization is equally important since it involves shaping the ability of migrants and their families to respond to economic opportunities.

However, economic accounting of benefits from migration would not be limited to remittances. Remittances, at the micro level spur consumption spending on the part of households, moving some of them above the poverty line. National economies have benefited from the stability of remittances, which continue to outstrip traditional sources of investment flows, allowing them to undertake national programmes that will all the more enhance national welfare. The literature contains numerous accounts connecting remittances and development.

Migration is not without its challenges. Migration is not a one-sided process that is solely under the control of source countries. As soon as migrants reach their destinations, bilateral and multilateral agreements on the rights of migrant workers assume great importance. Migrant rights continue to be the centerpiece of many governmental programs due to numerous accounts of abuse. Issues concerning the portability of social security and health insurance have been brought to the forefront as well. Migration is believed to cause brain drain, brain wastage, and undermine the stability of the family as a unit of society. In some cases, migration has worsened health care prospects especially in Africa wherein continued emigration pressures are exacerbated by economic and social factors. Some countries, even with looming or sustained shortages in health professionals, still engage in heavy deployment. This is seen as a short – term strategy with long term health implications that may affect growth prospects.

Given the above, managing migration means that policy-makers should recognize that country experiences, no matter how valuable they are, should be interpreted with caution and studied well. Good migration management leads to a maximized state of benefits. Careful analysis leads us to the conclusion that for a country to maximize its benefits, it must completely understand the contributions of bottlenecks, potential problems and institutional limitations to the non-realization of optimal benefits from labour migration.

A critical point in the literature is that migration is a process that is governed by institutional features of a migration regime. This implies that different migration
regimes may have qualitatively different impacts, which may explain the asymmetric impact of migration on source countries. We also endeavor to highlight best practices in the Philippines, a successful country which has been cited as a model for migration management. This is to show whether there may be gains that can be harnessed from coordination to benefit both source and destination countries.

2. Theory of benefits: why benefits/impacts differ across migration regimes

One basic realization in the literature on migration is that benefits greatly depend on the destination country’s policies and the general orientation of the sending country’s migration regime. The prevailing view, which is closely associated with temporary migration, is that source, destination and migrants are in a win-win-win situation. Source countries will be able to penetrate labour markets for unskilled labour, thereby increasing the opportunity set of such labour. Destination labour markets benefit from the influx of migrants since migrants take up jobs considered not suitable by the local workforce. Finally, migrants receive higher wages relative to home wages.

Benefits depend on the skill composition of migrants since more skills mean higher productivity, therefore higher wages. Markets for skilled and unskilled labour vary. There is excess demand for skilled labour but excess supply of unskilled workers (Martin and Ruhs, 2008; Martin, 2004). In the case of unskilled workers, workers are relatively greater than available jobs (Martin, 2004). Thus the nature of competition is different in skilled and unskilled labour markets. A case in point is the OECD wide adjustment to perceived labour shortages in the fields of information technology and health care. The incentives offered, either in the form of encouraging permanent immigration, as in Australia and Canada, or temporary contracts, as in the rest of the countries, are much more attractive compared to provisions for the recruitment of temporary unskilled workers. Because of the sheer magnitude of unskilled workers in developing countries, country competition occurs among sending countries. Since labour demand responds negatively to higher wages for unskilled labour, there is a downward pressure for wages. Thus, an increase in the cost of workers via unilateral initiatives would result in a loss of market share, not the entire market since labour quality may play a role in avoiding total erosion of market share. Also, no single country can supply the entire labour requirements of destination countries.

Obviously, the theory of comparative advantage is applicable. When it comes to specific skill types, no country acts as a monopsony or sole supplier of a particular labour input type. This can be readily seen from country distributions of skilled as well as unskilled workers from origin countries. A case in point is the Philippines. It has one of the world’s more diversified migrant skill portfolio and continues to supply skills to several countries worldwide. Countries which have the ability to produce graduates in highly skilled fields will be better off doing so, rather than continuing to exploit opportunities represented by unskilled worker migration. The fast rate of production does not necessarily translate into employment, however. Liberalized entry of educational
institutions may reduce average quality and result in minimal returns as the market will be beset with excess supply.

3. Best practices

This section identifies and characterizes the nature of benefits as well as costs associated with best practices in migration. It focuses on the Philippine experience but adopts a comparative stance in assessing the benefits as well as negative impacts of emigration.

3.1. Benefits and the 3Rs: some preliminaries

A survey of studies dealing with best practices reveals wide diversity of country experiences. In terms of the developmental impact of migration, benefits are evaluated based on the 3Rs, namely recruitment, remittance, and returns (see Martin, 2003). Recruitment depends on the policies adopted by firms/government instrumentalities in receiving countries. Essentially, if there is no foreign demand for labour, recruitment would be inconsequential.

To better understand the impact of migration one needs to differentiate labour into skilled and unskilled. Lowell and Findlay (2001) notes that skilled migration is on the rise due to demand for specific skills. Perhaps one distinguishing implication of the continued emigration of skilled professionals is that productivity may fall, thereby reversing good growth prospects on the part of sending countries.

In some countries like the Philippines and Sri Lanka, a state-commissioned body oversees private recruitment agencies. Regulations are imposed and follow an evolutionary process that is expected to respond to changes in labour markets. The regulator may also be a recruiter which competes against private entities.

Another channel through which migration impacts are felt is through remittance inflows. As Martin (2003) notes, the amount of remittances is under the direct control of the migrant. The top labour sending countries of the world, like Mexico, Philippines, Pakistan, and India reap tremendous economic resources in terms of remittances from their diasporas worldwide. Anecdotal evidence lends support to the developmental possibilities from remittances.

Returns, the last R, is an important component of the paradigm. Brain drain has been associated with migration and one way of reducing its possibility is to encourage return to source countries. Countries in Africa, which suffer from a scourge of diseases,
experience brain drain due to the emigration of publicly trained medical personnel to richer western countries. In the area of remittance management, clearly the best practice involves the establishment of infrastructure that hastens the transmittal of funds at lower cost. Exchange rate fluctuations, financial system underdevelopment, and inadequate information dissemination are just some of the factors that have negative impacts on remittance maximization.

Encouraging returns is essential for a source country. In destination countries, a migrant that fails to return after the end of the contract period is considered an irregular migrant. In home countries, migrants can act to facilitate knowledge or skill transfers. However, certain qualifications are in order. Skill transfers are maximized for skilled labour only.

The 3Rs paradigm assumes that everything runs smoothly in the sense that no illegal recruitment takes place, remittances provide developmental impetus, and migrants return to their respective countries after their contracts have ended. Martin (2003) notes that the paradigm may either result in a virtuous or vicious cycle. This implies that for benefits to be maximized, migrants should at least return to effect a transfer in skills and remit money while abroad. In the case of recruitment, it is assumed that prospective migrants are placed in jobs that closely match their skills. Instances of illegal recruitment continue to hound various countries and the lack of maturity of legal processes in sending countries is seen as a challenge in minimizing illegal activities. As noted in Martin (2003), for instance, the Philippines has strengthened its legal remedies in handling illegal recruitment by increasing penalties for recruiters in the form of civil and criminal liabilities. These do serve as deterrents and their effectiveness may be gauged by the decreasing number of such incidents.

3.2. Degree of responsiveness to global shortages: the case of nursing

Trends in deployment and stocks

The Philippines is known for its skilled information technology (IT) and healthcare workforce. A distinguishing mark of successful labour sending countries is their ability to respond to changes in global labour markets which come in the form of shortages in skills. One important area that is being promoted is the health sector, in particular, the nursing sector.

The Philippines is among the top 5 countries that send nurses abroad. Demand for foreign nurses in advanced or developed countries have accelerated over the years. To accommodate this, nursing schools in the country have expanded in number over the years. The list of destinations for Filipino nurses continues to increase as more and more countries open up. Anticipating a potential demographic shock due to the retirement of its baby boomers, Finland has set up a training program that will engage

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7 Addressing skill shortages appear to be insulated from populist opposition.
Filipino nurses, immersing them into Finnish culture and achieve competency based qualifications for practical nursing.\textsuperscript{8}

Table 1 provides updated data on the deployment of Filipino nurses to different parts of the globe. It highlights periods of sustained deployment and shows years during which declines have become apparent. Declining deployment may be a function of increasing protectionism or policy reversals. Yamagata (2005) notes that the Kingdom of Saudi Arabia (KSA) is already on a path towards greater consideration for employment of Saudi nationals in key and strategic industries, the healthcare industry included. The US market is not the same as during the early 90s which saw the tremendous expansion of migrant nurses. Even in the United Kingdom, the inflows have dropped. This maybe attributable to the greater mobility of European health workers. While the KSA, UAE, Qatar, and Kuwait are seen as traditional destination countries, new non-traditional countries like Ireland, the UK, and now Finland have contributed to the employment of migrant nurses.

\textsuperscript{8} Finland opens up to Filipino Nurses, by Gloria Esguerra Melencio (Saturday 3, May 2008)
Table 1 Deployment of Filipino Nurses, by country of destination

<table>
<thead>
<tr>
<th>Year</th>
<th>KSA</th>
<th>UAE</th>
<th>UK</th>
<th>Taiwan, China</th>
<th>Ireland</th>
<th>US</th>
<th>Kuwait</th>
<th>Singapore</th>
<th>Qatar</th>
<th>Trin. and Tob.</th>
<th>Others</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>3,279</td>
<td>271</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>1,767</td>
<td>320</td>
<td>6</td>
<td>7</td>
<td>-</td>
<td>426</td>
<td>6,078</td>
</tr>
<tr>
<td>1993</td>
<td>4,202</td>
<td>47</td>
<td>-</td>
<td>44</td>
<td>-</td>
<td>1,987</td>
<td>139</td>
<td>47</td>
<td>7</td>
<td>-</td>
<td>835</td>
<td>7,308</td>
</tr>
<tr>
<td>1994</td>
<td>3,332</td>
<td>270</td>
<td>-</td>
<td>4</td>
<td>-</td>
<td>2,853</td>
<td>455</td>
<td>85</td>
<td>6</td>
<td>-</td>
<td>166</td>
<td>7,171</td>
</tr>
<tr>
<td>1995</td>
<td>3,249</td>
<td>94</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3,690</td>
<td>59</td>
<td>162</td>
<td>10</td>
<td>-</td>
<td>688</td>
<td>7,954</td>
</tr>
<tr>
<td>1996</td>
<td>3,071</td>
<td>137</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>270</td>
<td>269</td>
<td>549</td>
<td>6</td>
<td>-</td>
<td>1,174</td>
<td>5,477</td>
</tr>
<tr>
<td>1998</td>
<td>4,098</td>
<td>279</td>
<td>63</td>
<td>8</td>
<td>-</td>
<td>5</td>
<td>143</td>
<td>371</td>
<td>29</td>
<td>-</td>
<td>403</td>
<td>5,399</td>
</tr>
<tr>
<td>1999</td>
<td>4,031</td>
<td>378</td>
<td>934</td>
<td>17</td>
<td>-</td>
<td>53</td>
<td>53</td>
<td>214</td>
<td>12</td>
<td>-</td>
<td>280</td>
<td>5,972</td>
</tr>
<tr>
<td>2000</td>
<td>4,386</td>
<td>305</td>
<td>2,628</td>
<td>1</td>
<td>127</td>
<td>91</td>
<td>133</td>
<td>418</td>
<td>7</td>
<td>-</td>
<td>245</td>
<td>8,341</td>
</tr>
<tr>
<td>2001</td>
<td>5,275</td>
<td>249</td>
<td>5,388</td>
<td>9</td>
<td>1,561</td>
<td>304</td>
<td>192</td>
<td>413</td>
<td>143</td>
<td>-</td>
<td>288</td>
<td>13,822</td>
</tr>
<tr>
<td>2002</td>
<td>8,668</td>
<td>424</td>
<td>3,105</td>
<td>131</td>
<td>930</td>
<td>322</td>
<td>108</td>
<td>338</td>
<td>213</td>
<td>-</td>
<td>696</td>
<td>12,335</td>
</tr>
<tr>
<td>2003</td>
<td>5,996</td>
<td>267</td>
<td>1,544</td>
<td>200</td>
<td>210</td>
<td>197</td>
<td>51</td>
<td>326</td>
<td>243</td>
<td>-</td>
<td>236</td>
<td>9,270</td>
</tr>
<tr>
<td>2004</td>
<td>5,926</td>
<td>250</td>
<td>800</td>
<td>6</td>
<td>191</td>
<td>373</td>
<td>408</td>
<td>166</td>
<td>318</td>
<td>-</td>
<td>441</td>
<td>8,879</td>
</tr>
<tr>
<td>2005</td>
<td>4,886</td>
<td>703</td>
<td>546</td>
<td>357</td>
<td>297</td>
<td>229</td>
<td>193</td>
<td>149</td>
<td>133</td>
<td>113</td>
<td>162</td>
<td>7,768</td>
</tr>
<tr>
<td>2006</td>
<td>2,886</td>
<td>398</td>
<td>139</td>
<td>142</td>
<td>202</td>
<td>133</td>
<td>191</td>
<td>56</td>
<td>38</td>
<td>35</td>
<td>4,308</td>
<td>8,528</td>
</tr>
</tbody>
</table>

Source: Philippine Overseas Employment Administration (POEA)
Lorenzo (2005) provides estimates of the stock and deployment of skilled Filipino medical workers. In her study, Lorenzo estimates that the total stock of nurses from 1960-2003 stood at 333,581. The estimate adjusted for mortality of nurses was 332,205. By 2005, POEA estimated that there were 382,624 registered nurses which was 46% of the entire migrant health workforce. In contrast, medical doctors only numbered about 102,000, representing 13% of the entire workforce.

By 2003, there is an excess supply of close to 140,000 nurses. The demand for nurses abroad clearly outpaced that of the needs in the domestic front, garnering close to 85% of total employed nurses. Based on data from POEA, from 2002-2005 the Philippines deployed 36,540 registered nurses, representing 83% of all deployed medical professionals. Deployment of medical doctors, on the other hand, was very limited. Only 434 were deployed to various countries from 2002-2005 (Imson, 2006). Clearly, nurses prefer to be employed elsewhere and that standards for medical practices in destination countries are more stringent.

### Table 2. Distribution of Filipino nurses by work setting

<table>
<thead>
<tr>
<th>Work Setting</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. Local/National</strong></td>
<td>29,467</td>
<td>15.25%</td>
</tr>
<tr>
<td>A. Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Government</td>
<td>19,052</td>
<td>9.86%</td>
</tr>
<tr>
<td>Agencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Private Agencies</td>
<td>8,173</td>
<td>4.23%</td>
</tr>
<tr>
<td>B. Education</td>
<td>2,241</td>
<td>1.16%</td>
</tr>
<tr>
<td><strong>II. International</strong></td>
<td>163,756</td>
<td>84.75%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>193,223</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Source: Lorenzo (2005)

The number of nurses abroad is also increased by the decision of some countries to open up to provide a temporary remedy to dwindling health workforces. New and emerging markets are being created, thereby tempering the precipitous drop in demand for nurses in the US. From 2006-2010, it is projected that close to 180,000 nurses will be deployed (Imson, 2006).

**Impact of nurse emigration**

Some authors question the strategy of sending medical professionals to work abroad. Brush and Sochalski (2007) brand the Philippines as the sole country with a state-backed nurse export policy and highlights the fact that, although the Philippines does have a considerable presence in the global nursing labour market, nurse emigration has resulted in the maldistribution of much-needed nursing resources, contributing to health

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9 This figure may include the retirees, non-practicing nurses and the unemployed despite vacancies in the public and private sectors.
inequalities or disparities. Thus, there is recognition of a trade-off between health worker deployment and health outcomes.

To provide context, devolution has decentralized the Philippine health care system, leaving healthcare management to local government units, most of which are fiscally-challenged. Lorenzo (2005) asserts that despite reforms in the healthcare system, human resource management was not part of the agenda. On the other hand, the Department of Health is tasked with overseeing the operations of national, regional, or specialty hospitals.

The presence of a large pool of unemployed or underutilized nurses raises important questions regarding the country’s health resource management considering that a serious maldistribution of nursing resources is evident. Several studies support the idea that there is no brain drain in the Philippines as far as nurses are concerned. This may be explained by the ability of domestic schools to produce large numbers of graduates.

The maldistribution medical workers, particularly nurses and doctors who prefer to locate in major cities, can be aggravated by the increasing incidence of doctors enrolling as nurses to increase their chances of landing jobs abroad. Medical education takes a long time relative to that of nursing. These physicians who become nurses can be labeled appropriately as supernurses, without the intention of mocking the supermaid since their training as physicians encompasses the necessary skills attributed to nurses. Galvez Tan (2005) notes that 3,000 doctors have left the country as nurses since 2000 and 4,000 more have taken the nursing exam.

Although many countries all over the world have reported shortages in medical workers, the demand for nursing has outpaced that of doctors. In the US, the supply of doctors is projected to meet domestic. Canadian doctors have the privilege of having their qualifications recognized in the US, which minimizes mismatch or brain waste, unlike those coming from LDCs who have to endure qualification exams.

The profile of nurse medics presents a case for regulation. Galvez Tan (2005) notes that nurse medics who migrate are largely from the government sector – certainly a cause for alarm since recruitment into government public health sector is difficult because of low wages and heavy workload. The replacement of such doctors is difficult. First, there is an appreciable decline in the enrolment in medical education. This has a significant impact since the shift of medical doctors with years of experience to the nursing profession effectively degrades the once favorable status of doctors, and this supports the view that higher returns are realized in the latter than in the former. Second, the Philippine hospital association reports that the shortage of domestic nurses and doctors have resulted in the closure of some hospitals. This is particularly serious in light of the surplus in the number of nurses in the country. Thus, the domestic market fails to provide incentives to promote sustained employment even for nurses who are not employed.
Galvez Tan (2005) notes that the primary reason for having the nurse medics phenomenon is economic, as reflected in a survey he conducted. This is understandable given the declining budgetary share of the department of health. He further notes that significant pull factors comprise of better compensation, opportunities, and security.

In the literature, there is a perception that heavy emigration of health professionals may cause serious effects on primary health outcomes. Clemens (2003) and Dacuycuy (2008) investigate the impact of heightened emigration on health outcomes like immunization rates, TB incidence, child mortality, and other outcomes. Clemens (2003) finds no significant causal connection between health worker emigration (doctors and nurses) and the deterioration of primary health care provision or health outcomes in the sending countries. This implies that other factors are at work. Dumont (2007), in studying the mobility of health professionals, notes that the international migration of health professionals is not the proximate cause of intensifying crises in the supply of health workers in heavily affected areas, a conclusion that has serious policy implications. The prevailing sentiment is to implement schemes that will stem the emigration of health professionals in countries where the supply of health workers is already in a dire state.

In the Philippines, there are now noticeable effects. Galvez Tan (2005), citing data provided by the National Statistics Office in 2003, note that there was an increase in the number of deaths due to the absence of medical assistance. Studies in the OECD also note several operational delays due to the lack of doctors. Or (1997, 2000) studied the statistical association between the number of doctors and perinatal mortality and found it to be negatively significant. The same relationship is somewhat maintained for other proxies of health status (e.g. infant mortality, life expectancy, etc.). Waiting times for elective surgery are also significantly reduced due to higher physician densities (Siciliani and Hurst, 2003). Perhaps the most contentious point in the study of Or (2000) concerns the result that substantive effects come from the variation in the number of doctors rather than from other critical institutional features of a given medical care system. The lack of doctors will result in extending waiting times and, in instances wherein urgent medical care is needed, this would be a fatal shortcoming. Immunization rates have gone down, although, the relationship between emigration of health professionals and immunization rates or other health outcomes like morbidity and mortality is at best econometrically weak since other factors are clearly at play.

The deployment continues despite the high cost associated with nursing education, board examinations, and proficiency exams required by international nursing federations. Also, the historical passing mark of nurse candidates in the board exams is low, thereby compounding costs that are already too high. Despite these, there is tremendous growth in the number of enrollees, an indication that many view investment in nursing education as easily recoupable given the chance to work in foreign countries. Nurse education and training expenses continue to be borne by private individuals,

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10 A good empirical strategy is to include some of the covariates of health status found in Or (2000).
which means the impact of nurse emigration on public finance is not too large—a concern in African countries where heavy public investments are funneled to medical worker education.11

Best practices in the field of nursing education are apparent. The regulating body, the Commission on Higher Education (CHED), has been actively upgrading the nursing curriculum by adding relevant foundational subjects. Recently, the CHED issued a Memorandum Order No. 5, Series 2008 featuring the enhanced Four Year Bachelor of Science in Nursing program.

The response to other initiatives is not always favorable, however. Recently, plans were drafted calling for institutionalizing a practical nursing programme in the Philippines. The Philippine Nursing Association (PNA) opposed this move through a position paper. In the position paper, it highlighted the deteriorating state of Philippine nursing education as reflected in poor board exam performance, lack of demand for practical nurses, and the difficulty in assessing the labour quality of practical nurses since they are not required to take board exams. The PNA also asserted that the current nursing curriculum is in a better position to be marketed since there is now a move in international nursing markets to adopt a standardized nursing program.

As mentioned, there is an explicit policy on nurse deployment. This served as an incentive for the schools to expand. Destination countries mainly use English as a medium of communication. This has been an advantage for Filipino nurses since the nursing curriculum uses English as medium of instruction. Integrating the English language or better yet, adopting a curriculum that is English-based, yields enormous benefits. An assessment of the competencies of Bangladeshi nurse found that lack of English communication skills resulted in zero demand for them in some Gulf countries.

The demand for nursing is indeed great even for nurses who come from non-English speaking countries. Los Angeles for instance expressed a desire to hire Sri Lankan nurses even if the predominant medium of instruction is Sinhala. However, unless nursing courses are taught in English, prospective nurse migrants would find a difficult time hurdling the CGFNS which is asked in English and the NCLEX. The open university of Sri Lanka, through several grants from the Canadian International Development Agency (CIDA), was able to set up a distance learning program that offered BS nursing in English.

As for the legal challenges that our nurses face, the maturity of legal infrastructure in destination countries do matter. In the US, international protection or equality of treatment is illustrated by one case involving the Woodbine Healthcare Center. Employment discrimination based on national origin is prohibited in the US under Title VII of the Civil Rights Act of 1964, which is just one of the laws enforced by the Equal Employment Opportunity Commission (EEOC). The EEOC decided in favor of Filipino nurses in a case involving the Woodbine Healthcare Center.

11 Suggested by Philip Martin.
nurses who were initially hired as registered nurses but have been paid wages lower than what a registered nurse normally earns. Two issues were apparent. The offer of employment is clear that they will be hired as registered nurses and their actual tasks were not the normal functions of registered nurses. The decision essentially finds Woodbine guilty of acts that amounted to discrimination against foreign-educated workers.

Another celebrated case involves Filipino nurses who were recruited to the US through the Sentosa recruitment agency. Based on news articles, Filipino registered nurses abruptly resigned en masse and were criminally charged with endangerment. POEA dismissed the case against Sentosa arguing that the Filipino health workers were hired by Sentosa, not by the employers in the US. The Sentosa case reminds prospective nurse migrants of the need for continued vigilance in scrutinizing contract provisions.

Despite the apparent oversupply of nurses as well as the perceived unwillingness to take up domestic jobs, there are relentless campaigns to attract students to nursing education. The POEA has been actively promoting the shift to nurse education. There is a call for pupils to seriously consider nursing as a college course. Although, in a newspaper report concerning the future prospects of nursing jobs, it was noted that it is no longer rosy as before.\textsuperscript{12}

3.3. Worker rights and welfare

The 3Rs highlighted some of the critical phases of the migration process and how they are managed. However, it is still important to characterize post recruitment or admission scenarios. In the literature, there is a growing clamor for the preservation and promotion of migrant rights. Usually, the rights of migrants are protected during pre-deployment and upon return. Upon deployment, the migrant worker will be governed by the destination country’s labour laws, not the home country’s.

Several international conventions cater to the needs of the migrant workers and their families. One landmark convention is the International Convention on the Protection of the Rights of all Migrants Workers and members of their Families, which was enacted in 1990 by the United Nations and was enforced as an instrument of international law on 1 July 2003 (Iredale, Piper and Ancog, 2005). While migration is clearly a global phenomenon and there is a universal need to safeguard migrant rights and welfare across borders, Wickramasekara (2004) reports that, since its enactment, only 30 states have ratified it and most are categorized as labour sending states. Not all sending states have ratified it, however: Bangladesh and Indonesia have not ratified it due to its fiscal implications.

The Philippines was the first Asian country to ratify the Convention in 1995. The Migrant Workers and Overseas Filipinos Act, or Republic Act 8042, was enacted during

\textsuperscript{12} Job outlook for Filipino nurses no longer as bright. Purple S Romero, Newsbreak. June 1, 2008.
the same year and provided legal safeguards for migrants against illegal recruitment and unacceptable practices of recruitment agencies like overcharging.

One often-cited best practice is the extensive network of agencies formed to promote and protect the rights of Filipino migrant workers. Agunias and Ruiz (2007) provide interesting descriptions of the workings of the migration regulatory framework of the Philippines. Classified as a state-managed migration regime, the Philippines has several institutions tasked to manage the conduct of migration.

As mentioned, the state agency POEA manages labour migration by overseeing and approving contracts, engaging in direct deployment, regulating the behavior of private recruitment firms and negotiating with governments concerning worker rights and other arrangements. Another agency, the Overseas Workers’ Welfare Administration, oversees the implementation of programmes concerning welfare. It manages a welfare fund which may bankroll repatriations under extreme circumstances, gives out scholarships, and provides relevant welfare services. The Philippines has an extensive network of labour offices known as Philippine Overseas Labour Offices (POLOs) tasked to take care of overseas workers. By 2006, there were 34 posts in 27 countries. The POLOs are partly responsible for assessing the legality of contracts engaged in by prospective migrants and employers. There is also the Office of the Undersecretary for Migrant Workers’ Affairs which manages a legal fund used in defraying costs related to providing legal remedies or legal assistance to Filipinos abroad.

With fostering migrant rights in mind, the POEA offers relevant web-based services that enhance information flow, a key consideration in migration decisions. This is on top of the pre – departure orientation seminars that it continuously hold in order to allow prospective migrants understand cultural intricacies and other information. The POEA’s website is comprehensive. The POEA’s website includes a recruiter verification facility that lists all manning and other recruitment agencies and indicates whether they are delisted, suspended, or active. This clearly targets the reduction of the incidence of illegal recruitment. To provide incentives, the agency also highlights a list commending awardees of excellence which clearly identify the category of the agency (eg. land-based or sea-based), as well as its area/s of specialization, truly an important information for migrants. The POEA also continuously issues guidelines governing deployment. Such guidelines are important for informing migrants of changes in immigration laws. An important innovation concerns the issuance of licenses contingent on performance which means that licenses for new recruitment agencies will only be renewed if such an agency meets a prescribed number of deployed workers. Aside from web-based services, radio, as well as television programmes are also broadcast, bringing information closer to migrant workers and their families.

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13 The failure of establishing a consulate in Macau, now a province of China has been a source of concern of labour officials due to the high incidence of irregular migration there.
14 Under Philippine criminal laws, the criminal liability for illegal recruitment has been increased dramatically.
As mentioned, migrant rights are upheld in countries of origin. Every nation desires to maximize the rights of its migrant population. Ruhs and Martin (2008) argue that there are trade-offs between rights and number of workers. It is empirically observed that in countries with many low-skilled migrant workers, worker rights are not as encompassing, implying that the number of workers is negatively related to the rights accorded them. They cite the case of Singapore and the Persian Gulf Countries, wherein a lot of unskilled workers are hired but stringent laws are enacted. Shah (2008) enumerates policies aimed at restricting the supply of workers. These policies work to render stay in some of the Gulf countries expensive by introducing more expensive social insurance premia, removing hospitalization benefits, higher fees for verifying qualifications, stricter visa issuance among others.

Can origin countries influence the conduct of labour laws in destination countries, given that what may be important to them is maximizing remittances, which is determined by the size of remitting migrants and the transaction costs and rarely by the ‘rights regime’ in destination countries?

In the literature, bilateral agreements are deemed important in harmonizing diverging interests. Waddington (2003) notes that the real value of bilateral labour agreements is the stipulation of minimum labour standards. The Philippines is an active in forging close ties with labour importing states. Galvez – Tan in unveiling his advocacy, noted that an important step is to establish close ties with destination countries in order to achieve efficiency in coordination. A look at the website of the POEA reveals several memoranda of understanding or agreements between the Philippines and a host of countries. One drawback, however, concerns the enforceability of such agreements.

Some of the memoranda of understanding include British Columbia, Saskatchewan and Manitoba. A look into each of them reveals a common element, that is, the agreement is non-binding in nature. This provision is expressed explicitly and uniformly in all memoranda of agreements (MOA). In the case of Manitoba and British Columbia – Philippines MOAs, priorities of collaboration include qualification recognition and visa processing.

However, it should be made clear that rights of skilled workers are in no way less than unskilled ones. As noted in Ruhs and Martin (2008), unskilled workers use as reference their respective labour markets which are no better than destination countries. Labour markets in destination countries offer higher wages, therefore, the relative valuation of skilled labour and its marginal productivity is greater than at home. Also, the growing competition among labour surplus or exporting countries is getting more intense. Multilateral conventions are not ratified due to the perception that they will make hiring foreign workers more costly. One of the immediate reactions to the decision of the Philippine government to increase the minimum wages of domestic helpers was that the market would be undercut. However, evidence shows that Filipino workers command much higher wages than other nationalities in Kuwait and Hong Kong. This shows clearly that there is product differentiation based on observed quality of workers and it
is known that quality may at least provide a hedge against the downward orientation of demand for unskilled labour.

Another issue, which may be relevant, concerns the portability of social security benefits and health insurance. Holzmann, Koettl and Chernetsky (2005) show that countries may be categorized into several portability regimes. As qualified by the authors, portability concerns the ability of the migrant to preserve, maintain, and transfer acquired social security rights without regard to nationality or country of residence. Kulke (2006) notes that the principle of territoriality limits the scope of application of social security legislation to the territory of a country, and the principle of nationality restricts the enjoyment of social security benefits to nationals of a particular country. As asserted, discrimination or lack of access to social security benefits may be the result of the absence of bilateral social security agreements.

The Philippines’s OWWA has teamed up with PHILHEALTH to provide health care insurance to migrant workers. Kulke reviews the different frameworks, whether in a unilateral or multilateral setting that attempt to provide social security coverage to migrant workers. Similar to labour laws and regulations, destination countries impose restrictions concerning the enjoyment of social security benefits. Ofreneo and Samonte (2005) shows that the Philippines has deployed several social security and health programmes for domestic helpers in Hong Kong and Singapore.

As shown in Holzmann, Koettl and Chernetsky (2005) and Kulke (2006), the Philippines has bilateral social security agreements with Austria, Belgium, France, United Kingdom, Canada, Quebec, Spain and Switzerland. Also, the Philippines has ratified the ILO convention 157 on the maintenance of social security rights (Holzmann, Koettl and Chernetsky, 2005). India, Pakistan and Bangladesh in South Asia, which collectively account for a large portion of global migrants, do not have any social security agreement with major receiving country, surely a source of concern.

An exceptional case, which may be emulated by regional blocks like Asia, is the Caribbean Community Reciprocal Agreement among 16 Caribbean states. The Agreement allows the possibility of accumulating contribution credits in more than one country towards their qualification for pension (Williams, 2008), and is geared towards harmonizing social security legislations. Insurance for migrant workers is mandatory. Kulke (2006) notes that in the Philippines, one good practice concerns the legal liability of recruitment agencies in the payment of quarterly contributions to the national social security system. By virtue of the MOA of 1988, manning agencies of foreign ships are responsible for paying quarterly contributions. This preserves and protects the migrants’ contributions especially upon return from abroad. The Philippine social security system enrolls migrants on a purely voluntary basis which counters the fact that in some countries, especially the Middle East, social security contributions is not mandatory.

Holzmann, Koettl and Chernetsky (2005) notes that while the speed at which the Philippines has entered into social security agreements is commendable, it may
encounter lack of enthusiasm on the part of its destination-country counterparts due to social security cost considerations. Even without the entitlements of migrants, there are tremendous pressures on social security institutions worldwide.

3.4. The provision of training programmes

For employed workers, training enhances skills, whether in the form of general or specific skills. Pre-emptive training is relevant for prospective migrants because labour quality is unobserved by prospective employers in destination countries. The information asymmetry between migrant workers and employers is well known in the literature and, more often than not, the responsibility of assessing true labour quality is left in the hands of recruitment agencies, the delegates of employers. The use of intermediaries is known to reduce costs considerably for the prospective employers.

Due to tremendous demand, the government of the Philippines has tasked the agency Technical Education and Skills Development Authority (TESDA) to implement programmes catering to skill development of unskilled and semi–skilled migrant workers, aside from training programmes required in the domestic economy.

The Philippines’ supermaid programme has compulsory training to newly deployed workers. Being a requirement it sends a signal. As a background, table 3 shows the deployment of domestic helpers to various countries around the world. The numbers support an increasing trend even in countries with large migrant worker populations, like the GCC countries where restrictive policies are being implemented.

Labour quality is important. In a world where signaling is essential, packaging labour exports with necessary attributes has been one of the features in active labour sending countries. For instance, some studies highlight the advantage of Filipino unskilled workers relative to other suppliers like Indonesia, Pakistan and Bangladesh. A good strategy which was actually implemented is the supermaid program which now attempts to recategorize our domestic helpers with household service workers.

The supermaid programme consists of the following competencies, namely (1) planning and organizing work and the use of mathematics, which comprise the basic competencies; (2) common competencies, which include the ability to respond to difficult or challenging behavior and (3) core competencies which consist of providing care for children, pets, maintaining a safe environment, and responding to emergencies. To qualify as a supermaid, prospective migrants should satisfy the Household Services NC II which is approximately 116 hours.

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15 As of December 2006, a handful of prospective migrants (27) have attended and successfully completed the TESDA supermaid course.
16 A complete listing of competencies or expected learning outcomes is available in the TESDA website.
Table 3 Deployed domestic helpers, by country of destination

<table>
<thead>
<tr>
<th>Year</th>
<th>HK SAR</th>
<th>Kuwait</th>
<th>Saudi Arabia</th>
<th>UAE</th>
<th>Lebanon</th>
<th>Qatar</th>
<th>Jordan</th>
<th>Singapore</th>
<th>Oman</th>
<th>Cyprus</th>
<th>Others</th>
<th>Total</th>
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<td>17517</td>
<td>6035</td>
<td>570</td>
<td>4138</td>
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<td>2773</td>
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<td>44</td>
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<td>57903</td>
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<td>17800</td>
<td>8882</td>
<td>877</td>
<td>3742</td>
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<td>17019</td>
<td>71079</td>
</tr>
<tr>
<td>1994</td>
<td>22625</td>
<td>611</td>
<td>16522</td>
<td>6771</td>
<td>1035</td>
<td>3618</td>
<td>451</td>
<td>2365</td>
<td>1024</td>
<td>208</td>
<td>16146</td>
<td>71376</td>
</tr>
<tr>
<td>1995</td>
<td>22134</td>
<td>376</td>
<td>14520</td>
<td>4795</td>
<td>1115</td>
<td>2677</td>
<td>684</td>
<td>1365</td>
<td>568</td>
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<td>14739</td>
<td>63463</td>
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<td>17430</td>
<td>148</td>
<td>15135</td>
<td>4233</td>
<td>642</td>
<td>2091</td>
<td>486</td>
<td>233</td>
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<td>31</td>
<td>1611</td>
<td>408</td>
<td>328</td>
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<td>4410</td>
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<td>2044</td>
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<td>1507</td>
<td>714</td>
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<td>9779</td>
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<tr>
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<td>22870</td>
<td>12835</td>
<td>11934</td>
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<td>1899</td>
<td>11</td>
<td>1428</td>
<td>24</td>
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<td>974</td>
<td>70</td>
<td>598</td>
<td>2985</td>
<td>45950</td>
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<tr>
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<td>16901</td>
<td>17054</td>
<td>7741</td>
<td>5826</td>
<td>6073</td>
<td>2438</td>
<td>10</td>
<td>1348</td>
<td>645</td>
<td>1112</td>
<td>4070</td>
<td>62818</td>
</tr>
<tr>
<td>2005</td>
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<td>19707</td>
<td>9227</td>
<td>9113</td>
<td>11735</td>
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<tr>
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<td>19097</td>
<td>11898</td>
<td>11844</td>
<td>7710</td>
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<td>4359</td>
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<td>2068</td>
<td>1178</td>
<td>4040</td>
<td>91412</td>
</tr>
</tbody>
</table>

Source POEA
Though controversial, it acts to improve the image of the unskilled Filipina worker by enhancing quality through formal training in language and skills conducted by the TESDA and OWWA. The control for this is considerable. Only applicants who have successfully hurdled the requirements of the training programmes will be qualified to have their contracts processed by the POEA.

The supermaid programme was launched in response to the displacement of Filipino workers during the Israeli – Lebanon conflict and the widespread perception that household help from the Philippines were not accorded proper respect and subjected to beatings due to lack of skills. A perplexing development is the decision of the Philippine government to increase the minimum wage. The recruitment industry argued that it will result in reduced deployment due to heightened competition coming from other countries. The Philippines is not alone in this endeavor. Indonesia, at one point, halted the deployment of its workers due to the recognition that they are less likely to be respected because of their lack of skills.

What is the impact of the supermaid programme? Since its inception, a minimal number of workers has been certified. In the news, the most significant result concerns the hiring of one – Mary Joy Bunol – by a royal household in Malaysia. A promising development concerns the endorsement of the reform package of the POEA by the Saudi National Recruitment Committee (SANARCOM).

The programme is not without costs, however. Martin, Abella and Midley (2004) notes that in some instances, the length of time needed to recoup debts associated with migration costs is as long as the contract period. The competency training offered by TESDA and OWWA entail fees with varying costs. To enroll in the programme one needs to shell out 8,000 – 10,000 pesos plus a 1,000 fee for every certification.

The best practice highlighted concerns the shift of strategy from simply sending unskilled labour to incorporating training for skill enhancement. However, the supermaid programme has been met with criticisms. As part of the memorandum circular, the minimum wage for domestic helpers was raised to US$200. As mentioned, the supermaid programme was launched in response to the Lebanon – Israeli conflict and it was thought that by training our domestic helpers, respect may be restored and abuses fall. The basic argument against supermaids concerns the training fees to be paid and that they are still not insulated from abusive employers. As for the increase in the minimum wage, POEA saw a drop of 40% in deployment. The said agency does not appear to back down from this imposition. The reaction to this is expected. In a market wherein unskilled workers predominate, a rise in the wage of one class necessarily translates into a fall in quantity demanded, ceteris paribus. The nature of the increase is also a little bit problematic. The increase is an imposition, which implies that it is not market-determined.

It is also related to the rights-numbers debate. The imposition of an increase in minimum wage can be perceived as an attempt to increase rights, not merely to improve
remuneration, and branding new deployments as supermaids basically supports the contention that an increase in quality necessitates an increase in wages. However, due to high degree of substitutability, employers have shifted to maids of other nationalities, although there are conflicting accounts.

Because of the view that increasing the wages undercuts the market share, it is possible that only a limited number of countries will attempt to impose a minimum wage for domestic helpers. However, it does not mean that they will not embark on strategies to enhance worker effectiveness. Some countries have done it before. This is the case when Indonesia imposed a ban on its workers due to the perception that abuse is closely connected with lack of skills. In the Philippines, as elsewhere, language training has been institutionalized. Pakistan also implemented unilaterally an increase in minimum wages only to find out that deployment suffered significantly. As a result, the government suspended the implementation of the said policy.

Another best practice concerns seamen training in the Philippines. Sea-based migrant workers’ share to overall deployment is significant. Unlike their land-based counterparts, unions have made several significant inroads. Among these unions are the AMOSUP, which has a rich tradition of unionization activities and is credited as among the most important unions for seafarers [see Alcid, 2006].

The Philippines has the largest number of seamen employed in international maritime companies, although it is now subject to increasing competition from other countries. The demand for seamen continues to grow due to the pace of ship construction. Due to excess demand and very specific skills required, strong partnership between private companies and training schools have been forged. An important step in facilitating employment in foreign-registered shipping vessels is the recognition of credentials. The coordination between sending and accepting countries is mandated by regulation 1/10 of the International Convention on the Standards of Training, Certification, and Watchkeeping for Seafarers (STCW) for the recognition of certificate of competencies. The responsible entity, the Maritime Training Council (MTC), has concluded signing agreements with Denmark, the Netherlands, Singapore, Brunei and the Bahamas and Norway.

A good example is the partnership initiated by the Norwegian Marine Services Training Institute Corporation (NMSTIC) which, together with the Clark Development Corporation (CDC), launched three training programmes for ship mess boys, cooks, and specialized welding for ship building and repair. These occupations are in demand. The training programme’s duration is only 22 days for mess boys and the training for the other jobs may last at least a month. Though charges for the training are required, they are minimal at Php 1,500.

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17 A study of the DOLE reveals, however, that only a third of all deployed seafarers are officers, implying that a good strategy is to improve training programmes to increase the output of officers.
18 Reported in GMA News TV.
While 20% of the market share for seafarers belongs to the Philippines, a source of concern is the skill composition which is reflected in the proportion of officers to total deployed seafarers. Table 4 shows the breakdown of deployed seafarers by category and gender.

Specialized training programmes, with the intent of producing more officers are underway. The Norwegian Maritime Foundation of the Philippines, Inc., and the University of Cebu (Lapu-Lapu and Mandaue campuses) signed a deal for an exclusive partnership to train 300 cadets as high quality ship officers. This is a unique opportunity for Filipinos in the sense that it offers them practical training skills on board Norwegian Shipowners Association (NSA) vessels and provides scholarships. Needless to say, the NSA also have programmes in other supplier countries’ schools such as China and Vietnam.

Table 4. Deployment of Seafarers by Category and Sex, 2006

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>%</th>
<th>Male</th>
<th>%</th>
<th>Female</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating</td>
<td>139,579</td>
<td>59.9</td>
<td>136,250</td>
<td>60.9</td>
<td>329</td>
<td>5.1</td>
</tr>
<tr>
<td>Officer</td>
<td>52,757</td>
<td>22.6</td>
<td>52,732</td>
<td>23.6</td>
<td>25</td>
<td>0.4</td>
</tr>
<tr>
<td>Passenger ship/liner personnel</td>
<td>38,508</td>
<td>6.5</td>
<td>32,528</td>
<td>14.6</td>
<td>5,980</td>
<td>92.9</td>
</tr>
<tr>
<td>Rating not stated</td>
<td>2,178</td>
<td>0.9</td>
<td>2,076</td>
<td>0.9</td>
<td>102</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Source: POEA

Another good practice that may be a part of the seamen training experience is provided by the Maritime Academy of Asia and the Pacific (MAAP). Located in Kamaya Point, Mariveles, Bataan, MAAP is not just an ordinary education and training centre since it represents a multilateral endeavor. It involves the AMOSUP and various shipowner associations, such as the Danish Shipowners’ Association, Japanese Shipowners’ association, All Japan Seamen’s Union, International Transport Workers’ Federation, International Maritime Employees’ Committee, and Filipino Association of Mariners’ Employment.

As highlighted, there are close partnerships between private shipping companies and training or educational institutes. This is expected since each shipping firm has its own set of practices and ships are designed based on its specifications. The partnership is in response to increasing competition and is meant to ensure that recognition of skills is facilitated.

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A good practice of government is the creation of agencies devoted to particular subgroups. The government, through the POEA, has set up for the Philippine seafarers a one-stop center to promote their interest and wellbeing. The set up offers an increase in efficiency when it comes to serving the needs of seafarers.

Countries with seamen should also emulate the Philippines’ AMOSUP or the heavy involvement of unions in the provision of welfare services to its members. Being an integrated organization, the AMOSUP is not only in the business of expanding membership but also in designing and incorporating training programmes that yield welfare and benefits, thereby greatly augmenting the government’s existing programmes.

Another notable achievement in the Philippines is the TESDA training project for skilled welders. Availed through the PGMA Training for Work Scholarships, a total of 509 graduates are now ready for deployment. The training courses develop competencies in gas metal arc welding and shielded metal arc welding, which are both in demand in countries in the Middle East, Korea, Australia and Canada. The agency has also expanded the list by including gas tungsten arc welding.

3.5. Remittance inflows

One important issue in the development agenda is how to increase remittance inflow. Remittances come not only from temporary legal migrants but also from irregular migrants and permanent immigrants. There are some evidence that diasporas contribute to the overall development of their respective countries of origin. They are involved especially during disasters, periods during which seasonal peaks in expenditures are evident. Though different motivations underly remittances, reducing transaction costs of remittances should be implemented.

*Facilitating remittance flows: East Asia*

Competition among players in the industry is known to drive costs down, thereby reducing the profit margin and encouraging remitters to use formal channels. By entering into partnership agreements, international money transfer firms can penetrate the market, thereby taking advantage of local banks’ resources and networks. Recently, Wells Fargo have made significant inroads to the Chinese and Vietnamese remittance markets and implemented expansionary strategies to deal with the Philippine market. Based on a news release, account-to-account remittance programmes were set up with the Agricultural Bank of China, which has 31,000 branches and thousands of ATM terminals. In Vietnam, Wells Fargo teamed up with Industrial and Commercial Bank of Vietnam which has 700 branches and 400 ATM terminals. It is in partnership with Bank of the Philippine Islands which has a considerable presence in the commercial banking

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Information obtained from TESDA’s website on programs.
market with 700 branches. Orient Commercial Joint Stock Bank, which is based in Vietnam, has an agreement to remit money to Vietnam with First Remit in UK.

To effect reduction in fees and influence incentives to utilize formal channels, countries need to engage other countries through bilateral arrangements. A unilateral initiative lacks effectiveness as policies governing remittance transactions take effect in sending countries. Bilateral initiatives provide avenues through which remittance-receiving countries can smoothly form partnerships with financial institutions in sending countries. According to Martinez (2005), of surveyed countries in South Asia, only India has exercised the initiative to embark in policy dialogue aimed at maximizing remittance inflows. India and Canada for instance are engaged in policy dialogue to reduce remittance fees.

Recognizing the need to set up arrangements with Malaysia, the central bank of Nepal designated a company that will be tasked to collect remittances of non-resident Nepalis and facilitate the transfer to beneficiaries in Nepal. Such an arrangement not only reduces transfer costs but also encourages the use of formal transfer systems.

Partnerships with international banks in regions of high emigrant concentration are also essential to reduce costs. Indonesia has more than 20,000 workers in Qatar and the agreement between Doha Bank and PT Bank Central Asia Tbk, Indonesia allows workers to avail of web-based remittance services.

It is clear that technological innovations are cost reducing and speed up the transmission of remittances. Another innovative approach is the phone-based remittance system employed by Smart, Inc and recently in the Globe Cash which allows remitters to transmit money by using their beneficiaries’ mobile phones (Global Economic Prospects, 2006; Migrant Remittances, 2007).

To lower costs, bilateral negotiations with the intent of reducing remittance costs have been entered into by the Philippines’ Department of Finance and the US Treasury Department. The primary vehicle for effecting cost reductions is the granting of rights to local banks to form agreements with their counterparts in the US, thereby enhancing access to formal transfer systems, and at the same time ensuring compliance with regulations concerning financial flows. A Memorandum of Understanding has been signed for the reduction of remittance fees (Martinez, 2005). Bilateral agreements between the Philippines and Japan as well as Malaysia are already in effect. These aim to facilitate remittances from the two countries and to improve access to financial institutions (ADB, 2006). Singapore has loosened regulatory restrictions by allowing banks to open branches that cater to remittance inflows.

Taking advantage of nonblank businesses like convenience stores, the Philippines’ Philippine National Bank has teamed up with 7Eleven and Citibank in Hong Kong to provide remittance services. PNB is also in partnership with an Indonesian Bank to provide transfer mechanism to Indonesian workers in Hong Kong. (APEC)
Harnessing developmental impact

Ofreneo and Samonte (2005) provide one of the most comprehensive studies on migrant empowerment in the Philippines. The developmental impact of migration depends greatly on the success of programmes that will not only harness remittances but deploy the entrepreneurial skills of migrants or their families, and for the state to engage in savings mobilization, an important consideration given the lethargic investment performance of the Philippine economy. The study provides ample best practices, clearly highlighting the active role of government in streamlining transactions and for the private sector to engage in education/training especially on the business side.

3.6. Recruitment

Recruitment largely depends on the destination countries’ attitudes toward foreign workers. McLaughan and Salt (2002) identifies countries that have had policy responses skill shortages in certain sectors, including healthcare and information technology. The main characterization of these countries is that there is heavy competition and direct hiring. One newspaper account in the Philippines highlights the tension involved in continued government intervention in direct hiring scenarios. It shows opposition to the mandates of Memorandum circular 4, which stipulates certain obligations on the part of foreign employers engaged in direct hiring. The POEA has its own recruitment arm which accounts for a minimal portion of total deployment.

The recruitment of skilled manpower, specifically those in the IT and health sectors, differ from unskilled or semi-skilled ones. While recruitment is usually undertaken by private recruiters representing the employer, a critical requirement that needs to be satisfied is that nurses’ competencies should be recognized by a duly constituted registration authority. The said requirement, however, is not universally present as some countries have agreements that mutually recognize the qualifications of their respective nurses.

Registration authorities in the developed economies handle the evaluation or assessment of prospective nurses. Because of the perceived effects on the labour market, the national association of nurses also has joined the fray, helping frame acceptable recruitment practices. Buchan, Parkin and Sochalski (2003) provide an analysis of the trends and policy implications of sustained nurse emigration into the developed economies of Australia, Ireland, Norway, Britain, and the US.

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21 This section borrows heavily from Dacuycuy (2008).
22 Includes countries such as UK, France, Germany, the USA, Canada and Australia and recently, Ireland.
23 Thus one good practice that should be evident is for a country that heavily exports nurses to examine the respective curricula of importing countries in order to reduce the cost on the part of applicants to such countries.
In Australia, the Australian Nursing Council is responsible for screening the qualifications of nurse applicants. Australia provides opportunities for nurses who fail to pass the ANC by requiring the completion of a 7-week competency based assessment programme when requirements are not met (IMO, 2007). While the Philippines is one of the important sources of nurses, it is not included in the list of countries in which qualifications are mutually recognized. The composition of the following countries shows that nurse migrants also come from developed economies. These are Canada, the US, Ireland, Singapore, South Africa, UK, Zimbabwe, the Netherlands, China and Hong Kong. While they are exempt from the screening of the ANC, they still need to register with the state nursing registration authority. To expedite or sustain flows, the Australian government abides by the Trans-Tasman Mutual Recognition Act (1997) with New Zealand.

Despite the size of its nursing requirements, the US has one of the most stringent immigration policies. In a report by the OECD, several of its member countries have reported shortages in health occupation workers. In some countries like Australia, healthcare-related occupations are included in the list of skilled occupation and migration occupation in demand, and are assigned high points in consideration of application for permanent residence. Belgium, for instance, has already included nurses as part of the list of needed health professionals. Needless to say, the US does not have a list of occupations facing shortages.

In the US, before an emigrant nurse candidate receives an occupational VISA, he/she needs to have her qualifications or credentials reviewed and to pass the language proficiency exam and qualifying examination. All three stages are handled by the CGFNS. After successfully satisfying the requirements, a CGFNS certificate will be issued which will then provide the basis for being able to take the NCLEX-RN, an important requirement imposed by 80% of the states in the US (Davis and Nichols, 2002). The US has the J1 Waiver program which allows states to allow the hiring of an individual who has been in the US for 2 years, or is a medical graduate, to serve in designated underserved areas.

As noted by Davis and Nichols (2002), trends in the CGFNS applications indicate structural breaks in the conduct of immigration policy. The Immigration Nursing Relief Act was designed to effectively augment the shortfall in US supply from 1989 to 1995. It provided foreign trained nurses with the H1-A visa. Its non-renewal resulted in the non-entry of thousands of nurses. A tight immigration policy coupled with stringent regulatory requirements and relatively lax immigration policies outside the US have resulted in a changing configuration of applicants. For most years, the UK has not imposed licensing requirements. Aiken et al. (2004) report that out of 17,496 nurses who took the CGFNS exam in 2002, only 32% passed.

Even when the UK does not impose licensing requirements, it can use policies to attain national health objectives and at the same time protect the interest of its local or domestic nurses. Prospective nurses should register with the Nursing and Midwifery
Council. Since it needs to fill up shortages, imposing a quota restriction is a self-defeating proposition. In 2006, the UK conditioned the granting of work permits to foreign-trained nurses on their willingness to work in specific jobs that are not easily filled by workers within the EU or UK (Yamagata, 2007). Political considerations have also weighed heavily as a result of the expansion of the EU club of countries. This resulted in the abolition of the ‘permit-free training’ which rendered inapplicable the granting of a work permit. Another change also concerns the modification of settlement requirements from 4 to 5 years.

In other countries, nursing councils or associations are given the task of evaluating the qualifications of nursing applicants. Registration of nurses and doctors in Australia is handled by the Australian Nursing Council and Australian Medical Council. There are also waivers granted. Bypassing the authority of the said council is possible for nursing graduates in pre-specified countries. Such nursing candidates can directly apply to competent state authorities. In Ireland, the Ad Bord Altranais retains the competent authority to register nurses. As part of the EU, nurses from other EU countries retain eligibility to practice in Ireland. Also, there are exemptions granted to health professionals like doctors and nurses in that they are not to take labour market tests. In Norway, the nursing labour market is heavily regulated and quota restrictions are set. It is handled by the Norwegian Registration Authority for Health Personnel. In Italy, the Health Ministry conducts assessments for qualifications of doctors. This is a long process (about 5 years) but can be expedited by enrolling in the 6th year and earning an Italian diploma. Turkey represents the most extreme, allowing only its citizens in health occupations.

Several provinces in Canada have taken the initiative to visit the Philippines and engage in direct hiring, clearly an important initiative given the context of heightened competition or search for much-needed skills in health care. This reflects the jurisdictional advantage of provinces or territories to recruit international medical practitioners to support their respective health human resource plans (OECD, 1997).

3.7. Returns

Destination countries have exercised greater flexibility in attracting high-skilled professionals. By giving migrant workers avenues for permanent immigration, providing special access for health professionals, and enriching temporary migration, destination countries may be limiting returns. Lowell and Findlay (2001) notes that there is evidence linking the duration of stay of migrant workers and the likelihood of their return during their working life.

Distinction between two broad categories of returnees is in order. Yang (2005), in exploring the relationship between returns and exchange rate shocks in the case of the Philippines, notes that returnees are either life cycle returnees or target returnees. When

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24 Discussion on this will draw heavily from Buchan, Parkin, and Sochalski (2003).
the economic condition of a destination country improves such that wages go up, life cycle returnees, with the intention of balancing the life cycle needs, favor extending their stay. On the other hand, target returnees will reduce the duration of stay simply because favorable economic environments allows them to attain their saving objectives sooner. One limitation however, is that exchange rate shocks alone do not represent all the factors that will encourage return or stay. Equally important are pieces of legislation or regulations that confer more rights to migrants.

This is evident in a survey of destination country-specific programmes encouraging long term stay. Australia has included most medical occupations in the skilled occupation list and in the migration occupation list in demand and has several schemes in which prospective migrants may qualify. These are general skilled migration programme, employer nomination scheme, and regional sponsored migration scheme. New Zealand also has specific conditions for health professionals, which stipulate that health occupations are listed in the long term skill shortage list and get extra points.

In a survey by Lorenzo (2005) on the reasons why nurses return, it was found that many constitute personal reasons, like to get married, to raise children, and to retire, among others. Professional reasons are expressed also, such as to share expertise and pursue professional stability.

In the Philippines, a good share of the programmes for migrant returnees is handled by non-governmental organizations. Notable government programmes are present, however. Ofreneo and Samonte (2005) lists them as follows: the 1989 OWWA Reentry Program for Returning Overseas Workers through entrepreneurship mediation; DOLE sponsored programmes such as the Expanded Livelihood Development Program and Kabuhayan 2000 sa Pagbabalik Ng Pinoy and Women Workers Employment Entrepreneurship Development Program.

The success of two initiatives emanating from NGOs and the private sector on entrepreneurship development continues to resonate. As noted in Ofreneo and Samonte (2005), partnership between the Asian Migrant Cente, based in Hongkong, and Unlad Kabayan, based in the Philippines, came up with an innovative programme – using migrant savings for alternative investments in the home country. The saving funds are used to finance microcredit programmes, deposited in rural banks, and invested to promote enterprise development. Entrepreneurship education is also promoted. The mechanism allows groups of migrants who are relatively homogeneous with respect to locality of origin to form saving groups and entrust their savings with Unlad kabayan, which deposits the money in local rural banks. Unlad Kabayan and LBC bank have an active relationship to formalize financial transactions.

The ENTREPINOY programme offers a livelihood training programme and is a huge success in Hongkong. To tap savings, the government implements several schemes. First, through the SSS Flexi Fund, a provident voluntary fund tailored for migrant workers. Investment vehicles come in the form of treasury bills, and have features that
incorporate ease of withdrawals or conversion into pensions. Second, through the PAG-IBIG overseas programme which mobilize savings through a housing loan savings programme. Another is through bond offerings (Ofreneo and Samonte, 2005).

4. Lessons: A Summary

What are the best practices and how can other countries learn from them?

In a globalized setting, countries aspiring to corner a significant portion of the market for skilled professionals like nurses must pattern nursing curricula after those of destination countries. Understanding cultural differences is important. The Philippines has the advantage of using the English language as the medium of instruction. The case of Bangladeshi nurses who lack facility of language is a case in point. Responding to the needs of its nurses, Sri Lanka’s Open University has already implemented an English programme nursing course through funding support from international relief agencies. The OECD, in need of skilled medical workers, has incorporated language training courses. Finland, for instance, sponsors language classes to qualified Filipino nurse migrants.

The Philippines, through relevant agencies like the Commission on Higher Education, also responds to challenges in the global nurse market by introducing enhancements into the curriculum. Such policy moves are important in signaling to the global labour market that standards are being upgraded. The speed of adjustment in terms of responsiveness to external stimulus, however, should be appreciated with caution. Only few of the nursing schools merit recognition at the highest level. With expenditures in nursing education rising, and performance in board examinations falling, one way of addressing the oversupply of nurses is for government agencies to restrict the entry of more nursing schools and implement standards that will result in the delisting of nursing schools whose performances are dismal. The CHED now implements measures requiring nursing schools to have a training hospital. Such a policy initiative is important, especially in light of rising nursing standards worldwide.

One aspect of the nursing emigration phenomenon in the Philippines is the shift of doctors to nursing courses. Known as nursemedics, the shift causes serious concerns on the availability of quality medical care. The Department of Health responded with a master plan which, among others, will require new graduates to serve in rural areas or to complete a specified period of residency. This aims to address the maldistribution of health resources and stem the emigration of the medical workforce.

With deployments reaching record levels, concern has shifted to the protection of worker rights. Bilateral agreements still present the best practice in ensuring that migrant rights are not disregarded. Another strength of the Philippines resides in the active participation of non-governmental organizations. The Philippines takes international conventions seriously. It has a number of social security and labour
agreements with major destination countries. The Philippines has a regulatory framework that preserves workers’ rights, promotes welfare, and promotes consciousness of the impact of migration.

In the field of remittances, non-governmental organizations play important roles, especially in educating migrants. Migrants not only provide remittances but are an important collective source of savings needed for investments. Some programmes are already working satisfactorily to shift economic resources to localities, thereby improving the distribution of economic resources in the Philippines. These programmes may also play significant roles in encouraging returns. Diaspora philanthropy is also evident in the Philippines. The Philippines has agreements with destination countries that aim to reduce the cost of remitting. It has built an extensive financial network and pioneered innovative ways of remitting, thereby contributing to the efficiency of transmittal.

Programmes for training workers are also important and constitute best practice. The Philippines has implemented the SUPERMAID program to enhance skills among household service workers and to try to influence the level of respect accorded them. The Philippines also unilaterally increased the minimum wage, a rare policy reform given that unskilled workers in most labour exporting countries opt to receive much lower wages to secure employment. The training programmes for seamen through partnerships among shipping firms and schools also contribute to the skill development of seafarers. The upgrade of our seafarers from ordinary ones to officers is a good policy initiative.
Best Practices in Fostering Migration Opportunities: Do they Work?

References


The paper looks at examples of good practices – at the country, bilateral, and multilateral levels, and with special focus on the Philippine experience – for maximizing opportunities for legal migration, especially temporary and circular labour migration. The paper examines the challenges faced by both labour sending and labour receiving countries and provides practical examples of how the capacities of each can be strengthened to facilitate cooperation in labour and skills exchange.

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