

THE PHILIPPINE OVERSEAS EMPLOYMENT: *UNDERSTANDING ITS TREND AND STRUCTURAL CHANGE* (Part 4)



This Labstat issue is the fourth of a five-part series focusing on the trend and structure of overseas employment. The report covered data series spanning 32 years based on deployment data compiled by the Philippine Overseas Employment Administration (POEA) and its predecessor offices, namely, the Overseas Employment Development Board (OEDB) and the National Seamen Board (NSB). This issue examines the occupational shifts that occurred in Philippine overseas employment over the last three decades and the patterns and trends that accompanied these movements.

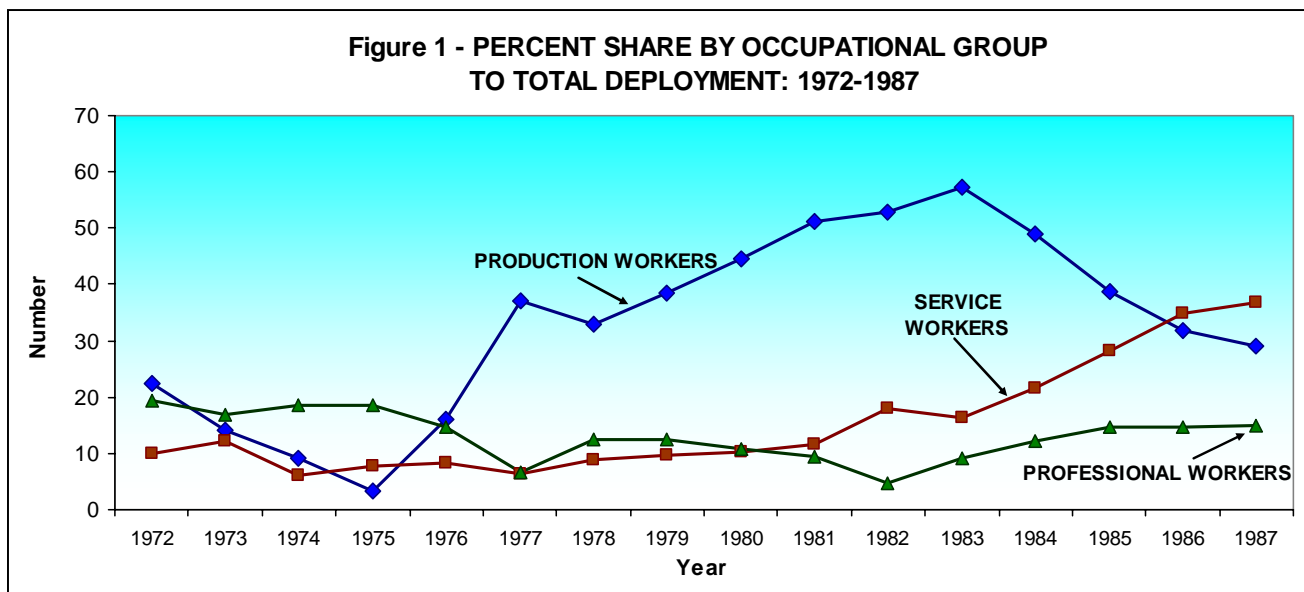
ANALYSIS OF THE OCCUPATIONAL SHIFT

Another important dimension of overseas employment is the changes that occurred concerning the occupational composition of temporary migration. Such changes reflect the shifts in skills demand for Filipino workers abroad. Analysis of the trend was, however, restricted by the non-availability of comparable data as breaks in the data series occurred due to: (1) data gaps or non-monitoring of occupational data for the period 1988-1991; and (2) changes in the scope of coverage, i.e., data series from 1972-1987 covered both new hires and re-hires while data series for the period 1992-2004 covered only new hires. Given these data limitations, two sets of presentation of data series were made, namely: 1972-1987 data series and 1992-2004 data series.

1972-1987 Period

Deployment during this period was dominated by the outflow of production workers that accounted for the bulk (41.3 %) of total deployment. Service workers comprised the second largest group (22.2%) followed by seamen (18.3%) and professionals/technical workers (11.9%). The shares of other occupational groups were negligible as follows: administrative and managerial workers (0.3%), clerical workers (3.2%), sales workers (0.9%) and agricultural workers (0.5%).

The overall trend that emerged during this period was characterized by a shift in preference towards production and service workers and a decline in preference for professional and technical workers.



Production workers experienced the biggest increase in occupational share. This group includes blue collar workers such as laborers, construction workers, and machine and transport operators. In just a matter of seven years, its share to total deployment jumped from 16.7 percent in 1976 to 57.4 percent in 1983. This period, as mentioned earlier, corresponds to the “first wave” of temporary migration in the Middle East as the principal market of destination. However, after 1983, the share of production workers to total deployment gradually waned to 29.1 percent.

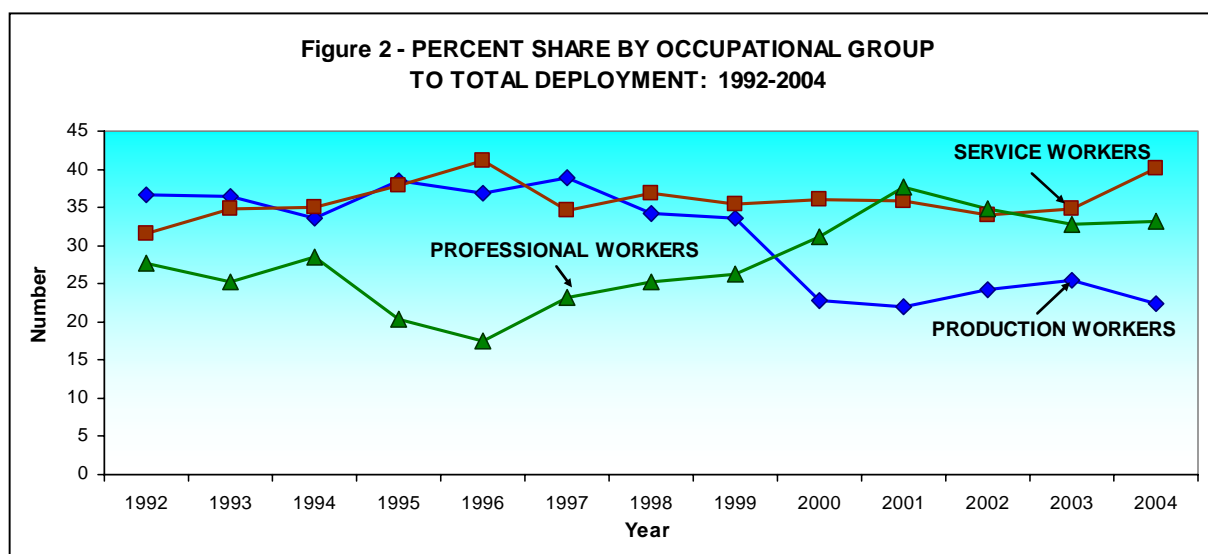
Meanwhile, the growth in deployment of service workers was comparatively slower but covered a longer period. The data indicate that the share of service workers to total deployment increased slowly but steadily over the 10-year period (1977 to 1987), from 6.5 percent to 36.7 percent. The data further showed that towards the end of the period covered, the share of service workers exceeded that of production workers.

In contrast, the trend for professional and technical workers moved like a three series of cycles with an interval of five years each. Their share to total deployment fell from 19.4 percent to 15.0 percent from 1972 to 1987. There were years when the figure even dropped below 10 percent: 1977 (6.7%), 1981 (9.4%), 1982 (4.8%) and 1983 (9.2%).

1992-2004 Period

The occupational shares over this period revealed a shift from the pattern observed in the previous period. The dominance of production workers to total deployment has diminished over this period while the shares of professional and related workers, particularly service workers have dramatically risen.

The share of production workers to total deployment generally trended downward during the period under review. From 36.6 percent in 1992, its share to total deployment has dropped sharply by almost 15.0



percentage points to settle at only 22.4 percent in 2004.

In comparison, the share of service workers accelerated from 31.6 percent in 1992 to 40.2 percent in 2004. This represents an almost 10 percentage points expansion over the period. Similarly, the share of professional and technical workers rose from 27.7 percent to 33.2 percent over the same period.

It is noteworthy that starting year 2000 and onwards, the share of professional and related workers has exceeded that of production workers, reflecting a shift in skills demand from low-end to high-end occupations. The data indicate that the share of professional and related workers to total deployment from 2000 to 2004 has gone up by more than 30.0 percent (i.e., from 31.1% to 37.7%), while the corresponding share of

production workers has steadily fallen within the range of 22.0 percent to 25.4 percent. This trend reflects the emerging demand for more professionals and technical workers (particularly health workers, teachers and IT workers) not only in the new labor market such as Europe, but also in the traditional markets such as the Middle East and Asia.

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Table 1 - PERCENT SHARE BY OCCUPATIONAL GROUP TO TOTAL DEPLOYMENT: 1972-1987

| SKILL CATEGORY | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| TOTAL | 14,366 | 36,418 | 33,157 | 36,035 | 47,835 | 70,375 | 90,360 | 144,936 | 228,202 | 282,506 | 314,284 | 434,207 | 425,081 | 389,200 | 414,461 | 496,854 |
| Professional and Technical Workers | 19.4 | 16.8 | 18.4 | 18.6 | 14.7 | 6.7 | 12.5 | 12.4 | 10.7 | 9.4 | 4.8 | 9.2 | 12.1 | 14.8 | 14.7 | 15.0 |
| Administrative and Managerial Workers | 0.3 | 0.7 | 0.4 | 0.2 | 0.2 | 0.3 | 0.4 | 1.0 | 0.3 | 0.6 | 0.5 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 |
| Clerical Workers | 0.6 | 1.0 | 0.7 | 0.6 | 0.8 | 1.3 | 1.7 | 2.0 | 2.4 | 0.9 | 2.7 | 3.3 | 3.6 | 3.9 | 3.7 | 3.2 |
| Sales Workers | - | - | - | 0.0 | 0.0 | 0.0 | 0.1 | 0.2 | 0.2 | 0.2 | 0.4 | 0.5 | 0.5 | 0.7 | 0.9 | 0.9 |
| Service Workers | 9.9 | 12.1 | 6.0 | 7.7 | 8.2 | 6.5 | 8.8 | 9.7 | 10.3 | 11.7 | 18.0 | 16.4 | 21.5 | 28.2 | 34.7 | 36.7 |
| Agricultural Workers | 1.1 | 0.3 | 0.3 | 4.2 | 0.2 | 0.2 | 0.0 | 0.1 | 0.7 | 0.5 | 0.4 | 0.4 | 0.4 | 0.3 | 0.4 | 0.5 |
| Production Workers | 68.6 | 69.0 | 74.2 | 3.4 | 16.1 | 37.1 | 32.9 | 38.4 | 44.5 | 51.3 | 52.8 | 57.4 | 48.9 | 38.6 | 31.7 | 29.1 |
| Seamen | a | a | a | 65.3 | 59.8 | 47.9 | 41.3 | 30.9 | 25.1 | 19.6 | 20.4 | 12.4 | 12.7 | 13.2 | 13.7 | 14.3 |
| SKILL CATEGORY | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | | | |
| TOTAL | 260,594 | 256,197 | 258,986 | 214,157 | 205,791 | 221,241 | 219,215 | 237,260 | 253,030 | 258,204 | 286,128 | 241,511 | 280,475 | | | |
| Professional and Technical Workers | 27.7 | 25.3 | 28.5 | 20.4 | 17.5 | 23.2 | 25.3 | 26.3 | 31.1 | 37.7 | 34.8 | 32.7 | 33.2 | | | |
| Administrative and Managerial Workers | 0.1 | 0.1 | 0.1 | 0.2 | 0.1 | 0.3 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | | | |
| Clerical Workers | 2.1 | 1.6 | 1.5 | 1.6 | 1.5 | 1.6 | 1.3 | 1.1 | 0.9 | 1.3 | 1.4 | 1.6 | 1.9 | | | |
| Sales Workers | 1.0 | 1.0 | 0.9 | 0.9 | 0.9 | 1.2 | 1.1 | 0.9 | 0.8 | 1.2 | 1.1 | 1.0 | 1.4 | | | |
| Service Workers | 31.6 | 34.9 | 35.0 | 37.8 | 41.2 | 34.6 | 36.8 | 35.5 | 36.0 | 35.8 | 34.0 | 34.8 | 40.2 | | | |
| Agricultural Workers | 0.8 | 0.7 | 0.5 | 0.5 | 0.4 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | | | |
| Production Workers | 36.6 | 36.4 | 33.5 | 38.5 | 36.8 | 38.8 | 34.2 | 33.6 | 22.8 | 22.0 | 24.3 | 25.4 | 22.4 | | | |
| Seamen | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |

Notes: 1. Data for 1972-1987 includes rehires and new hires while 1992-2004 includes only new hires.

2. No data available for the period 1988-1991.

a Included in Production Workers.

Source: Philippine Overseas Employment Administration (POEA).