

De La Salle University

## Animo Repository

---

Angelo King Institute for Economic and  
Business Studies (AKI)

Units

---

9-2024

### **The Magnitude of Occupational Mobilities among Overseas Filipinos: Assessing Mobility Outcomes and Influential Factors**

Mary Christen Jessica L. Borja

Arick Justin L. Laroco

Seth Dominic C. Perez

Den Mark Adam T. Viaje

Myrna S. Austria

*See next page for additional authors*

Follow this and additional works at: [https://animorepository.dlsu.edu.ph/res\\_aki](https://animorepository.dlsu.edu.ph/res_aki)

---

---

**Authors**

Mary Christen Jessica L. Borja, Arick Justin L. Laroco, Seth Dominic C. Perez, Den Mark Adam T. Viaje, Myrna S. Austria, Eva Marie Aragoes, and Winfred M. Villamil

# POLICY BRIEF

YOUNG ECONOMISTS' PERSPECTIVE

2024-09-038, SEPTEMBER 2024

ISSN # 2094-3342



De La Salle University

**AKI**

Angelo King Institute  
for Economic and Business Studies

## The Magnitude of Occupational Mobilities among Overseas Filipinos: Assessing Mobility Outcomes and Influential Factors

Written by:

Mary Christen Jessica L. Borja

Arick Justin L. Laroco

Seth Dominic C. Perez

Den Mark Adam T. Viaje

Myrna S. Austria

Eva Marie Aragones

Winfred M. Villamil

*School of Economics, De La Salle University*

**DLSU - Angelo King Institute  
for Economic and Business Studies**



20th Floor, Br. Andrew Gonzales Hall building  
2401 Taft Avenue, Manila, 0922, Philippines

**Visit Us**



<https://www.dlsu-aki.com/>

# **The Magnitude of Occupational Mobilities among Overseas Filipinos: Assessing Mobility Outcomes and Influential Factors**

**Mary Christen Jessica L. Borja, Arick Justin L. Laroco, Seth Dominic C. Perez  
Den Mark Adam T. Viaje, Myrna S. Austria, Eva Marie Aragonas, Winfred M. Villamil**

*De La Salle University,  
2401 Taft Avenue, Manila, Philippines*

The Philippines is a leading exporter of global migrant workers. Yet, there is a critical need to examine the occupational mobility of Overseas Filipinos and the transferability of Philippine-acquired capital in the global market. Existing studies on the occupational mobility of Filipinos are often outdated and focused primarily on temporary migrants, analyzing only pure occupational changes within single destination countries. Furthermore, these studies typically use datasets that lack migrant-specific questions and adequate sample sizes. To address these gaps, this study employs the 2018 National Migration Survey and adopts a two-stage approach: generating the magnitude and observable patterns of occupational mobility by considering changes in industries and skills of occupations and employing ordered probit regression models to explore the determinants of occupational outcomes. The findings reveal that most Overseas Filipinos primarily experience partial downgrading and partial upgrading. Additionally, with the exception of specific education attainments, social networks, marital status, and financial situations, Philippine-attained capital and characteristics generally effectuate occupational downgrading and partial downgrading, with the exception of social networks and marital status—where females tend to possess more of these factors that precipitate greater downgrade probabilities.

## **Policy Recommendations**

### **1. Improving the Quality and Diversification of Education in the Philippines**

The study finds that there is a lack of recognition of Philippine-attained education in the global labor landscape, contributing to the occupational downgrading of Overseas Filipinos. To better prepare Filipinos for international labor markets and reduce the risk of occupational downgrading, it is essential to enhance the quality of education and diversify educational programs. The study finds that the educational backgrounds of Overseas Filipinos, particularly the over-concentration in Education Science<sup>1</sup>, do not align well with the demands of foreign labor markets. Policies should ensure that Philippine educational quality and standards match those of potential host countries to enhance the recognition of Philippines-attained qualifications. Additionally, diversifying educational offerings by promoting a wider variety of degree programs, especially those with high international demand, can enhance the occupational mobility of Overseas Filipinos. This approach not only meets global labor market needs but also addresses the issue of an over-concentration in education-focused degrees. To achieve this, it is crucial to make these programs more affordable and accessible to the public.

### **2. Addressing Skill Mismatches in the Domestic Labor Market**

The mismatch of the educational and occupational background is not only observed abroad, but it is also observed in the Philippines' own labor market. This shows that the Philippine labor market does not cater to the supply of workers. In effect, the lack of available jobs in the Philippines may contribute to the decision to migrate aside from higher wages abroad. Addressing this issue may require aligning education with labor market needs. Doing this requires reforming

---

<sup>1</sup>According to the Philippine Statistics Authority (2017), Education is the interdisciplinary exploration of education.

the educational curriculum to match the skills demanded by the local and global labor markets. This alignment can help retain skilled workers within the country and reduce the need for migration. Additionally, enhancing job creation that aligns with the skills of the available workforce can reduce the incentive for Filipinos to seek employment abroad and enable them to use their skills in the workplace effectively.

### **3. Establishing International Training Centers and Enhancing Bilateral Labor**

#### **Agreements**

In furthering the improvement of occupational outcomes of Overseas Filipinos, the Philippines can closely engage with destination countries to establish training centers to align Philippine-attained skills development with the prescribed standards in different countries abroad. This would facilitate the international accreditation of skills and ensure that Filipinos are well-prepared for overseas employment. Additionally, strengthening bilateral labor agreements with host countries to recognize Philippine qualifications and provide technical assistance for skill enhancement. These agreements can help overcome barriers related to differences in training, skills, and standards, thus enhancing the occupational mobility of Overseas Filipinos.

### **4. Encouraging Post-Baccalaureate Education**

The study shows evidence of non-recognition of education attained in the Philippines, with most education levels precipitating occupational downgrading abroad. However, exemptions are seen among individuals with no education, elementary undergraduates, and post-baccalaureates, where the general effects of these educational levels increase the probabilities of occupational upgrading and partial upgrading. This suggests that the skills and qualifications acquired at the post-baccalaureate level are better recognized or more in demand in foreign labor markets. Therefore, encouraging the general public to acquire post-baccalaureate education can improve

the occupational mobility of Overseas Filipinos.

### **5. Fostering Re-training Programs and Addressing Gender-Specific Challenges**

The paper finds that older individuals, and female Overseas Filipinos who face limited job opportunities abroad despite higher educational attainment, face occupational downgrading abroad. This calls for targeted interventions for these demographics susceptible to occupational downgrading. Implementing re-training programs aimed at older workers to equip them with up-to-date skills, particularly in technology, to improve their employability both domestically and internationally. Moreover, implementing policies that address the overrepresentation of female Overseas Filipinos in domestic work, could include creating pathways for women to enter a wider range of occupations through specialized training and skill development programs, supported by bilateral agreements with host countries.

### **Introduction**

Migration offers individuals opportunities for better jobs and an improved quality of life, influenced by economic, educational, cultural, and personal growth factors. Consequently, the global migrant population has increased significantly, from 79 million in 1960 to 244 million in 2015 (Greenwood, 2005; Dimock, 2016). This can be attributed to the active encouragement of emigration by the Philippine government in the 1970s to solve underemployment and economic challenges. This has fostered a reliance on remittances and solidified the status of Overseas Filipino Workers (OFWs) as vital contributors to the nation's economy. While they are often celebrated as the "new heroes of the nation," many face challenges, especially accepting low-status jobs despite their qualifications. Hence, this study examines the occupational mobility of Overseas Filipinos, particularly focusing on their initial employment in their first host countries.

## **Model Specification and Results**

Using data from the 2018 Philippine National Migration Survey (NMS) by the Philippine Statistics Authority and the University of the Philippines Population Institute (2019), the study employs a two-stage approach to analyze the occupational outcomes of Overseas Filipinos in terms of industry rankings and skill levels. The first stage calculates occupational mobility by comparing the difference of industry rankings and skill levels of occupation between the Philippines and host countries, categorizing outcomes as downgrades, partial downgrades, lateral, partial upgrades, or upgrades. The second stage uses an ordered probit regression model to examine how factors like human capital, migration motives, social capital, and demographics affect the likelihood of these outcomes. The study ensures the validity and reliability of the findings through robustness checks, including the likelihood ratio test, Akaike's Information Criterion (AIC), Bayesian Information Criterion (BIC), and the Variance Inflation Factor (VIF) to assess multicollinearity.

The two-stage approach reveals that downgrading and partial downgrading are common outcomes, particularly among females. While males experience higher proportions of partial upgrading and upgrading, the overall patterns indicate significant systemic challenges and opportunities faced by Overseas Filipinos. The research highlights gender-specific barriers in foreign employment, with females disproportionately affected. In terms of factors influencing these outcomes, the results find that educational attainment significantly impacts occupational mobility, with most levels from elementary to college increasing the likelihood of downgrading compared to high school graduates. However, those with no formal education or post-baccalaureate degrees are more likely to experience upgrading. Age also plays a role, as older Filipinos face higher probabilities of downgrading, at a slightly diminishing rate. English-speaking Overseas Filipinos are more prone to downgrading, possibly due to most migrating to non-English-



speaking economies. Additionally, single Overseas Filipinos are more likely to experience downgrading than their married counterparts. For Social Networks, the presence of both relatives and friends in the host country significantly boosts the chances of upgrading and lateral movements. Ultimately, these factors that precipitate occupational downgrading are more present in females, which additively contribute to a bigger magnitude of downgrading compared to their male counterparts, exacerbated by their limited job opportunities abroad.

## **Conclusion**

The study on the occupational mobility of Overseas Filipinos reveals a high prevalence of downgrading among females, despite their higher educational attainment, while males more frequently experience occupational upgrading. This challenges conventional migration theories, where higher education is typically associated with better job prospects. Aside from education, other factors that precipitate occupational downgrading are more evident among females compared to their male counterparts along with facing limited job opportunities in their top destination countries. To address these issues, the study recommends improving and diversifying education in the Philippines, aligning it with labor market needs, and establishing training centers with host countries to enhance skill recognition. Strengthening bilateral labor agreements and providing targeted re-training programs for vulnerable groups, especially older individuals and women, would also help the occupational mobility of the susceptible demographics. Future research should use longitudinal data, examine occupational histories, control for destination type, and consider household factors for a comprehensive analysis of occupational mobility. Lastly, Simultaneous Equations Model and Instrumental Variables are worth considering to account for endogeneity issues by directly addressing simultaneity.

## REFERENCES

- Philippine Statistics Authority [PSA] and University of the Philippines Population Institute [UPPI]. (2019). 2018 National Migration Survey [Dataset]. Quezon City, Philippines: PSA and UPPI.
- Philippine Statistics Authority [PSA] and University of the Philippines Population Institute [UPPI]. (2019). 2018 National Migration Survey [Final Report]. Quezon City, Philippines: PSA and UPPI.
- Greenwood, M. (2005). Internal Migration in Industrialized Countries. *International Encyclopedia of the Social & Behavioral Sciences (Second Edition)*, Elsevier. 443-446. <https://doi.org/10.1016/B978-0-08-097086-8.31112-6>
- Dimock, M. (2016). Global Migration's rapid rise. The Pew Charitable Trusts. <https://www.pewtrusts.org/en/trend/archive/summer-2016/global-migrations-rapid-rise>