

Promoting Knowledge Transfer Activities Through Diaspora Networks: A Pilot Study on the Philippines

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I. INTRODUCTION

Overseas Filipinos, comprising either temporary contract workers, permanent residents, or undocumented migrants, now number 7,924,188 as per the December 2005 stock estimate of the Commission on Filipinos Overseas. Distributed across 193 countries, overseas Filipinos have come to be regarded as very significant contributors to the country's economic development. The Government itself has recognized this, and recently admitted a policy of exporting labor (OFW Journalism Consortium, 2005).

Migration is a result of both demand and supply factors. Demand factors refer to labor shortages in skilled areas in developed countries; supply factors in the Philippines include high population growth, unemployment rates, and a weak domestic economy. Combined, these have led to increased emigration by both skilled and unskilled workers, especially among private sector professionals in information technology and health. Brain drain of skilled workers is a common challenge for developing countries. However, while many countries continue to complain about the negative effects of migration, some positive contributions of brain gain are increasingly recognized. Many developing countries have been able to harness the talents and expertise of their skilled overseas nationals through knowledge transfer, where overseas nationals act as short-term

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consultants, investors, and short-term trainers (Meyer and Brown, 1999). Efforts must be initiated to harness the potential for knowledge transfer from the skilled Filipino workforce abroad to benefit the Philippines and to minimize the costs of emigration.

A. The Evolution of the Government's Policy on Out-Migration

In 1974, overseas employment for Filipinos became policy as a temporary, stopgap measure to ease domestic unemployment and to stabilize the country's dollar reserves. Since that time, the exodus has grown, and Filipinos overseas numbered 7.76 million in 2003; these include temporary contract workers, immigrant residents, or undocumented migrants (see Tables 3.1 and 3.2). Overseas Filipino workers (OFWs) is a term applied to temporary contract workers, or those whose contracts were processed by the Philippine Overseas Employment Administration for overseas work in a specified number of years. Out-migration is now regarded by government officials as a permanent fixture in national life; they have even remarked that labor export is the Philippines' own response to globalization (Opiniano, 2004).

Table 3.1: Stock Estimates of Overseas Filipinos in 2005

Region	Permanent ^a	Temporary ^b	Irregular ^c	Total
World Total	3,391,336	3,651,727	881,123	7,924,188
Africa	318	61,525	17,160	79,003
Asia-East and South	186,906	891,088	238,238	1,316,232
Asia-West	2,330	1,565,726	112,750	1,680,806
Europe	211,351	523,442	123,282	858,075
Americas/Trust Territories	2,758,067	304,547	357,923	3,420,537
Oceania	232,366	57,692	31,770	321,828
Total: Sea-based migrants	—	247,707	—	247,707

— Data not available.

^a Permanent – Immigrants or legal permanent residents abroad whose stay does not depend on work contracts.

^b Temporary – People whose stay overseas is employment related, and who are expected to return at the end of their work contracts.

^c Irregular – Those not properly documented or without valid residence or work permits, or who are overstaying in a foreign country.

Source: Commission on Filipinos Overseas (2006) and other sources covering 192 countries/territories.

**Table 3.2: Top Countries for Land-Based Filipino Migrants
(as of December 2005 estimates)**

Permanent	No.	Temporary	No.	Irregular	No.
United States	2,326,675	Saudi Arabia	976,427	United States	157,998
Canada	382,824	United Arab Emirates	231,784	Malaysia	125,000
Australia	214,690	Hong Kong, China	166,457	France	40,105
Japan	114,980	Japan	139,791	Singapore	37,600
United Kingdom	52,977	Taipei, China	113,489	Japan	30,619
Guam	45,968	United States	111,835	Israel	23,000
Germany	43,249	Kuwait	103,072	United Arab Emirates	20,000
Austria	30,000	Malaysia	88,601	Italy	20,000
Malaysia	26,000	Italy	81,232	Saudi Arabia	18,000
Singapore	26,000	Qatar	78,029	Republic of Korea	13,519

Source: Commission on Filipinos Overseas (2006), covering 192 countries/territories.

B. The Pros and Cons of Overseas Migration

International migration is a multi-dimensional phenomenon. While some hail the Philippines' skilled workforce and how it has helped developed countries (e.g., health systems of the United Kingdom [UK] and the United States [US]), overseas employment is a perennial reminder of the country's chronic unemployment problem (Estopace, 2003). This problem is apparently a structural one; overseas employment does not emanate from the country's comparative advantage and domestic unemployment has continued for years (Lanzona, 2004).

Brain drain is one of the perceived negative effects of international migration. The decrease in human capital stock is the most often cited fear, and costs to society include public investment in the education and training of skilled migrant workers; social costs of broken families (e.g., youth delinquency, materialistic values); pressure on wages due to labor shortages in specific sectors; and diminished capacity and quality in affected sectors (e.g., hospitals, schools, information technology). Albuero and Abella (2002) identify the following features of Filipino out-migration and associated negative impacts:

- The migrant labor force encompasses a disproportionate share of the most productive age group (25–44 years), which suggests a loss, even for temporary and limited periods, of those with the most experience, on-the-job training, and likely supervisory skills.

- The migrant labor force represents a disproportionate share of individuals with greater numbers of years of education, especially those who have completed bachelor's or higher degrees.
- A large number of Filipino workers abroad may have been gainfully employed in the domestic economy prior to migration.
- From 1990 to 1999, the number of professional workers who went abroad exceeded net additions to the professional workforce.
- The proportion of OFWs with tertiary education is far greater than the proportion of contract workers with secondary education.
- The supply of professionals in the last decade seems to have responded and adjusted to demand with a dramatic expansion in the computer sciences in the latter part of the decade, declines in medical and allied fields, and a slight fall in engineering graduates.¹

That said, gains from out-migration are also possible. Potential gains include remittances supportive of the national economy and capital markets; mitigation of unemployment; economic and trade benefits from integration into the global market; and technology transfer from skilled, experienced migrants. Brain gain activities are one way homeland countries can harness the development potential of international migration (see, for example, Bagasao, 2003). The exodus of skilled workers has provided benefits to the Philippines, though previous, effective knowledge transfer activities have been halted. This study suggests that efforts could be made to harness the development potential of knowledge transfer from the skilled overseas workforce to benefit the Philippines and to minimize the costs of emigration.

C. Introduction to the Study

The study's objectives with respect to knowledge transfer activities were to: (i) explore and document their prevalence and their development potential; (ii) describe and analyze their links to the country's development conditions; and (iii) identify priority areas for their focus relative to the development needs of the Philippines. The study used quantitative and qualitative research methods to gather data, including interviews with key informants based in the Philippines, focus group discussions, survey questionnaires, sketch profiles, and socioeconomic data sets.

To explore the commitment and activities of overseas Filipinos in knowledge transfer, 150 questionnaires were sent out online and via mail to diaspora organizations in the US (80), Canada (50), and Australia (20). The questionnaires sought to determine the following:

- the quality of existing diaspora networks in terms of their membership and capacities, programs and services, and modes of operations and delivery systems;
- the feasibility of knowledge transfer using diaspora networks for social and economic development; and
- the steps needed to conduct knowledge transfer activities for the motherland.

The questionnaires were directed at officers of organizations whose names suggest that they are either professional associations or are geared toward helping the homeland. Due to the absence of data on the exact number of Filipino diaspora networks, it was not possible to derive an appropriate sampling frame, so convenience sampling was used. There were only 28 responses, a limitation this study recognizes. Survey questionnaires were also distributed to selected government, nongovernment, and business institutions that have engaged or that are engaging in knowledge transfer with overseas Filipinos. However, only three respondents returned their questionnaires. While the small number of returned questionnaires for both surveys (only an 18% retrieval rate) does not allow for generalizations, patterns from respondents' answers were examined to determine the presence or absence of biased response.

To compensate for the small number of respondents, the researchers also held a focus group discussion on knowledge transfer with 30 Filipino-Americans during a meeting of the National Federation of Filipino American Associations in the US on 19 January 2005. It was during this meeting that the preliminary findings of the survey were presented and comments from participants were solicited.

In order to investigate the demand for knowledge transfer, the researchers interviewed former overseas workers employed in skilled occupations and identified prospective recipients of knowledge transfer. The interviews sought to find out the following:

- how recipients have utilized resources from knowledge transfer;
- what were the respondents' attitudes and views toward acquiring knowledge from migrant Filipinos and their organizations; and
- how to make effective use of diaspora resources for knowledge transfer.

The final set of data is from profile sketches of Filipino migrants and associated organizations. Sketch profiles were selected on the basis of the following criteria:

- the reach of the migrants and migrant organizations;
- membership and organizational capacities of the groups; and
- the perceived effectiveness and innovation in delivery structures and mechanisms of their knowledge transfer activities.

II. BRAIN DRAIN OR BRAIN GAIN: IMPLICATIONS OF FILIPINO MIGRATION FOR THE PHILIPPINES

One indication of the extent of brain drain in the Philippines is that in 1995, 44% of overseas Filipino contract workers and 40% of emigrants had college degrees while only 20% of workers in the Philippines were similarly credentialed (Aldaba, 2004; Lowell and Findlay, 2002). Of those with degrees who worked overseas between 1988 and 2002, 30% were in the medical professions, 13% were in education, and 13% were engineers or architects (Albuero and Abella, 2002). One of the greatest concerns about brain drain is that the continued migration of skilled workers reduces overall productivity.² This situation is what Aldaba (2004) likens to reducing the number of machines used in the economy or even of reverting to old technologies in production. Brain drain also has an impact on foreign direct investment as capital will flow only into economies with perceived adequate supplies of skilled labor in key sectors.

The World Competitiveness Yearbook (International Institute for Management Development, 2005) sees a downward trend for the Philippines. The survey had four criteria: economic performance, government efficiency, business efficiency, and infrastructure. However, according to the Asian Institute of Management Policy Center (AIM, 2003), which conducted the survey in the Philippines, "...alternatively, since the overall score shows the Philippine economy's competitiveness in relation to other nations and subnational regions, the decline [of the country's rankings] may not necessarily mean the Philippines' performance has gotten worse in comparison to its own past performance; it could simply mean other countries and regions performed better."

Yet the Philippines still ranks second highest in Southeast Asia, after Singapore, in quality, cost, and availability of labor (PERC, 2005: 3). The AIM Policy Center believes Filipino professionals who work abroad can bring in new ideas and technology to use in national development and thus enhance competitiveness. The Center

identified skilled labor, competent senior managers, and low labor costs as specific strengths (AIM, 2004). Some have nonetheless observed that the country has become reliant on remittances and overseas jobs to keep the economy afloat. Thus, while benefiting from short-term gains, medium- to long-term effects will leave the country in a deficit (Opiniano, 2004).

Remittances also play a key role in brain drain discussions since some believe that they compensate for the loss of skilled workers. The idea gained greater attention in the international community when the World Bank's *Global Development Finance 2003* found that remittances to developing countries were greater than official development assistance flows and furthermore were not affected by external shocks or problems (Ratha, 2003). However, Kapur (2001) argues that remittances and brain drain "are not substitutes." The truly detrimental effects of brain drain on developing countries arise from the migration of professionals who are critical to institution building. Furthermore, if migration is due to economic and political instability, financial capital—not just human capital—is lost.

In the case of the Philippines, remittances are a significant source of foreign exchange. In 2004, the country received a record \$8.5 billion through banks alone, which is over 10% of its gross national product (GNP). (See Tables 3.3 and 3.4 for data from the last 5 years.) When officials of the *Bangko Sentral ng Pilipinas* report remittance figures, they attribute any increase to the rising deployment of skilled workers overseas.³ The Filipino public is now becoming interested in remittances, and various sectors (including multilateral institutions) are trying to find out how best to direct these private resources into productive uses.

Skills and technological knowledge acquired from abroad can also be used for the benefit of the home country. In the Philippines, migrants may return temporarily or maintain transnational links with colleagues to transfer knowledge (Meyer and Brown, 1999). This study is especially interested in harnessing knowledge transfer from the varied networks and associations of overseas Filipinos, even though return migration programs for skilled workers can also be initiated.

Globalization is creating additional interest in international migration despite the fact that developed countries and multilateral institutions heavily favor liberalizing trade and capital flows, but are still silent on liberalizing labor flows (Rodrik, 2002). As of this writing, the Philippines and Japan are finalizing a free trade agreement that would allow Filipino nurses and caregivers into the Japanese market in exchange for reducing some restrictions on Japanese businesspeople in the Philippines. The General Agreement on Trade in Services, particularly Mode 4, is also something that warrants

Table 3.3: The Value of Remittances from Overseas Filipinos, 1999–2003 (\$ million)

Remittances as % of	Gross Domestic Product	Gross Foreign Direct Investment	Gross International Reserves	Exports of Goods and Services
1999	7.48	227.07	44.97	17.41
2000	8.40	236.88	40.28	14.66
2001	10.06	357.71	38.55	17.54
2002	10.17	218.58	44.46	19.21
2003	10.47	677.91	45.30	20.21

Source: Bangko Sentral ng Pilipinas (2004).

Table 3.4: Remittances from Overseas Filipinos, 1990–2005 (\$ million)

Year	Land-based	Sea-based	Total
1990	893.40	287.67	1,187.07
1991	1,253.04	375.23	1,500.29
1992	1,757.36	445.02	2,202.38
1993	1,840.30	389.28	2,229.58
1994	2,560.92	379.35	2,940.27
1995	3,658.32	210.51	3,868.38
1996	4,055.39	251.24	4,306.64
1997	5,484.22	257.61	5,741.83
1998	4,650.00	274.61	4,925.30
1999	5,948.43	846.20	6,794.64
2000	5,123.77	926.68	6,050.45
2001	4,937.92	1,093.34	6,031.27
2002	5,963.06	1,226.18	7,189.24
2003	6,345.81	1,294.14	7,639.95
2004	7,082.99	1,461.46	8,544.45
2005	9,019.65	1,669.36	10,689.01

Note: Funds were coursed through the formal banking system.

Source: Bangko Sentral ng Pilipinas (2006).

attention in the near future since skilled professionals will be on the trading block. In keeping with the challenge to maximize the potential of international migration to bring about supplementary developmental benefits while minimizing the costs to developing countries (Opiniano, 2004), among other things, Macaranas (2005a) recommends a multisector analysis of the gains and costs of migration at the country, community, and household levels, as well as collaborative efforts to identify possibilities for enhancing migrants' developmental contributions. He calls attention to the need to address policy gaps efficiently and effectively.

One of the benefits sought from knowledge transfer is job creation in the domestic economy. The 2005 annual report of the Department of Labor and Employment

(DOLE) showed that over 1.6 million Filipinos have jobs. The Labor secretary at that time, Secretary Patricia Sto. Tomas, reported that more than 700,000 workers had local jobs while some 988,350 newly-hired and re-hired contract workers had overseas contracts (Department of Labor and Employment, 2006). For the 6-year term of President Gloria Macapagal-Arroyo, the target is to create 6 million jobs both locally and overseas. As of January 2006, the National Statistical Coordination Board (NSCB, 2006) reported that 32.38 million Filipinos had local and overseas jobs. Knowledge transfer that generates jobs will be beneficial to rural areas because domestic and international migration rates from these areas are high.

III. EARLY EXPERIMENTS WITH KNOWLEDGE TRANSFER ACTIVITIES IN THE PHILIPPINES

Innovative knowledge transfer activities were implemented in the Philippines during the 1980s and early 1990s. One example is the Science and Technology Advisory Council (STAC). Former Foreign Affairs undersecretary for economic affairs Dr. Federico Macaranas encouraged the formation of STAC chapters abroad when former President Corazon Aquino signed Executive Order 239 in 1987, which mandated the creation of advisory councils on science and technology. Other initiatives included the Transfer of Knowledge Through Expatriate Nationals (TOKTEN) program of the United Nations Development Programme (UNDP) and the *Balik* (Returned) Scientist Program. Lack of resources and awareness of the need for and importance of these knowledge transfer mechanisms eventually led to their discontinuation, though individual STAC chapters still exist abroad.

A. Science and Technology Advisory Council

STAC began in 1987 as a project of the Department of Foreign Affairs (DFA) to encourage overseas Filipino scientists to form their own associations and initiate knowledge transfer.⁴ At one time, STAC had chapters in San Francisco, Vienna, Seattle, Boston, New York, Silicon Valley, Stockholm, Melbourne, Ottawa, and Tokyo (STAC-Japan, 2002). Among the chapters that are still active is STAC-Japan. Its current membership includes students, professionals, and other Filipinos who are interested in and willing to advance science and technology and advocate it as a necessary tool for Philippine development.

STAC-Japan provides training programs in computer literacy and entrepreneurship and organizes meetings in specific research areas. In order to tap the vast potential of Internet technology, STAC-Japan has been developing an online database on researchers in Japan and elsewhere and has even formed its own grant-making foundation, the STAC-Japan Foundation, Inc. The group also awards undergraduate research grants to science majors in the Philippines. STAC-Japan organizes research conferences both in Japan and in the Philippines (the latter in close cooperation with universities and science and technology organizations) and also assists fellow OFWs in Japan (many of whom are in the entertainment industry) through computer literacy and entrepreneurial programs.

B. Transfer of Knowledge through Expatriate Nationals

During the same period, DFA supported TOKTEN, the first organized system of tapping the expertise of Filipinos abroad by matching volunteers with projects in the Philippines. A DFA Undersecretary, Dr. Federico Macaranas, went abroad and personally invited Filipino expatriates to be involved. TOKTEN then funded visits to the Philippines that lasted from 3 weeks to 3 months (see Box 3.1). DFA and UNDP ran the TOKTEN program in the Philippines from 1988 to 1994; in fact, the Philippines is considered one of the most successful TOKTEN programs. However, the program was discontinued as soon as Undersecretary Macaranas left DFA (though it remains active in European and other Asian countries).

C. *Balik* Scientist Program

The Department of Science and Technology (DOST) created the *Balik* Scientist Program to tap the expertise of expatriate Filipinos for the Government's industrialization efforts. It began in 1994 with the support of DFA and it was institutionalized within DOST through Executive Order 130 (enacted 25 October 1993). The Government contracted *Balik* Scientists for short-term (at least 1 month) or long-term (at least 2 years) assignments (see Box 3.2). Long-term candidates could bring their spouses and two minor dependents with them.

From 1994 to 1999 (when the program ended), the program had 84 grantees, 56 of whom remained in the country. They benefited 23 academic institutions, 22 hospitals, 12 government agencies, and 11 industrial companies, and provided technical expertise to 27 major government programs including the following:

Box 3.1: Profiles of Transfer of Knowledge Through Expatriate National Volunteers

Mr. Larry Asera

Mr. Asera is a third-generation Filipino-American scientist, engineer, educator, and entrepreneur. His specific expertise is in photovoltaic or solar cell technology, and he is known internationally for state-of-the-art projects using solar modules for electric power generation. He was awarded a Transfer of Knowledge Through Expatriate Nationals (TOKTEN) fellowship grant in 1994 and was assigned to the Palawan Sustainable Development Council to conduct a study on the feasibility of using photovoltaic technology for rural electrification throughout the province, a project of the mayor of Puerto Princesa City. Mr. Asera also did a study on the feasibility of using solar energy for pumping water, lighting streets, and electrifying remote health clinics. Since this project, Puerto Princesa has been using solar panels for home electrical systems. Ten years later, the same mayor again contacted him to build a solar electric power generating plant (announced in 2004). Once this is completed, the power generating plant will be the country's first facility of its kind, and may be the largest one in the world.

Dr. Samuel Bernal

Dr. Bernal is a medical doctor in the United States who received a PhD from the University of Chicago in biomedical sciences and does cancer research. He taught at Harvard Medical School for 10 years as an associate professor. After the Department of Foreign Affairs Undersecretary Federico Macaranas invited him to join the TOKTEN program, he agreed to assist in developing test kits to detect cancer in shrimps to help save the industry. He did the same for *tilapia*, a type of fish considered a staple food of Filipinos. Dr. Bernal also arranged for the training of several Department of Health personnel at Boston University. These trainees came back and transferred their knowledge to others in the Philippines.

Dr. Maximo Baradas

Dr. Baradas is an agro-meteorologist with a doctorate from Cornell University. He returned to the Philippines during the Marcos administration and presented his dissertation on how to develop irrigation systems during droughts. The Government was unreceptive. He later met the Department of Foreign Affairs Undersecretary Macaranas, who immediately offered to match him with a private agency to implement his irrigation system in the Philippines. Dr. Baradas' system is now operational in Cebu. Dr. Baradas also helped the Philippine Rice Research Institute to control evaporation in rice fields, and he helped the Cotton Research and Development Institute conserve rainwater on cotton farms by minimizing evaporation and making use of rainwater retained in the soil for crop transpiration.

- the space program of the Philippine Atmospheric Geophysical and Astronomical Services Administration and Advanced Science and Technology Institute;
- the geothermal field development program of the Philippine National Oil Company, Laguna de Bay;
- the quality improvement program of the Laguna Lake Development Authority and the University of the Philippines in Los Baños; and
- the hazardous waste management program of the Department of Energy and the Department of Environment and Natural Resources (Samonte, 2001).

Box 3.2: Profile of a *Balik* Scientist

Dr. Manuel Garcia, a food safety specialist based in Canada, noticed the declining standards for food safety in the Philippines and offered his services to the Department of Science and Technology (DOST). He became a *balik*-scientist awardee. Dr. Garcia visited DOST regional laboratories and educational institutions and gave lectures, seminars, and workshops on food safety. He also met with technical representatives and distributors of laboratory equipment and supplies to get support for future workshops and seminars. He believed that the overall response was, "...strongly positive despite economic constraints." He noticed a "relative lack of knowledge among the workshop participants" which led him to conclude that "unlike the current preoccupation in advanced and some developing countries, integrated approaches to food safety in the Philippines were still in the embryonic stage." He made a list of recommendations to DOST to improve food safety standards and to update techniques on food safety in the Philippines. Dr. Garcia believed the program was "a highly effective approach to attract qualified expatriates for the unusual opportunity to reverse the brain drain in their motherland" (Samonte, 2001).

IV. OVERSEAS FILIPINO WORKERS AND SELECTED KNOWLEDGE TRANSFER ACTIVITIES

A. Possibilities for Knowledge Transfer

Filipino migrants and their organizations have been doing varied types of knowledge transfer or “brain gain activities.” These include teacher training, echo seminars (or forums where knowledge and skills learned from previous seminars or learning or work experiences are shared with other audiences) in academic institutions, personal sharing of expertise gained abroad with local communities, consultancies for local government units, investment-related activities using skills acquired from abroad, knowledge-transfer activities as development programs of Filipino migrant organizations, and research and development initiatives.

Key informants—three from the Government and one from a private hospital—said their groups have had experience using Filipino migrants as consultants for government agencies and private institutions. The respondents preferred working with migrants rather than with foreigners because migrants understand the dynamics in the homeland, build a positive and hopeful view about the country, and might even be encouraged to stay longer. Filipino migrants are also better at adapting practices acquired from abroad to local conditions.

Migrant workers in skilled professions who have returned for good have also contributed to brain gain. Sharing of skills acquired abroad with rural communities is one project of the network of associations of Filipino OFWs based in Cebu City, the Overseas Filipinos Federation, Inc. (OFFI). OFFI organizes business seminars to help returning migrants to learn new skills, especially targeting those who work in semiskilled professions. Among the organizations that make up OFFI are cooperatives and entrepreneurial clubs, small enterprises, and self-help groups. Many of these groups, however, lack the capital necessary to start their own livelihood activities.

An interesting case of consultancy for local government units is the work of Filipino alumni of the Asian Institute of Technology (AIT), a graduate university based in Pathumtani, Thailand. Visayan members of the AIT Alumni Association-Philippines are working as consultants to local government units in Cebu and Leyte to help with their local development plans. One Cebu town, Talisay, for example, is now a city with help from the intervention of the AIT alumni.

B. Overview of Philippine Migrant Organizations

The researchers sent 150 questionnaires to diaspora organizations in Australia, Canada, and the US with a response rate of approximately 18%. While Philippine embassies and consulates overseas keep a roster of formal and informal Filipino associations, it is difficult to verify if these organizations still exist unless they report in. Based on information gathered by this study, there are some 112 Filipino organizations in Australia, 674 in Canada, and an indeterminate number in the US (Table 3.5).

Most of the 28 respondents were from professional organizations. All believed that their members possessed the necessary skills to contribute to the development of the Philippines. They also indicated they are very willing to help, though only a fraction are dedicated to helping through donations, investments, and consultancies. Filipino migrant groups that are helping the motherland (e.g., alumni associations) provide financial and material aid, though it is generally directed to the town or school where the members come from. The rest of the groups offered professional services to the country as a whole. Some associations were interested in doing business and trade with Philippine corporations and institutions. Unfortunately, a precise number of how many do specified activities such as hometown donations, professional services, and business and trade is not available from the information provided by Philippine diplomatic missions. Continued verification of the actual number of Filipino organizations (both formal and informal) in the 193 countries where Filipinos are present is still ongoing.

Table 3.5: Number of Registered Filipino Organizations in Canada and Australia

Type of Organization	Canada	%	Australia	%
Community	97	14	42	38
Sports	39	6	3	3
Senior/Elderly	29	4	8	7
Academic/Alumni	40	6	5	4
Socio-Cultural	68	10	20	18
Professional	43	6	5	4
Councils	15	2	3	3
Women	17	3	4	4
Regional	170	25	5	4
Religious	44	7	5	4
Media	41	6	1	1
Political/Advocacy	33	5	0	0
Health	1	0	0	0
Unclassified	37	6	11	10
Total	674	100	112	100

Source: Lists of Filipino associations in Australia and Canada, from the countries' diplomatic posts there.

Based on the survey, services are delivered when the need arises and can be demand-driven or supply-initiated. If driven by demand, a Philippine institution or community communicates their needs through solicitation. Demand-driven projects are usually financial and material (e.g., medical equipment) in nature and do not necessarily require members of diaspora organizations to visit the Philippines. Supply-initiated projects are proposed by diaspora organizations to Philippine institutions or communities and are based on the organization's assessment of the Philippines as reflected in news and research articles. In this case, activities are usually nonfinancial. Supply-initiated projects from Filipino migrant organizations reflect the interest areas of work by these organizations (e.g., medical-related training).

A majority of the groups focus their efforts on supporting education and health. They identify the needs of the homeland mainly through links with Philippine-based organizations that send their requests for financial assistance, professional services, and materials. Some organizations also learn about the country's needs by reading studies and articles on the Internet or in electronic newspapers.⁵ Of these, half have identified education as the greatest need, especially updating university curricula. Since most of the respondents were from professional organizations that hold conferences, they also benefit from personal updates from Filipino delegates. After identifying the needs of the Philippines, the groups decide on activities they believe will meet those needs. These are mostly projects and not monetary donations.

When respondents were asked what sort of projects they were involved in, medical missions ranked first, followed by conducting lectures, education and livelihood, knowledge exchange, donations, and scholarships. Others describe their projects as helping professionals and professional training. Organizations involved in health, science, and technology described their projects as medical missions, food safety, and research. Infrastructure was mentioned infrequently, and when it was, it generally meant building hospitals.

Diaspora organizations promote their programs mostly through brochures, flyers, and direct mail to possible beneficiaries (such as individual nonmigrant workers and groups such as academic institutions, nongovernment organizations, and government and business groups) who are in the Philippines. Half of the respondents maintain websites to promote their services. Others post their activities in e-groups, local newspapers, newsletters, publications, and activity venues. With respect to the number of requests received from the Philippines, 10 respondents said they had received 1–4 requests, 8 respondents said 10 or more, 4 respondents said 5–9, and 5 respondents said they had not received any. As to the Philippine-based beneficiary that makes the

requests to these migrant organizations, 10 migrant group-respondents of this study said their requests had come from homeland-based nongovernment organizations.

C. Selected Examples of Diaspora Contributions/Migration Gains

This selection of Filipino migrant activities illustrates the wide range of possibilities, including knowledge transfer, business development support, and philanthropy.

1. Knowledge Transfer

The University of the Philippines Medical Alumni Society in America (UPMASA) began as a counterpart of the UPMAS in the Philippines. UPMASA was started in 1980 and has 12 chapters with 2,000 members. The group has addressed health needs, particularly by supporting Philippine General Hospital's Directly Observed Treatment Short Course Clinic for tuberculosis patients, which treats over 200 poor Filipinos. UPMASA also hosts an annual medical mission for poor patients and encourages members on vacation to take advantage of the visiting professor and consultant program of the University of the Philippines' College of Medicine to give lectures. They receive tax deductions and a certificate from the University of the Philippines. As of August 2002, some 16 members had participated.

The Philippine Institute for Certified Public Accountants (PICPA) was formed to provide continuing education seminars and to promote the growth and development of the Philippine accountancy profession. The US chapter is involved in continuing education in the Philippines and elsewhere. PICPA also organizes global conferences for its members. The first one was in Las Vegas, Nevada in September 2004, hosted by PICPA-California.

The Association of Filipino Teachers (AFTA) based in New York City began the *Balik-Turo* (or Return to Teach) program in 1993 to train teachers in the Philippines. US-based Filipino teachers share their expertise and experience and the latest teaching techniques with their Filipino counterparts. The first group helped 1,500 teachers and other educational professionals. Since then, more than 4,000 teachers and professionals have benefited from the program according to the government-run Commission on Filipinos Overseas (CFO). AFTA formulates workshop modules and submits them to CFO which then forwards the modules to universities, colleges, and schools that then choose those they feel their teachers need. CFO prepares the materials needed for the

workshop, but AFTA volunteers pay their own airfares to the Philippines. The workshops are open to everybody in the participating institution.

The Brain Gain Network (BGN) is a business network of professional engineers, scientists, and organizations with a special emphasis on high technology. Filipino graduate students from Stanford University and the University of California at Berkeley with the cooperation of Filipinos in the San Francisco Bay Area formed BGN in June 1993. BGN seeks to counter the brain drain by reconnecting the expatriate Filipino network with colleagues in the Philippines. BGN has built a large human resource database and encourages venues for business networking and joint collaboration. Mr. Francisco Sandejas, an alumnus of the University of the Philippines, and Stanford University revived BGN and successfully launched its website (<http://www.bgn.org>) where one can register and join in online forums on high-technology issues. One of the visions of BGN is for the Philippines to set up its local version of the famous Silicon Valley IT community (Posadas, 2005).

2. Supporting Business Development

The Philippines-Canada Trade Council (PCTC) was formed in 1983 as a nonprofit organization to promote trade and business relations. Its general activities involve networking among people, governments, associations, and organizations. They post trade-friendly news on their website and serve as a referral center for trade and business between the two countries. PCTC forged an agreement with the Philippines-Canada Business Council, based in the Philippines, to cooperate and to promote mutually beneficial business relations. A primary activity of PCTC is trade missions. The first was held in Manila in 2003 and resulted in new factories in the Philippines and the purchase of a pharmaceutical company in receivership. Another trade mission was organized in 2005 in Vancouver, Canada, and it was open not only to the Philippines but to other members of the Association of Southeast Asian Nations as well.

Massachusetts Institute of Technology-Philippine Emerging Start-ups Open (MIT-PESO) is a group of Filipino-American graduate students at MIT that seeks to use members' knowledge and expertise to make a positive impact on the Philippines. MIT-PESO just finished its first contest for the Philippines in December 2005. The winners will join the global competition, where participants will design business plans and feasibility studies. This global contest is patterned after MIT's own, in which the winning business plan receives \$50,000.

Global Entrepreneurs Network-Philippines (GEN) is a group from Harvard University that wants to support Philippine businesses and entrepreneurial ventures. With the support of Philippine partners, they held a contest for business plans for business students in Manila in January 2005.

3. Philanthropy

Greater American Siquijor Association (GASA)⁶ is for residents of Siquijor Province who migrated to the US. It is 21 years old and currently has 70 members who implement projects such as sending books and toiletries to needy compatriots, medical missions and shipping medical equipment, and promoting science and technology. They also conduct youth leadership seminars to help students become responsible citizens and leaders. These annual seminars follow a curriculum that covers many topics (e.g., public governance, health, education, public information, agriculture, commerce, economics, the judicial system, environment, and career choices).

Knowledge transfer is part of Link to Philippine Development (LinKaPil or the *Lingkod sa Kapwa Pilipino* [Service to Fellow Filipinos]) program, run by the Commission on Filipinos Overseas (a government agency under the Office of the President, though was under the Department of Foreign Affairs for more than 20 years). LinKaPil is a philanthropic and cooperative development program that encourages overseas Filipinos to channel support—cash, in-kind, and expertise—to the country. The LinKaPil program was able to raise P1.5 billion from overseas Filipinos from 1990 to 2004.

V. POLICY OPTIONS AND IMPLICATIONS

As noted above, the Philippines, known for its long history of sending workers abroad, does not have a policy to harness the development potential of labor migration so that the gains are maximized and the costs are minimized (Opiniano, 2004). Some think that the Government is unable to integrate the vital role of international migration into national development policy (Macaranas, 2005a). While the Medium-Term Philippine Development Plan 2004–2010 has portions that discuss how overseas Filipinos can contribute to development, they do not provide a clear and broad policy perspective for the country (Opiniano, 2004). Public policy can make or break any knowledge transfer program.

A. Policy Issues and Options

Public policy to address the brain drain issue remains a vexing problem for the Philippines (Albuero and Abella, 2002). Generally speaking, the country's policy is geared more toward sending workers out for jobs. The Philippines, as some civil society advocates have observed, has a return migration and socioeconomic reintegration program that merely provides former contract workers with socioeconomic assistance and job placement. The absence of a policy to address the brain drain thus remains a significant gap in Philippine migration and development. Macaranas (2005b) has recommended the following possible solutions:

- taxing the brain drain;
- providing support for previous and current knowledge transfer activities (e.g., STAC, *Balik Scientist* program, and TOKTEN);
- demanding compensation from departing nationals;
- delaying skilled workers' departure through compulsory service (e.g., as in the case of nurses); and
- creating better paying domestic jobs.

In the absence of government efforts, professional associations have started their own initiatives. Last year, major groups of medical doctors and specialists (e.g., Philippine Medical Association, associations of specialist doctors) agreed to encourage their members, especially new graduates, to serve the country for 3 years before migrating. This will enable the country's health sector to build a new roster of medical professionals to replace those migrating overseas. Medical associations are currently doing advocacy work with the Department of Health.

Beyond these specific options, broader legal frameworks and related policy incentives influence the potential for migration gains. Some laws affecting overseas Filipinos may also have an effect on their efforts to repatriate their resources. A significant law, the Dual Nationality Act (Republic Act 9225, signed 29 August 2003) enables Filipinos coming from abroad to regain Philippine citizenship without giving up their foreign citizenship. However, it was observed that because of the law's technical complexity, Philippine migrants are still unable to effectively transfer their earnings, resources, and skills. For example, Filipinos who have lost their citizenship cannot legally own land or participate as equity holders in a corporation or business. Even if some were able to become equity holders through nominee relationships, this

technicality might be a deterrent as these migrants may fear an inability to enforce their rights of ownership. Serious study is needed on the implications of the law on property rights, taxes, investments, and documentation (Asian Development Bank, 2005).

Despite the abundance of Filipino skilled workers and experts overseas, there are not many knowledge transfer activities from Filipino migrant organizations to benefit the Philippines. There is scope for groups in the Philippines, especially the Government, to encourage skilled OFWs to contribute their skills and knowledge, but there is a need to develop a strategy to effectively do this. The Philippines pioneered novel approaches (e.g., *Balik Scientist Program*, TOKTEN, STAC) only to see them discontinued due to a lack of resources or motivation of government leaders.

B. Responses by Filipino Migrant Organizations

The efforts by overseas Filipino organizations to remit resources to the motherland can be an opening for knowledge transfer activities. Workers abroad send remittances to primarily benefit their immediate families. There are, however, groups of migrants (e.g., hometown associations, community-based groups in the host country, alumni associations, nonprofit or charity groups registered in the host country) that pool their remittances to support development initiatives in the Philippines, or for diaspora philanthropy. As to the scale of Filipino diaspora philanthropy, some \$218 million of remittances sent as gifts and donations (in addition to remittances to families) passed through the formal banking system in 2003 (Association of Foundations, 2005). The amount is a 5-year high, according to data from the balance of payments of the *Bangko Sentral ng Pilipinas*.

The performance of the domestic economy remains a major problem. Factors such as unemployment, noncompetitive salaries, rising cost of living, and poverty are strong push factors for the emigration of both skilled and unskilled workers. Poor conditions in the Philippines are disincentives for migrants either to return for good or to transfer knowledge. On the other hand, if migrants continue to see the motherland as struggling, it can motivate them to do something to remedy the situation. Sensing the need to improve science and technology, STAC and the *Balik-Scientist* programs were opportunities for skilled Filipino migrants to contribute their skills and expertise. The same is true of information technology where BGN hopes to make a contribution by bringing in investment and venture capital.

VI. CONCLUSIONS

A migrant-sending country such as the Philippines should see more of these brain gain programs and knowledge transfer initiatives not just by overseas-based migrant networks or individuals but also by groups of returned OFWs nationwide, by civil society groups and academic/research institutions, by the business and government sectors, and by international organizations. Brain gain activities deserve more attention especially from multilateral organizations, donor agencies, and host countries of skilled Filipino migrants through avenues such as official development assistance windows.

Maximizing migration gains and minimizing brain drain for the Philippines will require several actions. On the Government's part, there is an urgent need to formulate concrete public policy measures to attack the brain drain problem and to attract knowledge transfer (e.g., incentives for migrants involved in these activities). The latter could be addressed by exploring and/or reactivating initiatives to link knowledge transfer to science and technology (e.g., revival of the *Balik Scientist Program*). Policy options to obtain the cooperation and support from host countries for brain gain activities, such as bilateral agreements, should also be explored. More specific targets for policy and material support include:

- directing knowledge transfer activities to benefit small- and medium-sized cities and to provinces with low levels of growth and high rates of poverty (e.g., knowledge transfer incubation centers in rural areas);
- piloting projects that direct knowledge transfer to small- and medium-sized enterprises, especially activities that can lead to job generation for the domestic economy;
- assisting knowledge transfer to the health sector, especially addressing the issue of the local shortage of nurses and doctors and developing health care programs that migrants can match with their skills;
- providing incentives to Filipino migrant organizations and individuals and support to provincial groups of former migrant workers (especially those in skilled jobs abroad) who are involved in individual or group knowledge transfer endeavors; and
- conducting/supporting research that looks at how the migration of the skilled workforce affects the performance and productivity of the country's industries to provide insights on which workers to encourage and which to discourage from migrating overseas.

These recommendations are proposed to encourage decisive and strategic action on the part of the Government of the Philippines in the hope that the potential diaspora contributions described in this report—past and present—can be reactivated, continued, and expanded, thus ensuring greater migration gains for the Philippines into the future.

ENDNOTES

- 1 Alburo and Abella (2002) also noted declines in medical and allied fields. However, this is no longer the case, with the rising deployment of nurses to the US, UK, and other European countries, as well as a continued steady flow of doctors to the US.
- 2 The same phenomenon of brain drain is also occurring internally through rural-urban migration.
- 3 Their press release dated 15 February 2005 reported: “preliminary figures from the Philippine Overseas Employment Administration (POEA) revealed that deployment of both land-based and sea-based workers rose by 2.7% and by 4.2% to 669,539 and 225,122, respectively, reaffirming the continued demand for and preference by the labor importing countries for the highly skilled, educated and professional Filipino workers” (Bangko Sentral ng Pilipinas, 2005). Checking with data from the Department of Labor and Employment, in terms of total worker deployment, some 933,588 workers were deployed in 2004 compared to the 867,969 deployed in 2003.
- 4 STAC was born when the DFA was reorganized on July 1987 by virtue of Executive Order 239.
- 5 See, for example, the INQ7 Interactive, Inc., a joint venture between the Philippine Daily Inquirer, Inc. (a newspaper company) and the GMA Network, Inc. (a broadcasting company). Available at <http://www.inq7.net> (accessed 6 February 2006).
- 6 *Gasa* is a word in the native Visayan dialect that means “gift.”

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