

Mission Critical Skills: Professionals in Search of a Country

Lorenzo B. ZIGA*

"The real issue is that the people of this country undergo crucifixion daily, nailed flat by poverty, corruption, shameless swindlers, and brutal authorities. And still they make jokes. One of our senators recently called us Asia's Jews, forced to flee pogroms and vileness, going to any lengths to get away, to go abroad. Even becoming part of an exploited diaspora doesn't deter us. We still go by the thousand knowing we're going to be screwed, going illegally even if it means running and hiding from police and immigration authorities. Like Jews we're condemned for slyness and duplicity, grudgingly praised for our skills and slave-like qualities, disliked for being truly foreign after all despite having names like Maria and Joseph. The Jews are accused of eating Christian babies; we're despised for eating dogs. But anything's worth it if only for the chance of making enough money for a proper life, enough money to send home to husbands and wives and children still caught in the trap. Should we stay where we are, be loyal to some imaginary global status quo, when everyone knows the world's just a rich man's free-for-all ..."

Father Herrera in "Ghosts of Manila"
James Hamilton-Paterson

* Senior Lecturer, UP SOLAIR, Former VP-HR, Lufthansa Technik Philippines (LTP). The author acknowledges the inputs of Atty. Jose Emmanuel Academia, VP-Legal, LTP; Atty. Marivic Moya, VP-HR, MacroAsia Corp.; Cesar Lamberte, VP-HR, Philippine Airlines; Director Stella Banawis, Pre-Employment Office, POEA; and Dr. Rene E. Ofreneo and Errol Ramos, Fair Trade Alliance (FTA)

"Despite increased competition from other labor-sending countries as well as the intensified implementation of nationalization policies in some OFW (Overseas Filipino Workers) destination countries, hiring of contract workers from the Philippines is expected to continue. Labor Secretary Patricia Sto. Tomas cites two reasons why this is so. One is that there are still shortages in other countries of local skills in certain occupations.

The other more important consideration is that OFWs have distinguished themselves as excellent workers. Sto. Tomas points out that Filipinos are preferred by many countries over other nationalities owing to a good mix of their hard (technical) skills and soft skills (language proficiency, good communication skills and positive work values).

Due to the distinguished character, knowledge and skill of OFWs, the paradigm has gradually shifted to overseas employment being the "showcase of Philippines' competitiveness" from being a means to alleviate joblessness in the country. Taking the lead, the Labor Department has shifted its focus to putting the spotlight on the quality of Filipino workforce from highlighting the "low-wage" edge.

There has also been a gradual shift to higher-end occupations (such as health and medical workers, professionals, teachers, IT workers, construction personnel and engineers, among others) from laborers and unskilled workers. For instance, teachers and nurses top the list of Filipino migrant workers in demand in the Americas. In China, the bulk of the demand is for the country's English teachers. Meanwhile, Singapore contracts Filipino nurses, nursing aides, engineers, IT analysts and programmers. Japan, on the other hand, is hiring Filipino IT professionals and engineers."

Maricar T. Manuzon,
"Overseas Filipino Workers"
MBC Research Reports
No. 50, October, 2003

The dualism that frames the Philippine overseas employment program is evident in the apparent contradiction between policy and actual institutional practice. While official policy declares that "the State does not promote overseas employment as a means to sustain economic growth and achieve national development" (RA 8042, 1994, Sec. 2, Par. c) official development plans nevertheless include targets in the number of overseas workers that must be deployed in any given year.

It is said that when the overseas employment program was initially proposed to then President Marcos by his Labor Secretary, Blas F. Ople, the strongman was understandably reluctant. The fact that the program was eventually approved and that OFW remittance is today a pillar of Philippine economy is a tribute to Ople's tenacity and vision. Initially promoted as a strategic response to the construction boom in the Middle East (Sen. Res. No. 167),¹ the nascent program led to the reorganization of the DOLE, transforming a relatively minor unit, the Overseas Employment Development Board (OEDB) into the Philippine Overseas Employment Administration (POEA), and later on the creation of other agencies such as the Overseas Workers Welfare Administration (OWWA) and the Commission on Filipinos Overseas to support various aspects of the *diaspora*. The direction taken by the Philippines to deploy and dispose of its surplus manpower showed the way for other countries in the region.

Nevertheless, the need to balance overseas deployments with local demand is clear from the beginning when the mandate of the POEA was spelled out: manage and administer the overseas employment program but to do so considering "*domestic manpower requirements*" (EO 797, 1982, Sec. 4).² It is a refrain that rings clear to this day.

A history of worker migration

Today's overseas exodus, however, does not necessarily mean breaking new grounds for Filipinos. It is actually the third, the most pervasive and most extensive of migration waves by Filipino workers.

The landing of American colonizing forces was followed in reverse by large-scale Filipino agricultural worker migration to the pineapple plantations of Hawaii, apple orchards in California, and canneries in Washington. The first batch of workers came to the sugarcane

and pineapple fields of Hawaii on December 20, 1906. It is said that some 150,000 workers from the Philippines came to the United States from 1906 to 1930. Of these, 120,000 settled in Hawaii. Most of the workers were hardy folks from the mountainous regions of Ilocos. The lives, tragedies, and travails of this generation are told in the stories of Carlos Bulosan, one of the icons of Philippine literature in English. This generation also defined "working abroad" for generations of Filipinos as migrating to the United States (Asis, n.d.).

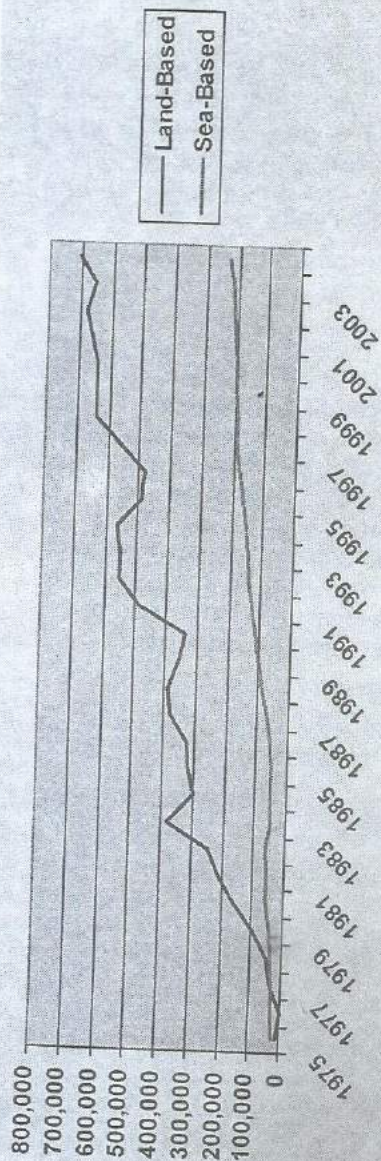
Since the Philippines was at that time a colony of the United States, the exodus was considered internal migration. Filipino workers were "nationals" but not US citizens. Thereafter the Tydings-McDuffie Law (1934), which provided a ten-year period of tutelage prior to the grant of independence, limited visas which may be granted to workers from the Philippines to only 50 per year (Asis, n.d.).³

A second wave followed in the 1960's, this time by professionals, when the US immigration law was liberalized and occupation-based quotas replaced racial quotas. Certain occupations such as those of doctors and nurses were opened to foreigners to diminish the monopoly of the American Medical Association (AMA). This opened the door for thousands of Filipino doctors and nurses to hospitals and clinics in the United States, a flood of migration that continues to this day (Tan, 2000).

The third wave occurred in the early 1970's following the abrupt escalation of oil prices which saw Middle East countries awashed with petro dollars and embarking on massive and extended construction projects. This development provided the first large-scale market for Filipino labor, initially on a temporary basis, but later on as a perennial feature of the country's labor market. In time, Filipino workers fanned out to the Southeast Asian region as the last two decades saw the demand for Filipino entertainers in Japan, as well as for domestic labor in Hongkong and Singapore, among others.

Migration is said to create a life of its own and begins a migration chain. The first wave of migrants provides information and feedback encouraging others to follow. In a country with vast armies of unemployed, the stream soon turns into a rushing flood. In the US, added hospitality is provided by a law allowing close relatives to join their families. Filipinos, thus, formed the third largest emigrant group at 1.4 million in 1990. Given the close ties among

Table 1. Annual deployment of Filipino workers, 1975-2004
(adapted from Asis, n.d.).



*Figures for 1975 to 1983 refer to number of contracts processed; figures for 1984 to 2004 refer to number of workers deployed abroad.

Sources: Table 5 (Battistella, 1995 p. 265) for figures from 1975 to 1983; available online for figures from 1983 to 2003; and for 2004 data. Internet sources were accessed on 12 September 2005.

Filipinos, this migration chain has been replicated in almost all destinations even by those on mere temporary overseas employment (Tan, 2000).

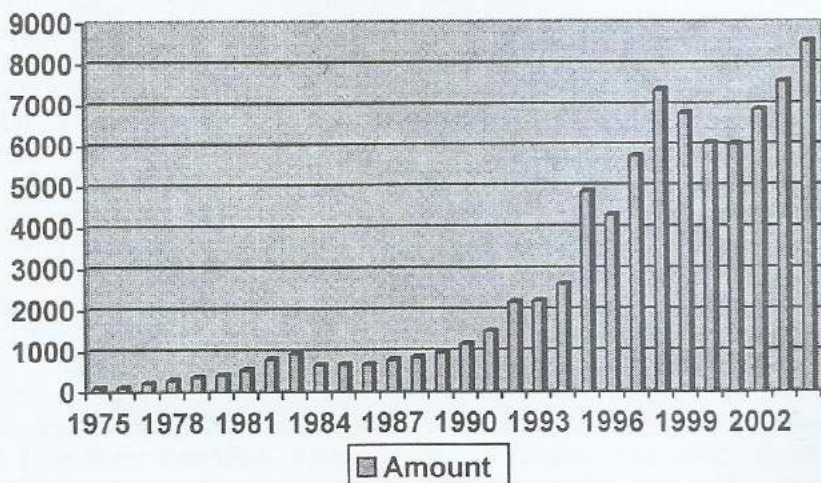
The status that Filipino abroad achieved in popular consciousness may be gauged from how the word *Overseas Contract Workers* (OCWs), as how they were referred to in the 80s, transformed into *Overseas Filipino Workers* (OFWs) in Republic Act 8042 or the Magna Carta for OFWs. During President Corazon Aquino's term, the government also began attaching the label *Bagong Bayani* (new heroes) to OFWs.

From boon to bane

In a perfect world, the rush for Filipino labor by overseas employers would have been a flattering testimony to the competence and skills of Filipino workers and professionals. However, in certain industries, there is a national crisis crying out for an answer.

In 2005, OFW remittances reached \$10 billion. It provided a lifeline not only for individual OFW families but for the country's perennially underperforming economy. While there were mild criticisms about how remittances were dissipated by mindless consumer spending which often left OFW families dependent on the next door-to-

Table 2. OFW remittances, 1975-2004 (in millions)
[adapted from Asis, n.d.]



door delivery, it is undeniable that the countryside landscape has since been transformed by OFW-sustained residential constructions.

The stiff price for this illusion soon surfaced. Apart from the social costs such as increased juvenile delinquency due to OFW families breaking apart after the prolonged period of separation between the absent parent and the child, the nation was confronted by a crisis that required a re-assessment of the overseas employment program.

The worst impact, one which requires immediate attention, is on the country's health care system. Alarms were raised at the continued exodus of the country's doctors, nurses, medical technologists and other health care professionals. Antonio Chang, president of the Private Hospitals Association of the Philippines (PHAP), reported that as of 2005 some 1,000 hospitals nationwide ceased to operate. Likewise, only 700 are left of what used to be 1,700 private hospitals (Sun Star, 2005). This aggravates the already problematic health care system in a country where 50% of the population lacks access to health care, where five of ten Filipinos die without medical attention, and only about half of the people have access to essential drugs (Tan, Sanchez, & Balanon, 2005).

In a bizarre twist, many Filipino doctors are currently taking up crash courses in nursing so that they can work overseas, particularly in the United States. The Philippines is said to be the top exporter of nurses to the world and the second major exporter of physicians. In the 70s, 68% of Filipino doctors were working outside the Philippines. But recent studies show that 70% of Filipino nurses are working outside the country (Tan et al., 2005).

Better employment chances for Filipino nurses overseas have also caused a shift such that enrollment to medical schools have decreased by 24%. There are at least 43 nursing schools offering abbreviated courses for doctors who want to transfer to nursing. Medical doctors who take up nursing come from all sorts of specialties: surgery, orthopedic, obstetrics, pediatrics, anesthesiology, internal medicine, family medicine, general practice, and public health (Tan et al., 2005).

The issue of diminishing availability of health professionals opened a pressing issue: it turns out that the hemorrhage and poaching of such vital skills was not isolated to the health sector but is

also becoming increasingly evident in other industries such as aviation, mining, and even accountancy. Worse, government seems to be ignoring the problem or putting no efforts to address it.

Among those who led the protest against the apparent absence of coherent government policy amidst the looming crisis was the Fair Trade Alliance (FTA). In a statement, FTA asked,

Can our hospitals treat patients without doctors and nurses or can learning take place without teachers? Can our planes fly without pilots, aircraft mechanics and air comptrollers? Can wireless text messaging and communication happen without radio frequency engineers? Can electricity reach our homes without the linemen? Can ships sail without any guidance from the first mates? Can our steel, petrochemical and other remaining factories operate without any plant engineers? (Statement of the Fair Trade Alliance, 2006)

Congress joined the outcry and expressed alarm over the exodus of Filipino professionals.⁴ There was strong condemnation of the unabated flight of skilled workers as practically an act of "piracy" by other countries that find it more expensive to train their own people ("Ban on skilled workers sought," 2006; See also *The Philippine Star*, 2004; *The Daily Tribune*, 2004).

"Workers with mission-critical skills are necessary to maintain and protect strategic local industries. If left unchecked, their migration, through valid deployment or poaching by other countries, will have serious national security implications and economic repercussions as they affect air transportation, tourism, commerce, construction and other economic sectors."⁵

Mission-critical skills

In all these industries, the problem was the failure of local industries to keep pace with the outflow of skills that were already scarce from the beginning.

Mission critical skills (MCS) drive the organization's strategy and maintain long term continuity. They are not easily replaced. They are internally developed and absolutely necessary in good and bad times. Mission critical skills add the greatest value to the

organization. They provide an indicator of the organization's capability to meet future challenges. Mission critical occupations are those that agencies consider core to carrying out their missions. They usually reflect the primary mission of the organization such that without them mission-critical work cannot be completed (Aganon, 2006).

The problem involving MCS is clearest in the country's aviation industry where pilots and senior aircraft mechanics became the first group declared by the POEA as MCS (POEA, MC No. 3, s. 2006). The critical role of the industry adheres to the fact that air travel, as the most efficient highway for national growth and development, supports commerce, industry and tourism by ensuring the continuous flow of people and commodities. The air transport sector contributed 16.9% to the GDP in 2004 and 5.3% in 2005. It directly employs some 27,000 people while generating a host of downstream economic activities at the same time.

For 76 years, the domestic air transport industry has been ensuring safe and affordable service to the public through the pioneer, Philippine Airlines (PAL). Executive Order 219 issued in 1995 paved the way for the entry of five new airlines: Grand International Airways in 1995; and Air Philippines, Cebu Pacific Air, Asian Spirit, and Mindanao Express in 1996 (POEA, MC No. 3, s. 2006). The domestic aviation industry shuttled some 8,975,515 passengers from July, 2005 to August, 2006.⁶

Deregulation also resulted in the creation of niche markets, with the bigger airlines concentrating on the major routes, and the smaller crafts flying the secondary and tertiary routes. Grand Airways, however, ceased its operations in early 1999. This was followed by Mindanao Express which closed shop in early 2000. Before their closure, seat capacity in the industry was reported to have increased from 5.7 million in 1994 to 8.5 million in 1999. Unfortunately, September 11, 2001 came and dislocated the air transport industry for a while as passengers were reluctant to travel lest they become victims of terrorist attacks. Thereafter, the SARS scare followed 9/11.

Nevertheless, the global air transport industry was able to recover quickly. Much of this growth was due to the rise of the so-called low-cost or no-frills carriers which offer plane seats at much lower fares than the so-called legacy airlines. It is predicted that by 2023, there will be a 5% annual passenger growth which will require 16,601 new aircrafts. Various aviation industry publications

track down the progress and predict that within the decade 279 aircrafts will be delivered to India's seven airlines, 233 to China's 11 airlines, and 77 to three flag carriers in the Middle East (Barinaga, 2006).

The country's domestic air transport industry is also growing though at a more deliberate pace. By 2000, there were more aircraft mechanics employed in the industry than ever as the Maintenance and Engineering Department (MED) of Philippine Airlines was spun-off to become the Lufthansa Technik Philippines (LTP), the country's biggest MRO.⁷ LTP's MCS more than doubled since its founding largely as a result of its own aggressive internal training and development efforts. As it continues to establish itself in the region and attracts more airlines as clients for D-checks and other activities, the employment opportunities are also expected to grow every year. The domestic air transport industry is also projected to grow as both PAL and Cebu Pacific have announced aggressive expansion programs. The growth in the number of technical staff has been estimated to occur at 10% per year for the next five years.

At the heart of the air transport industry are the aircraft pilots, mechanics, air traffic controllers, planners and engineers who ensure flight operations and whose stable number is closely monitored by aviation authorities.⁸

A perennial issue has been the absence of any current and official headcount of pilots and mechanics active in the industry. Some pattern may be gleaned from the records of the Air Transportation Office (ATO) which has granted various licenses to some 14,000 aircraft mechanics as of November, 2005. Only a fraction of this number, however, is actually employed in the industry or has obtained the pertinent aircraft type ratings. A quick count among major industry players revealed that only between 1,500-1,700 are employed by the industry. In the same vein, the ATO lists 3,548 commercial pilots even though only 770 are actually employed by the country's airlines. These are the aircraft mechanics and pilots whom overseas recruiters try to pursue.

Because those currently employed in the industry are updated in the required trainings and type-ratings, once recruited overseas their new employers forego not only the extended lead time for training and development but also the investment involved (See Table 4 and Table 5). Since the new employers have these aces, they can easily offer higher compensation packages to pilots and

mechanics they want to recruit. But there is no way for the Philippines to cope with the present overseas demand and still expect the country's airlines and MROs to operate unhampered in both their domestic and international routes. Consider the following figures culled from the industry:

Pilots

- China will need 10,000 pilots in the next 20 years.
- India will need 4,000 pilots in the next five years.
- Airbus says that the growth period until 2023 will require 23,000 pilots; 6,000 of which will be in the Asia Pacific region.
- At present, Singapore has a pending job order for 50 pilots at the POEA.

Aircraft Mechanics

- Singapore needs 767.
- Hongkong and Qatar are both open but gave no specific numbers.
- Saudi Arabia needs 73.
- Singapore also needs 50 Junior Aircraft Mechanics

Pending with the POEA are job orders for more than 2,000 aircraft mechanics for overseas deployment, aside from the more than 1,900 already deployed overseas from 2000 to 2005 (Tan et al., 2005).⁹

BusinessWeek reports that aircraft makers Boeing Co. and Airbus are selling "squadrons of planes" in the Middle East. The region is seeing the rise of fast-growing carriers like Dubai's Emirates which has an "astonishing \$37 billion worth of planes on order including 45 of Airbus' new A380—the biggest order placed by any airline for the double-decker megaplane. Emirates and Qatar Airways have ordered 49 Boeing 777 jetliners." Habib Fekih, president of Airbus Middle East said that "the Middle East has become one of the three big reservoir of aircraft sales in the world" together with India and China (BusinessWeek, 2006, p. 38).

Unique issues in aviation industry MCS

Unlike in the past where the waves of overseas recruitment of local pilots and aircraft mechanics were spaced out over several

years, the present hemorrhage has been sustained and continuous. Since 2003, LTP has lost hundreds of its senior mechanics annually. PAL, on the other hand, has lost enough number of pilots such that it had to reschedule its expansion program. Given market forecasts, existing training pipelines find it difficult to cope.

Table 3. Resignation rate for Senior Aircraft Mechanics (2000-2005)¹⁰

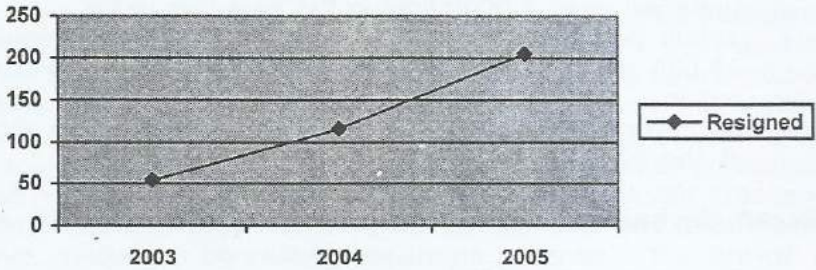
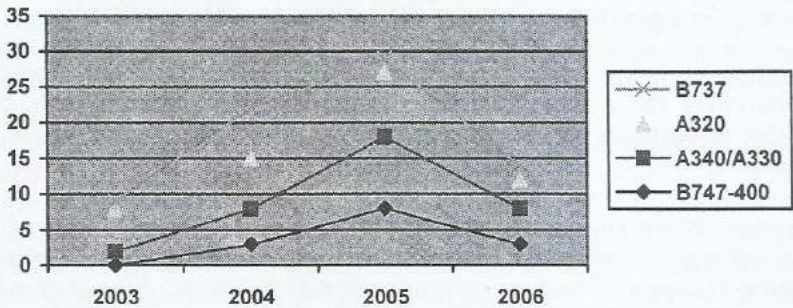


Table 4. Resignation rate for Pilots¹¹



Long lead time. Training replacements for lost MCS is a function of both formal training and hands-on experience which by government regulation require a lead time of six years for senior mechanics and 10 years for pilots. This is why overseas airlines and MROs (Maintenance, Repair, and Overhaul) would rather recruit from those presently employed in airlines and MROs in the country. After the so-called *ab initio* training, both mechanics and pilots go through a gauntlet of other required training for them to obtain type-ratings which would enable them to fly or attend to particular aircraft types and models.

At present, the industry's training pipeline is aggressively turning out young mechanics every month but the present rate of skills loss may not leave enough seniors to ensure the training of juniors. Only when juniors have obtained full authorization or type-ratings can aircraft mechanics be released to service an aircraft, or in the case of pilots, to fly a plane. For both pilots and aircraft mechanics, the lead-time is focused on the required formal training and accumulated hours of job exposure prescribed by authorities. Thus, in addition to training investment, pilots and mechanics also enjoy a compensation package that is the highest in the Philippine transport industry, if not favorably comparable to other industries (Aganon, 2006).

Table 5. Required training, experience for A/C Mechanics ¹²

Mechanics Training Program (MTP)	- 6 months	- P271,195.00
Junior Mechanic & Mechanic C	- 1 year each	
Mechanic B	- 2 years	- P318,750.00
<i>B737 Ground Engineers initial course</i>	<i>A320 Ground Engineers initial course</i>	
<i>A330 Ground Engineers initial course</i>	<i>B747-400 Ground Engineers initial course</i>	
Mechanic A		- P1,376,989.00
<i>B737 Run-Up initial</i>	<i>A320 Run-Up Initial</i>	<i>A330/340 Run-Up initial</i>
<i>B747-400 run-Up initial</i>	<i>B737 Run-Up recurrent</i>	<i>A320 Run-Up recurrent</i>
<i>A330/340 Run-Up recurrent</i>	<i>B747-400 Run-Up recurrent</i>	

The extended training period prompts airlines to poach the MCS of other countries. India's pilot schools can graduate no more than 100 every year. The same problem has been aired in Canada, the United States, Russia, and China. Locally, only the PAL Learning Center provides training for wide-body aircraft and their graduates

Table 6. How much to train a Pilot ¹⁴

DC-9 Initial training	- P 889,880
DC-9 Upgrade training	- 1,047,880
B-757 Transition Training for Captain Position	- 1,218,190
B757 Transition Training for First Officer	- 1,076,690
Airbus Transition Training For Captain Position	- 2,215,662 (without credit)
	701,972 (with credits)
Airbus Transition Training for First Officer	- 2,149,796 (without credits)
	636,116 (with credits)

will need more years of training to acquire the required flying hours for the type-rating of bigger commercial aircrafts.¹³

The thorough training received at LTP, PAL and other domestic air transport industry employers are, in fact, the main reason why overseas employers and their local recruiters make a beeline for Filipino aircraft mechanics and pilots. Few other, if any, overseas airlines invest as extensively in training and in developing their personnel. Excellence comes with a heavy price for the domestic aviation industry.

This makes aviation industry MCS different from those in the health industry where the nurses or doctors themselves invest for their own schooling. In the aviation industry, formal and required classroom instructions account for only half the requirements. Work is usually carried out under the watchful eyes of more experienced aircraft mechanics or senior pilots, which is why a team is usually made up of one or two seniors and several juniors. The seniors' job is basically to transfer technology. The danger is that due to the loss of Mechanic Bs, Mechanic As, and pilot captains, there may not be enough senior personnel to ensure the transfer of know-how to juniors. This may, in turn, delay the progress of new trainees. The persistent departure of seniors results in a sub-optimal mix of skills where the know-how of one generation, given the particular type-ratings involved, may be difficult to hand over from one batch to the next.

To replenish an overfished pond

As Rep. Barinaga noted, the harvesting by overseas employers of our MCS leave no time for the industry to recover naturally and allow for new generations of MCS to take their place.

Without new generations, even the manpower recruitment agencies will soon run out of skilled labor to recruit. If the local aviation industry falters in its training program, the recruitment industry and their foreign principals will exhaust their source.¹⁶

The industry needed the moratorium to provide some sort of breathing space to the rapid loss of MCS since 2003. Aware of the situation, many in the industry had organized training pipelines but the graduates still need a period to fine-tune their skills before they could accumulate the required number of hours and become senior mechanics fit to the task of servicing aircrafts.¹⁷

Table 7. Formula to Determine Mission Critical Skills (MCS)¹⁵

Framework:

- a) Determine Local Demand (LD) for MCS: LD is the number of positions available in the local market for a particular skill based on industry data.
- b) Estimate Local Supply (LS) of MCS. LS is the sum of the number of qualified/licensed workers and the prospective entrants minus the number of deployed overseas workers. The appropriate formula is:

$$LS = E - WDO + PE$$

- Where:
- E** - inventory of qualified/licensed workers from licensing authority
 - WDO** - number of workers deployed overseas from POEA data
 - PE** - prospective entrants
 - PL** - average passing rate for a particular license based on data from licensing authority
 - N** - number of candidates for a particular license from schools or training institutions

- c) Compare LS with LD. Shortage for a particular MCS occurs when current supply does not exceed 20% of the local demand. Industry standard for measuring sufficient supply is when there is more than 20% buffer on a certain commodity, according to the Bureau of Local Employment (BLE)

In place of the moratorium, the government suggested several options. The POEA Governing Board adopted the proposed framework for determining the level of supply and demand for certain MCS as well as shortage in particular industries. In addition, MCS workers in industries determined by the POEA to have an impending MCS shortage are required to comply with the following conditions before their overseas employment contracts can be processed (POEA, Gov. Bd. Res. No. 1, 2006):

- a) Notice to employer should be given at least six months¹⁶ prior to any termination or resignation from employment; and,
- b) Copy of the above notice duly received by the employer.

Moreover, the ATO amended its requirements for license renewal for pilots and aircraft mechanics to include clearance from their

employers. Without the employer's clearance, the license that lapsed would not be renewed (ATO, MC No. 1-06, 2006).¹⁹

Also pending are rules that would return the task of processing MCS overseas deployments to the POEA instead of the recruitment agencies. This would ensure not only compliance but adherence to POEA requirements for departing aviation industry MCS.

Redefining overseas employment program

The plight of the aviation industry MCS presents a test case as to how government would balance two competing values: its overseas employment program and the predicament of Filipino industries barely surviving globalization in both manpower and workplace.

On the side of overseas employment are recruitment agencies to which 770 commercial pilots and 660 senior aircraft mechanics present a profitable share of business.²⁰ Advocating for a judicious policy on MCS are the country's domestic aviation industry and their sympathizers from civil society groups and other industries facing similar concerns.

The immediate objection to the moratorium proposal is grounded on legal difficulties: 1) whether or not the State could impose such a moratorium, and 2) whether or not such a move would constitute an infringement on the right to travel and the right to a job. However, a closer look at this objection reveals that in the end, the *modus vivendi* was more a product of political realities than actual legal roadblocks.²¹

Those who oppose the proposed moratorium place premium on an individual's right to a better life, even if it is a life at the end of the rainbow somewhere other than his own country. This argument would not be lacking support in an age where the free flow of goods, commerce and even of labor is the currency of political and economic discourse. This argument would also find resonance in the fact that the steadily increasing remittances from Filipino OFWs deliver the goods not only for families and dependents but also for official ledgers.

On the other hand, the proposed moratorium is neither illegal nor unenforceable. To begin with, the Constitution (1987) provides that "the State shall protect Filipino enterprises against unfair

foreign competition and trade practices" (Art. XII, Sec. 1). It also commits to "support science and technical education, training, and services. It shall support indigenous, appropriate and self-reliant scientific and technological capabilities and their application to the country's productive systems and national life" (Art. XIV, Sec. 10).

The right to employment is a component of the right to property enshrined in Article III of the 1987 Constitution (the Bill of Rights).²² A person's right to travel is also recognized.²³ But the exercise and enjoyment of both rights are subject to permissible limitations.

This is precisely why the State had intervened previously to either curtail overseas deployment outright or impose regulation. The State's police power must be exercised to bring out the greatest welfare for the people by promoting public convenience or general prosperity and everything worthwhile for the preservation of the inhabitants. Public purpose is not unconstitutional merely because it incidentally benefits a limited number of people (*Binay v. Domingo*, 1991).

In this regard, former POEA Deputy Administrator Ramon T. Tionloc as well as other DOLE old hands recall how in the late 70s then Labor Minister Ople instructed the Overseas Employment Development Board (OEDB) to stop processing the deployment documents of PAL aircraft mechanics and petroleum refinery workers from Bataan who are lured to the new flag carriers and petrochemical complexes of the Middle East. The move successfully averted the threats to the local industry.

In 1988, the Department of Labor and Employment temporarily suspended the overseas deployment of Filipino domestic helpers and household workers due to reported abuses by their employers. A group of recruiters filed a case at the Supreme Court to assail the ban. The Supreme Court upheld the validity of the suspension as well as of Department Order No. 1 as a valid exercise of police power. On the issue of impairment to the right to travel, the Court held that:

The consequence the deployment ban has on the right to travel does not impair the right. The right to travel is subject, among other things, to the requirements of "public safety," "as may be provided by law." Department Order No. 1 is a valid implementation of the Labor Code, in particular, its

basic policy to "afford protection to labor," pursuant to the respondent Department of Labor's rule-making authority vested in it by the Labor Code. The petitioner assumes that it is unreasonable simply because of its impact on the right to travel, but as we have stated, the right itself is not absolute. The disputed Order is a valid qualification thereto. (Philippine Association of Service Exporters, Inc. v. Drilon et al., 1988)

At the same time, the Supreme Court cut short the objections raised against the absence of consultations before the ban and affirmed that the State may impose such restrictions in accordance "to the demands and necessities of the State's power of regulation."

In 1991, the government adopted a policy requiring entertainers to present an Artist Handbook to narrow the exit of female entertainers bound for Japan following the grisly murder of Maricris Sioson. Recruitment agencies once more filed cases before the Supreme Court but the restrictions were upheld as a valid exercise of police power taking into consideration the hazards that women often face overseas. On the alleged impairment of constitutional rights, the Court refused to be swayed, saying:

A profession, trade or calling is a property right within the meaning of our constitutional guarantees. One cannot be deprived of the right to work and right to make a living because these rights are property rights, the arbitrary and unwarranted deprivation of which normally constitutes an actionable wrong.

Nevertheless, no right is absolute, and the proper regulation of a profession, calling, business or trade has always been upheld as a legitimate subject of a valid exercise of the police power by the state particularly when their conduct affects either the execution of legitimate governmental functions, the preservation of the State, the public health and welfare and public morals... (JMM Promotion and Management and Kary International Inc., v. Court of Appeals, 2005)

In all these instances, the steps taken by the State were in recognition of the public interest issues at the heart of the

challenged action. The survival of the domestic air transport industry which admittedly is critical to the economy falls in the same mold.²⁴

On the other hand, those who argue that the proposed moratorium is unenforceable fails to give due credit to the competence of government agencies when there is political will. Otherwise, to adopt the easy way means that the government should stop imposing similar prohibitions to people going to Iraq for the simple fact that there would always be people who would find an illegal way to get there. The government's mandate is clear—that it has to protect its interest and it must muster the political will to do so. Admittedly, it is a difficult task. But only in taking such effort will the government convince its citizens that there is hope for the country.²⁵

Who pays for the cost of skills lost?

While Sec. 5 of Republic Act 8042 adopts the test of national and public interest for a valid exercise of the Secretary of Labor's authority to suspend overseas deployment, the law does not define what constitutes national or public interest. However, there are other instances where similar national interest concerns are invoked, such as in industries where the assumption of jurisdiction or compulsory arbitration by the Secretary of Labor is allowed (See e.g. Labor Code Art., 265; *Sarmiento v. Tuico*, 1988; *UFE v. Nestle*, 1990; *Telefunken v. Sec. of Labor*, 1997; *St. Scholastica's College v. Ruben Torres*, 1992; *Meralco v. Sec. of Labor*, 1999). During Martial Law, national interest was similarly used in reference to industries where strikes were prohibited (GO No. 5; Letter of Instruction No. 368), many of which were public utilities such as transportation.²⁶

While the teachings of the Supreme Court in this area may be condemned as heresy in the literature of neoliberalization, it is clear in our jurisdiction that the State is not prevented from taking extraordinary measures to protect certain industries where circumstances require:

in industries affected with public interest, a regulated monopoly is certainly not proscribed, if such is deemed necessary in order to protect and promote public interest. (*Pernito Arrastre Services v. Rafael T. Mendoza*, 1986)

In still another case, the Court observed that:

Private monopolies are not necessarily prohibited. The use of the word "regulate" in the Constitution indicates that some monopolies, properly regulated are allowed... Competition can best regulate a free economy. Like all basic beliefs however, that principle must accommodate hard practical experience. There are areas where for special reasons the force of competition, where left wholly free, might operate too destructively to safeguard the public interest. Public utilities are an instance of that consideration...By their very nature, certain public services or public utilities such as those which supply water, electricity, or transportation, telegraph, etc. must be given exclusive franchises if public interest is to be served. Such exclusive franchises are not violative of the law against monopolies. (*Anglo-Fil Trading Corp v. Lazaro*, 1983)

Even without the said law, a move by the government to regulate the hemorrhage of MCS would find support as an exercise of police power. Those opposed to the proposed moratorium point out that previous efforts invoking police power to regulate the deployment of Filipino workers were measures intended to keep workers from sneaking into war-torn areas. However, the scope of police power has always been wide and expansive, thus objections grounded on the right to travel or property rights alone may be difficult to sustain:

In the interplay between such a fundamental right and police power, especially so where the assailed government action deals with the use of one's property, the latter is accorded much leeway. That is settled law. What is more, it is good law. Due process, therefore can not validly be invoked. As stressed in the cited *Ermita-Malate Hotel* decision (127 Phil 306, 315)" to hold otherwise would be to unduly restrict and narrow the scope of police powers, extending as it does "to all the great public needs..." (*Bautista v. Juinio*, 1984)

But even for the pilots and aircraft mechanics who left, dreams do not necessarily come true. While the basic salary offered to the departing MCS by overseas employers appears to be above

the compensation package of local airlines and MROs, there are costs that the individuals must absorb. Some mechanics report that sometimes the terms of the contract are altered in the host country. Moreover, they are paid their contracted salaries only when there is available work. In some cases, their contracts stipulate that instead of the amount specified in the contract they will only get a \$10 (Singapore) allowance in times when no work is available. Their employers also reserve the right to cancel or pre-terminate their contracts depending on the availability of work. Short-term contracts also provide for nothing more than a measly medical allowance. Of course, there are also employers with very generous terms. Generally, however, the employment contracts are short-term, lasting for only a maximum of two years in most cases. While there are some who are lucky to find employers who offer regular employments, many end up being *ronins* and change employers every now and then.

In terms of professional development, there are but a few if at all any foreign employer offering comparable training and development. Moreover, training would be reserved to Filipinos who would eventually be offered regular positions. It has also been reported that gradual de-skilling takes place since senior aircraft mechanics recruited overseas are confined to technical functions or to specific responsibilities. For pilots, on the other hand, despite their senior professional status in the Philippines they end up being subordinates to less experienced locals.

All too frequently, it is suggested that the local aviation industry should just adjust MCS wages and benefits to be at par with the rest of the world so as not to lose their globally marketable skills. This idea, however, will not resolve the situation given the never-ending "salary war" among the big players in the foreign aviation industry, most of which are either owned or subsidized by their respective governments.²⁷ Moreover, the burden of these price movements will be shouldered by the consumers in the long run.

At this point, the diminishing number of senior aircraft mechanics as well as commercial pilots in the country poses a clear challenge. If the trend continues, the issue will not only concern the viability of the local aviation industry but more importantly, public safety and welfare. Since international and local aviation regulations impose limits on the number of flying hours for pilots and duty hours on aircraft mechanics, their diminishing number presents a challenge when local airlines and MROs fail the manning

requirements of regulatory agencies. It is a concern that the government must tackle sooner or later.

The issue of why professionals and skilled workers leave should be addressed by the country itself. The primary responsibility for national development rests on the countries themselves, including the countries of origin. Developing countries need to adopt broad-based development policies with emphasis on job creation consistent with economic growth and better economic distribution, export promotion, demographic planning, and human resource development, along with stable microeconomic policies (Ghosh, 1997; cited in Opiniano, 2004).

The migration of professionals, contrary to popular view, would exact a heavy toll on the Philippine economy in the long run. From 1990 to 1999, the number of professionals who went abroad exceeds the net additions to the professionals in the workforce. The broad profile of OFWs shows that they have higher educational attainment than those who are employed locally and belong to the most productive age group (Alburo & Abilla, 2002; cited in Opiniano, 2004). It is said that with the migration of its professionals overseas, developing countries are, in fact, subsidizing some \$60 billion worth of human capital needs of the developed countries.

It has also been pointed out that if the loss of human capital continues, the country's own potential for growth and development will be undermined. The continued departure of skills from the country not only reduces the country's overall productivity but also the flow of investments since capital will only pour on economies with perceived adequate supply of skilled labor in key sectors. The supply of human capital is one of the key determinants of foreign direct investments. If the country will not be able to replace workers as fast as they exit, shortages that will undermine the country's growth potential are sure to occur (Aldaba, 2004; cited in Opiniano, 2004).

In this regard, a number of proposals in terms of managing the situation of MCS and other overseas-bound Filipino workers have been put forward.

The most critical transformation would be for the country to move away from policy dualism. There is no denying that workers' migration will be a perennial feature of our national life. Therefore, there should be a national policy to harness the development

potentials of a programmed labor migration similar to South Korea's 10-year development plan and Indonesia's 5-year development plan (Opiniano, 2004). A step in this direction was DOLE's sponsorship of the National Manpower Planning Summit in which the aviation industry was identified as one of the seven priority industries for employment generation. Efforts to jumpstart manpower development activities in each of these industries should be supported by government-private sector collaborations.²⁸

Actually, government itself has made it difficult for domestic industries and employers to retain their MCS. All retention schemes go against government's income tax exemption for OFWs, a privilege that is not granted to locals. Thus, not only are overseas compensation offers more attractive, OFWs also retain that substantial portion which should have been paid to government as income tax. On the other hand, locally-employed MCS and all other Filipinos employed in the country not only have to accept the prevailing wage rates but also the reality that up to 30% of their earnings would be remitted to the government as tax.²⁹ In other words, not only does government facilitate the exit of MCS by accepting job orders from overseas employers and providing the institutional mechanism for processing their departure through the POEA, it also rewards those employed overseas who are already earning more than locals by exempting them from paying taxes. All the talk about leveling playing fields, therefore, must begin with the government granting equivalent treatment at least to locally-based MCS.

In the United States, legislative proposals have been filed to create an inter-agency office to address the problem of dwindling supply of highly-skilled jobs in the domestic aerospace industry. The retirement age for pilots has been pushed back to 65. These initiatives are in light of their own homeland security situation. India, on the other hand, requires a one-year period of notice for pilots resigning from their jobs.

While there are proposals for a service period for aviation personnel to remain in the country, the better part of the initiatives are those in manpower development, training, and education.

There is a need for a tripartite effort to review and update training curricula for aviation personnel in the light of developments in the industry; otherwise, the graduates of these schools would be decades behind the skills and knowledge needed at the workplace. There is also a need to upgrade licensing standards for aviation

schools and should include familiarity with current international aviation standards. Aviation training should not remain book-based but focus on learning-by-doing since aviation is a technology-driven industry. If government investment in aviation training is not feasible, then a system of scholarships or subsidy to private-sector training activities should be explored. In this regard, aviation-related courses may be included among the fields of study covered by the DOST scholarship grants.

On the other hand, the government should make a commitment to industries threatened by the loss of their MCS. It can be more discriminating in accepting job orders for deployments. It can initiate an effective manpower and skills registry that could track down supply and demand per sector more effectively. It can generate more private sector-government channels to thresh out issues on MCS.

To manage the demand side, the government can establish rules of dialogue between industry and major recruitment agencies under the auspices of DOLE and POEA. The DOLE, Department of Transportation and Communication (DOTC) and POEA can assist the domestic air transport industry to explore secondment or other similar placement arrangements with overseas employers for MCS so that the country will not lose these skills and leave workers with the option to come back to their old positions at the end of the secondment period.

By no means will the government's present refusal to consider the moratorium on aviation industry MCS wish the problem away. It is a situation that will remain with the industry for the moment, a nightmare that will haunt the government for a time. Meanwhile, as government refuses to accept the fact that the flight of MCS saps the Philippines dry, the brain drain seeps and spreads to the other sectors of the economy. Soon, it will be more than just doctors who have become nurses, or aircraft mechanics and pilots, who will be making a beeline for the exits created by government. Even crucial economic infrastructures such as ports and shipyards are being affected. Air traffic controllers have always been an endangered species at the ATO. Last year, 50 skilled port-handling equipment operators from the International Container Terminal Services Inc. (ICTSI) left for Dubai, lured by the higher pay offered by the Dubai Ports World, a United Arab Emirates state-owned firm. The mass resignation nearly crippled the company's operations (Llorito, n.d.).

More and more Filipino geologists, metallurgical engineers, and mining engineers now work in mines and laboratories overseas. Just recently, Japan opened its doors to thousands of Filipino caregivers to look after its elderly. Australia, for its part, is said to be considering proposals to recruit more Filipino nurses and accountants. Canberra has already opened doors to 20,000 Filipino technical workers (Llorito, n.d.). The list lengthens with each claim that Filipinos are the world's best workers. We, however, remain to be just a country eager to send its best brains and most proficient skills to other countries, completely unmindful of our own shaky future.

References

- Aganon, M. (2006, February 22). *The air transport industry: A think paper*. Prepared for the workshop on the air transport industry.
- Air Transportation Office [ATO] Memorandum Circular No. 1-06 (2006, February 8).
- Anglo-Fil Trading Corp v. Lazaro, 124 SCRA 494 (1983).
- Asis, M. B. (n.d.). *The Philippines: A culture of migration*. Manila: Scalabrini Migration Center-Philippines.
- Ban on skilled workers sought. (2006, February 8). *Manila Standard Today*.
- Barinaga, R. T. (2006, January 31). Privilege speech [transcript]. Quezon City: House of Representatives.
- Bautista v. Juinio, 127 SCRA 329 (1984).
- Binay v. Domingo, G.R. No. 92389 (1991, September 11).
- BusinessWeek*. (2006, March 13).
- Constitution of the Philippines (1987).
- JMM Promotion and Management and Kary International Inc., v. Court of Appeals, G.R. No. 120095 (1996, August 5).

- Llorito, D. (n.d.). Brain drain saps the Philippine economy. *Asia Times Online*.
- Migrant Workers and Overseas Filipinos Act of 1995, RA 8042 (1995)
- Pernito Arrastre Services v. Rafael T. Mendoza, G.R. L-53492 (1986).
- Opiniano, J. (2004). *Our future beside the exodus: Migration and development issues in the Philippines*. Manila: Friedrich Ebert Stiftung.
- Philippine Association of Service Exporters, Inc. v. Drilon et al., G.R. No. L-81958 (1988, June 30).
- POEA Memorandum Circular No. 3 (2006).
- Senate Resolution No. 167 (2005, February 3).
- Statement of the Fair Trade Alliance. (2006, March 23). *Philippine Daily Inquirer*.
- Sun Star*. (November 23, 2005).
- Tan, E. A. (2000, March). Filipino overseas employment—An update. *Discussion Paper No. 003*. Quezon City: UP School of Economics.
- Tan, J. G. Z., Sanchez, F. S., & Balanon, V. L. (2005). *The brain drain phenomenon and its implications for health: Ten strategic solutions for Action by Filipino Leaders*.

Notes

¹ Senate Resolution No. 167, authored by Sen. Juan Ponce Enrile declaring Ople as the "Father of Overseas Employment" reads, in part, thus:

"WHEREAS, the overseas employment program began in 1974 under the administration of the late President Ferdinand E. Marcos when his longest-serving Secretary of Labor, Blas Fajardo Ople, successfully negotiated a labor agreement with the Kingdom of Saudi Arabia and other Middle East countries for Filipinos to work in their oil fields and construction sites. . .

WHEREAS, the world during the early 70's was reeling from the oil shock and the local economy was in a tailspin; then and even now, it was overseas employment program that saved the day for the Philippine economy as thousands of Filipinos sought greener pastures abroad;"

² Executive Order 797 (1982), Sec. 4 reads, "There is hereby created a Philippine Overseas Employment Administration, hereinafter referred to as the Administration, which shall assume the functions of the Overseas Employment Development Board, the National Seamen Board, and the overseas employment functions of the Bureau of Employment Services...."

(a) The Administration shall formulate and undertake, in coordination where necessary with the appropriate entities concerned, a systematic program of promoting and monitoring the overseas employment of Filipino workers *taking into consideration domestic manpower requirements*, and to protect their rights to fair and equitable employment practices..." (Italics supplied.)

³ An exception was granted to the Governor of Hawaii who could hire Filipino workers in case of labor shortage. Between 1946 and the mid 1960s, some 10,000 to 12,000 Filipinos came to Hawaii as workers, military personnel, and war brides. It was not until the passage of the Immigration and Nationality Act of 1965 when nationality-based restrictions were struck down that Filipino immigration grew and diversified.

⁴ On January 31, 2006, Hon. Roseller T. Barinaga, Chairman of the House Committee on Labor, posed a privilege question and filed House Resolution No. 1106 causing the said Committee to, conduct a series of hearings on the subject.

⁵ In an unprecedented effort that united the often competing players in the Philippine aviation industry, industry leaders sought an audience with then DOLE Sec. Patricia Sto. Tomas on November 24, 2005 to call government's attention to the uncontrolled exit of pilots, aircraft mechanics and other critical skills in the aviation industry which threatened not only the viability of the sector but also the national interest. Among the signatories were Philippine Airlines, Cebu Pacific, Air Philippines, Sea Air, Asian Spirit, Lufthansa Technik Philippines, Aviation Partnership Phils., MacroAsia Corp., MacroAsia-Menzies, MacroAsia-Eurest, and Miascor. The government would eventually admit that the concerns raised by the industry provided an eye-opener not only to the problem of mission-critical skills but also to the value of the industry.

⁶ See the statistics of the Civil Aeronautics Board, Department of Transportation and Communication.

⁷ LTP is a joint venture between Lufthansa Technik of Germany and MacroAsia Corp., one of the Philippines' leading investors in the aviation industry. Afterwards, Cebu Pacific also entered into a joint venture with Singapore Airlines to give rise to its own MRO, Aviation Partnership Philippines.

⁸ The air transport industry is highly-regulated. At any time, airlines and service providers have to comply with qualification standards and regulations set not only by the Philippine Air Transport Office (ATO) but also by the International Civil Aviation Organization (ICAO), the international aviation umbrella organization, and by other pertinent aviation regulatory bodies such as the Federal Aviation Administration (FAA) of the United States, the Civil Aviation Department (CAD) of Hongkong, and the European Aviation Safety Agency (EASA) of the European Union.

⁹ There is no efficient headcount of workers leaving for overseas work. POEA statistics capture only those workers utilizing government-authorized agencies. The problem of undocumented workers has hounded the overseas employment program. Many pilots and aircraft mechanics leave the country as tourists to

evade the POEA count and end up fixing their documents in a third country. Thus, even a highly-empowered group as aircraft mechanics has also reported that because of their status, many of them have also fallen prey to the usual problems encountered by undocumented Filipino workers overseas such as unilateral changes in the contracts by the host country.

¹⁰ Data from LTP.

¹¹ Data from PAL

¹² Data from LTP. Data represents basic training activities and may vary from one firm to another.

¹³ There are about 24 authorized flying schools in the ATO registry. They range from the PAL Learning Center (PLC) which has sophisticated flight simulators for wide-body aircrafts to flying clubs giving flight lessons for light planes.

¹⁴ Data from Cebu Pacific. Figures are estimates of basic training courses and may vary from one airline to another.

¹⁵ Data gathered from Atty. Grace Tan of the POEA

¹⁶ Many studies on labor migration agree that the stiff price paid by the releasing economy is that the skills lost are never really replenished and the remittances from the departing skills to their families never fully make up for the loss. While the domestic aviation industry recognized that working overseas is an individual choice it asserted that the departures should be managed and should not dislocate the industry. The leaders of the aviation industry proposed that to build a sufficient MCS pool for the industry, a moratorium of five (5) years on overseas deployment should be imposed. The period is necessary to allow those in training to acquire the licenses and the experience needed to replace those departing for overseas jobs. During this period, the government should not entertain job orders for aviation industry MCS from overseas employers. By accepting job orders, the government would actually be facilitating the departure of these MCS from the domestic air transport industry.

¹⁷ One thing best describes the pace of manpower training in the domestic aviation industry: it is limited and driven by the private sector. The country's leading pilot training facility, the PAL Learning Center, produces at most 24 pilots every year. During a Congressional hearing, the Philippine State College of Aeronautics, in reply to a question from Cong. Lagman, admitted that it graduated just one pilot in 2005. The biggest number of aircraft mechanics in the country is being trained by Lufthansa Technik Philippines (LTP) through its training arm, Lufthansa Technical Training Philippines (LTPP). Given the lead time, there are no quick fixes in the training pipelines of the industry.

¹⁸ The Labor Code provided for *at least* 30 days notice. The rationale behind the longer period was to give the employer ample time to make work adjustments for the remaining MCS. While this provided a window, this did not fully address the problem of the lead time needed before current trainees in the industry could assume full duties.

¹⁹ A close look at the memorandum reveals that it may not be so effective in addressing the problem of brain drain. A draft prepared by the industry also

tackled license renewal for pilots, flight crew members, aircraft mechanics, and aircraft mechanics specialists. But instead of asking for a clearance, it requires that the applicant must have worked on "a *Philippine-registered aircraft, or its components, or an aircraft operated by a company duly organized and existing under Philippine laws, or its components.*"

²⁰ Recruitment agencies could present a potent influence group. DOLE Secretary Sto. Tomas was scored for imposing a ban on deployment to Iraq on the eve of the US war against Saddam. Later on, it turned out that Filipino OFWs kidnapped by Iraqi militants have left the Philippines through various backdoors. Taking advantage of the deregulation policy of the POEA, some recruitment agencies have flaunted the agency's requirement for Letters of Authority (LOA) for foreign principals carrying out recruitment activities in the country. Some of these agencies are also working with foreign counterparts in illegal recruitment activities.

²¹ The POEA requires a six-month notice period for resigning MCS. During the Labor Committee hearing held last August 9, 2006, Usec. Daniel Cruz of DOLE reiterated that while the state could invoke Sec. 5 of RA 8042, such a moratorium may not be effective since it could just drive the departing MCS to use backdoors and end up as undocumented OFWs vulnerable to abuses by their employers.

²² "Section 1. No person shall be deprived of life, liberty, or property without due process of law, nor shall any person be denied the equal protection of the laws." (Underscoring supplied.)

²³ "Section 6. The liberty of abode and of changing the same within the limits prescribed by law shall not be impaired except upon lawful order of the court. Neither shall the right to travel be impaired except in the interest of national security, public safety, or public health, as may be provided by law." (Underscoring supplied.)

²⁴ Deployments are also suspended when the host country is in a state of war, such as in the case of Iraq, Afghanistan, and Lebanon, or when the state of the host country's law and order is in jeopardy.

²⁵ While the POEA's six-month notice requirement froze MCS resignations for the first four months, there are reports that aircraft mechanics leaving for the United States (i.e. Alabama) are using student visas in order to skirt the requirement. Some just go on AWOL to avoid complying with the six-month resignation notice. It is clear that the test of limits will continue as government remains reluctant to adopt a more deliberate policy.

²⁶ "All land, air, and water companies or firms engaged in passenger, freight or tourist transport."

²⁷ Industry publications note how Singapore Airlines, for example, was launched by the Singapore government in 1971 to announce its emergence as an economic powerhouse and was to be the flying ad for the island city-state's self-image. Today, not only is it the world's most cost-efficient it is also known for its excellent service. It enjoys three main advantages: absolute government commitment and understanding of the importance of a strong national airline to economic development, relatively low-cost labor, and geographical hub advantage. Abu Dhabi, Dubai, and Qatar have airlines that have the full support of their respective governments. The business strategies of Emirates

and Qatar Airways are linked with the vision and strategic plans of their respective countries.

²⁸ For the health sector, see Tan et al. (2005).

²⁹ This is pursuant to RA 8042 which was enacted after Flor Contemplacion's execution in Singapore, an incident that sent policymakers into a flurry of belated recognition of OFWs role. Among the privileges embodied in the law include income tax exemptions for OFWs.