

The value (contributions) of the foreign students to Baguio's economy

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Problem question:

What is the level of participation of foreign students in Baguio's economy?

Statement of the problem:

The research seek to acknowledge the estimated contribution of the foreign students and figure the estimated amount they participate in Baguio's economy, emphasize the role they playing and how they affect the locals, further, acknowledge the estimated average monthly expenditure of the student and the level of its impact to the economy, moreover, through the interviews with the foreign students the research will come up with common tips to improve the role of the students within the society.

Keywords: foreign students, participation, income, average

Abstract

The research aims to estimate the level of contribution of the foreign students to the economy of Baguio, Kosgey , Mukaka (2018) With over 61,000 foreign students flocking the country and over 5000 living in Baguio City, knowing the estimated amount that the students spend within the city, and the activities they participate to develop the economy, this can be illustrate by mixed method of research, which is compiling qualitative and quantitative date will be gathered from the participants including the foreign students, and locals conducting business related to the students activities such as, houses owners have majority of students tenants and small grocery stores provide supplies to the students as well, the data gathering tools will be through interviewing the participants, asking questions about the average amount of spending monthly which is the basis of the study.

Background

In the last years, the number of students studying abroad has increased throughout the world, with important results or outcomes for the host universities and countries. In the developing countries there is a portion from outside the country participate to the growth of the economy specially countries can compile between tourism and high education .The advantages of study-abroad programs accrue to the host country as well as to the student. Host countries benefit from international student expenditures on accommodation, food and beverages, entertainment and leisure activities, and, in some programs, tuition fees, not to mention the inevitable taxes,

with a positive impact on the economy. Tomasi , Paviotti and Cavicchi(2020), The most frequently cited reasons for choosing a particular university abroad are the quality of education offered and the attractiveness of the destination for instance, Baguio city one of the favorable destinations and compiling between high quality of education and tourism. In this context, universities and their local areas also benefit when talented international students chose to stay and work in the host country, putting to use the skills they have learned there; this can support the process of innovation and the development of production systems, providing skilled workers for the future of the local area. In addition, international student mobility may promote future international scientific co-operation networks and cross-faculty fertilization, thus creating benefits for the host university, the destination and the students themselves. Tomasi , Paviotti and Cavicchi(2020). Philippines for instance, according to Seasia.co Philippines alone has 7.1 million visitors in 2018. The estimated level of the participation of the foreign students to the local economy, Baguio itself has over 5000 students. In this study will go over the life cycle of the amount spending by the students within Baguio and the amount of participating to the locals income comparison.

Methodology

Research design:

The researcher utilized a mixed between quantitative and qualitative types of study to determine the estimated expenditures of foreign students here in Baguio City that resulted to contribute to the economy as well as the owners from the locals, the study used descriptive quantitative according to the informations provided by the students and websites provides informations about the economy stats, and analytical qualitative to the locals.

Participants:

The participants in total are 12, which can be divided into 10 from the students and 2 from the locals. The following criteria should be met for a student to be included in the study: minimum of residency is one year in Baguio city and the source of the income from outside of the country.

The researcher determine these criteria to assure that the students has participate in the economy of the city from all the aspects, further, the diversity of the nationalities of the students will be implemented among the participants to help the study to be more accurate, moreover, the 2 locals criteria as the following: the locals should have business or facility has relationship to the students expenditures.

Questionnaire and interviews:

After determining the participants, the researcher utilized open ended question and the participant will be asked one question about the expenditure in total because it help the purpose of the study to determine the average estimated contribution of each students, the question will include all the expenditures of the student including the tuition fees.

The question is: how much is your expenditures monthly including tuition fees?

Interview:

The researcher will use the semi-structured interview with the locals, the semi-structured questions follow an open-ended approach. In the interview the researcher gathers answers fully from the perspective of the study participant, and attempts to gain a greater understanding of the answers and relate to the importance of the study.

The questions are as follows:

1. At what level does your business depend on foreign students?
2. What are the changes or values added to your business by the students?

Data collection & analysis

The researcher relies on the diversity of the chosen students regarding nationalities and schools to avoid bias in the results as well as to add value to the study. The gathering of data was through social media by contacting each of the 10 participants, giving them a clear idea about the study and the reason behind asking about their income. After the approval of the students to participate or share the information, they approved as well to declare their nationalities and schools. For the participants from the locals, they were fully cooperated with the researcher and the same procedures were conducted with them.

Analysis of the data

After gathering the data, the researcher will get the average of the total monthly expenditures of the 10 students because it is the basis of the study to estimate the level of contribution and compare it to the stats of the city and interpret how these data can relate to the economy of the city.

Result

The following table shows the monthly expenditures of each student.

Nationality	School	Total monthly expenditures*
Yemen	AMA Computer college	26,000
Eritrea	University of the cordilleras	19,000
Palestine	University of the cordilleras	20,000
Yemen	University of Baguio	23,000
Chad	University of the cordilleras	23,000
Myanmar	University of the cordilleras	27,000
Yemen	Pines city colleges	23,500
Korea	University of the cordilleras	62,000
Nigeria	University of the cordilleras	25,000
Yemen	University of the cordilleras	20,000

*All the figures are in pesos.

After adding all the samples, the researcher will come up with the estimated average of the total of the 10 students' expenditures.

The total of the expenditures divided by the number of the participants as follows:

$$268,500 \quad / \quad 10 \quad = \quad 26,850$$

the researcher will apply this estimated monthly expenditure to the all students in Baguio and interpret the importance and the level of the participation, assuming the annually participation of each student is 322,200 pesos of each student from the over 5000 students studying in Baguio.

The student expenditure comparing to the citizen with minimum wage

According to the national wages & productivity commission the minimum wage is 350 daily, therefore the estimated monthly income is 10,500, the student average monthly contribution is 26,850.

$$26,850 / 10,500 = 2.56$$

If it is considered the expenditures will cover all the wage of the citizen, the student has 2.5x approximately from the citizen to the economy, regardless that the citizen is part of the economy cycle, the purpose of the comparison is to show the estimated level of contribution of each from the expenses aspect, therefore the estimated average contribution of foreign student more by 2.5x than the citizen with minimum wage from to the economy from the expenses aspect.

Comparing the estimated average of student to the average of the local:

According to the salary expert website that the average salary in Baguio city is **251,592** annually, and the estimated average of student's expenditures is 322,200 interpreting as follows:

$322,200 / 251,592 = 1.28$ it could say that the estimated expenditure of the student 1.3x of the average salary of the local.

The total students' contributions

Assuming there is 5,000 students within the city, if the average of the student provided in the study implemented to them all, the calculations will be as follows:

The estimated total numbers of the students within Baguio city	The estimated monthly contributions*	The estimated annually contributions*
5,000	5,000 x 26,850 = 134,250,000	134,250,000 x 12 = 1,611,000,000

*all the figures in pesos.

As shown in the schedule that the approximately contributions of the foreign students to the city's economy, and these figures could be more or less but in both it shows the importance of

the students to the economy, moreover, these divided to all the sectors such as schools, restaurants, real estates and etc., nevertheless, some expenses are not included to the complexity to gather or not covered in the study, such as visa fees etc.

If there is a comparison between the foreign students contributions to the city government's annual budget, according to the Philippines news agency, the Accounting Department chief, Antonio Tabin said the biggest local internal sources are the business and real property taxes and these assure funding of the city's 2019 approved budget of PHP2.175 billion, assuming some of these business are relate it to the students activities, the researcher will compare it in general to emphasize the role of the students contributions

$$1,611,000,000 / 2,175,000,000 = .74 \times 100 = 74\%$$

The same source indicate as well the government annual budget is 2.056 billion in 2018

Comparing to the students contribution as follows;

$$1,611,000,000 / 2,056,000,000 = .784 \times 100 = 78.4\%$$

All the figures and the percentages shows the importance and the level of the participation of the foreign students to the economy and the budget of the government in general.

The population of Baguio city and the foreign students' participation

According to the Philippine statistics authority in 2015 the estimated population is around 345,366. Assuming the total monthly contributions of the 5,000 student will be distributed to each citizen, the calculation as follows: The total monthly contribution of the students 134,250,000 divided by the total of the population 345,366. The result is 388 pesos each citizen can get from the students contribution if it is distributed directly to them.

The interview:

The result of the interview will be separated for each respondents because the different businesses and opinion as well. The owner of the grocery (sari-sari) store answered the first question with indicating the importance of the students and the reason to enlarge the business, moreover, the students have good impact to the business with the locals as well, the owner added the business targeted all the residents of the area and the business depend on them all and on the purchasing power of them. For the second question, the owner enumerate the changes in the term of the commodities the more favorable to the students, expanding the roster of the products which leads to increase in the profits of the business, further, about the values the owner emphasize more on the relationship with the students and how reliable customers they are, ultimately, the owner became more aware about the different cultures of the students.

The second respondents is the owner of boarding house that renting apartments to the students. For the first question, the owner said that the business is 70% of the income of the family and all the tenants are foreign students. The second question feedback, the owner expand the boarding house by building more apartments to accommodate more students and increase the income, the owner add by emphasizing the role of the students to the family's source of income and the business.

Discussion and conclusion

The foreign students are important to any country they study at and they have significant contribution to the economy, in the other hand the student benefit from the country itself by gaining new language, culture, experience and knowledge, it is a mutual benefit between the country and the students.

There are another benefits by the students for instance, one student can invite many to study within the same country, and it is happening either by inviting tourists or students which increase the benefits to the country. Another expenses can be discussed such as immigration or visa fees, significant amounts contributed by the students to the government through the visa's fees. There are businesses conducted by students which contribute to the economy and to the locals either by hiring them or entertain them with the services such as restaurants. Many nationalities are here in Baguio city and there is difference on the level of contribution in term of monthly expenditures, it found in the study the Korean student have an average contribution higher than other nationalities in the survey but for sure it depends on the financial situation of the student. The students enjoying the standards of the living within the city of Baguio because some students indicates that Baguio is cheaper than other cities which reflect with benefits to the students and leads to attract more and more of the students besides the high education and the schools conducting in the city. The locals of the city are kind to the students and more familiar with the cultures of the students as well as the students they become more familiar with the cultures of the city and follow all the regulations implemented by the government.

Conclusion:

1. The students are significant to the economy of the city
2. The level of participation more than good in term of monthly expenditures
3. The businesses of the locals has variety on the level of dependency to the activity of the students
4. Mutual benefits between the city and the students, the student enjoys the high education with lower standards cost of living, and the city economy increase with the level of participation of the students.

Scope and limitation

Most of the informations that will be provided in the study are estimated and according to the respondents, survey question to limited number of foreign students as well as locals, the study might not give the absolute results, but will be more depend on how interviewees accurate in their answers, further, the research will be narrowed to a limited number of current students within the city and locals owning business that depends at most on the foreign students activities, limitations of time will prevent the researcher to cover all the aspects instead will focused more on the main ones, some informations will be gathering from the personal experiences of the researcher as he a foreigner as well and some related literatures as well as websites provide informations related to the study.

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