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Editor's Notes

Working overseas is perceived as a personal decision of individuals who wanted to seek better opportunities for themselves and for their families. Eventually, it has become a phenomenon that we now refer to as the Filipino diaspora.

As reported, there are currently more than four million overseas workers around the world forming a breed of "modern day heroes" owing to the significant impact that the continuous flow of their remittances have on our economy. At the other end of the coin, so to speak, is the impact that the diaspora is making on the quality of life of the families left behind by the overseas workers.

International migration as a development concern took center stage in this year's observance of the 6th Development Policy Research Month (DPRM). The DPRM, which was initiated primarily to promote policy research and the critical role it plays in decisionmaking, provided the perfect opportunity for stakeholders to discuss the implications of international migration not only in the context of economic gains but more importantly, on the social level. How

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The Philippine diasporic dividend: for the OFWs, their families, and the country

Much has been said about how remittances sent by Overseas Filipino Workers (OFWs) have helped their families attain comfortable lives that would not have been possible had they stayed in the country. OFWs are heralded, too, as "Modern Day Heroes" because their remittances save the Philippines from further economic slump.

In a speech titled "Maximizing the Philippine Diasporic Dividend" based on a study with the same title authored by Dr. Fernando Aldaba and Prof. Jeremiaah Opiniano, chairperson of the Department of Economics, School of Social Sciences, Ateneo de Manila University and executive director of the Institute for Migration and Development, respectively, remittances are said to be the only bright spot in the Philippines right now as shown from surveys on globalization. However, it was also pointed out that there are other opportunities aside from remittances that can provide migration gains. These are skills and technology transfer, network and market access, and political bonus.

The speech presented at the conference on "Managing the Development Impact of International Migration" in celebration of the 6th Development Policy Research Month (DPRM) on September 23, 2008 at the NEDA sa Makati Building expounded on the link between international migration and the development issues at the macroeconomic level.

Primarily, remittances are maximized through consumption, with OFWs spending on housing, clothes, household appliances and mobile phones, among others. With Filipinos giving premium to education, a huge portion of the money sent home are allocated to education. This investment in



Filipinos give premium to education; that is why a huge portion of the remittances sent home are allocated for the education of children.

human capital, indeed, is seen as an advantage for the families and the country in order to produce highly educated and skilled population needed to strengthen labor productivity.

In addition, OFWs have engaged in product investments, particularly in savings, as well as low-to-high risk financial market instruments, real estate, and even in trying their skills in actual entrepreneurial activities. Government intervention in the form of financial literacy for OFWs and their families would greatly assist them arrive at informed decisions. Moreover, the government is enjoined to provide incentives to those who have embarked on said investments in order to create a sound business environment that is crucial in generating jobs.

Remittances have also found their way in helping not only the OFWs' immediate families but also the OFWs' hometown communities through their philanthropic contributions. As such, OFWs have been known to support the basic social services, physical, and human capital needs of their rural folks.

"Brain gain" or skills and technology transfer, meanwhile, has its own share of debate in the effects of international migration. Thousands of Filipinos leave everyday com-

pounding the "brain drain" scenario prevalent in the country. To counter this, the Philippines can make use of the knowledge, business acumen, and skills that overseas Filipinos have learned abroad. With their desire to return home, brain gain can be the silver lining in the Philippine international migration picture.

According to Aldaba, also the current president of the Philippine Economic Society, this "patriotic investment" can be put into reality by forming nongovernment organizations and hometown associations that will be supported and guided by professionals and skilled workers who have decided to make the Philippines their home again.

OFWs are also considered as the Philippines' "ambassadors" across the globe. If they can be utilized to take advantage of their wide networks and market access, these migrant workers will be effective promoters of Philippine local products and services. Sectors that may highly benefit are garments, processed foods, furniture, information technology, and business processing services.

Developed countries where Filipino workers are located have also been the source of awareness for OFWs on how responsible leaders should run their nations and serve their people. This exposure may be able to plant some seeds of hope that the same development in their host countries may also occur in the Philippines.

However, this can only materialize through proper selection of public servants. Reform-minded OFWs can influence their families back home to choose worthy leaders. Indeed, this is aptly called "political bonus" for the Filipinos.

Where are the gains?

First and foremost, remittances may be central to OFWs, their families, and the country, but there is a weak link between remittances and investment in the country, according to Opiniano, also an Assistant Professor at the University of Santo Tomas.

He added that remittances have not been directed to create an environment conducive to attract investors, either foreign or lo-

cal, to the country, example of which is the establishment of infrastructures vital to business. Thus, aggravated by higher cost of living, low wages, and political instability, international migration has continued to proliferate.

The crucial eight sectors

Potential gains from international migration are still elusive and can only be achieved through the necessary attention and action of the government, especially in eight critical sectors.

At the top of the eight sectors is *agriculture* that provides income to majority of the rural population. Data have shown that 2/3 of OFWs come from the countryside which thus become automatic recipients of huge remittances. However, property rights issues have hindered the use of remittances in the farmland. Hence, many of the residents have instead looked at overseas migration as a more profitable choice than to stick to rural jobs.

Migrant workers consciously put their money to *education and health*. Ironically, with the lack of employment opportunities in the country, their sons or daughters who could have been part of the educated and skilled labor force crucial to achieve a stronger economic environment for the Philippines are driven out to work abroad.

On the other hand, health issues involve both the OFWs and their families. There are mandated government agencies that provide these health services. But in the case of the OFWs, not all are members of the Social Security System and Philhealth nor are they satisfied with the services they can avail from the Overseas Workers Welfare Administration (OWWA). Instead, the OFWs hold on to their money as their own insurance if and when the need arises.

In light of the difficulties in the *agriculture, education and health sectors*, Aldaba and Opiniano shared some triumphant stories of OFWs, OFW groups, and associations that supported the said three sectors and were able to reap excellent rewards. This proves that the OFWs' supported advocacies within or outside their own communities do create development.

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Knowing the welfare, rights, and conditions of overseas Filipinos and their families is key to maximize the Philippine diasporic dividend.

Infrastructure and social development projects are other avenues for the philanthropic activities of OFWs. Through donations from migrant workers, public parks, school buildings, and hospitals have been built in their hometowns.

Financial markets are also creating for themselves the impression of a wise and secure choice of investments for OFWs. Yet, while there are a number of financial literacy activities available for them and their families, OFWs hold back due to their lack of business skills and dislike of the risk involved in the financial markets. Meanwhile, correctly addressing these issues may be able to present solid economic grounds for OFWs and their families to be financially independent. They would be released from their dependency in remittances, and in the long-run, from international migration.

Completing the eight sectors are the *information and communication technology and tourism* sectors. Opiniano mentioned that US-based "technopreneurs" are being tapped to bring IT investments to the country. The tourism sector is another spot that would benefit from the OFWs' linkages. Indeed, there are more beaches, islands, and other interesting places waiting to be discovered. The hospitality industry as service provider for the needs of the tourists will like-

wise benefit from the would-be influx of tourists to the country.

But there are limitations...

Working abroad is a gamble every Filipino migrant worker needs to play in order to win and reap his rewards. Still, there are circumstances that challenge his ultimate victory (win-win solution).

High costs of remittances have persisted, cutting 10–20 percent from the total remittances. A number of recommendations were raised by Aldaba and Opiniano, such as: (a) let remittance services be a self-standing competitive industry distinct from banking services; (b) let grassroots financial institutions such as cooperatives, rural and thrift banks, and microfinance institutions access migrants' remittances to improve competition and reduce costs; (c) find ways for the 900, 000 undocumented Filipinos to access formal financial institutions and remittance channels; and (d) undertake bilateral initiatives to establish greater access to remitting countries' financial markets for Philippine banks and banking products to encourage more formal remittances.

There are also concerns on the *insufficient incentives for return migration*. Many returnees have immediately found their way back abroad after realizing there are no work opportunities for them in the Philippines. Now is the perfect time for the business sector to give returning migrant workers access to credit, Aldaba and Opiniano recommended.

Labor Assistant Secretary Ma. Teresa Soriano said that the government reintegration programs complete the OFWs socioeconomic rights. Personal, economic, even spiritual reintegration programs are available for returnees, she added.

It has always been reiterated how OFWs give high importance to education. But with the *deteriorating quality of education* due to weak budgetary support from the government, those who are left behind may lack the capability to perform their tasks and duties. Thereupon, OFWs are sometimes discouraged from further investing in education due to its low quality.

Coordination failure in rural development and agriculture will hinder the possible gains from migration, which for years have suffered because of scant investment. There is a need to address property rights issues, financial access, and infrastructure, as well as agrarian and asset reform to revive the countryside.

More importantly, Opiniano called for an *explicit policy on international migration*. He added that the "explicit" migration policy would outline migration as a complementary resource and not as the primary option for development. It will mirror the comprehensive framework and policy on overseas migration and its role in the country's development.

This policy should include a safer labor market that offers high wages to migrant workers, government agencies having efficient and systematic efforts to protect and uphold their rights, and creating programs and incentives that would channel OFWs' resources to the benefit of the migrant workers and their communities.

Conclusion

The state of Philippine society reflects the dependence on international migration and remittances for development. To maximize the development impact of international migration, focus must be on the OFWs who are the country's most important development assets.

More than sending remittances, migrant workers play a big role in promoting investments, skills and technology transfer, and political maturity to the country. These diasporic dividend can likewise pave the way for overseas migration to be the catalyst in looking at overseas migration as an option and not a need for personal and professional growth.

More importantly, maximizing the development impact of international migration calls for a comprehensive migration plan that would protect the rights of OFWs and help channel their resources to economic and social programs that would result to an encompassing development for all. **CSM**

Capturing the dynamics of international migration through research and data

In 2007, the Bangko Sentral ng Pilipinas (BSP) disclosed that Overseas Filipino Workers (OFWs) sent a total of US\$ 14.4 billion in remittances equivalent to almost 10 percent of the country's Gross National Product (GNP). Recent statistics also showed that Filipinos abroad reached 8.7 million, with OFWs comprising about 47 percent and permanent migrants, 42 percent. The huge amount of remittances—that steadily increases through the years—kept the country afloat amidst persistent economic problems.

As such, migration is synonymous to remittances and one cannot be discussed without the other, specifically in the Philippine context. Remittances to families left behind made it possible for OFWs to own a house, send their children to private schools, and other resemblance of economic benefits.

While Philippine Institute for Development Studies (PIDS) President Josef Yap recognized the invaluable contribution of OFWs' remittances to the country's growth, he likewise mentioned the social effects on the families left behind. He cited a UNICEF-commissioned study by Rosemarie Edillon on "The Effects of Parents' Migration on the Rights of Children Left Behind," which showed that long-term absence of one or both parents resulted in having children who are more emotionally troubled compared to children who enjoy the company of their parents.

He also noted that any discussion on international migration should likewise try to address statistical gaps from various government agencies in order to come up with a solid basis in crafting policy research. Thus, in celebration of the 6th Development Policy Research Month (DPRM), the PIDS focused

on the vital role migration plays in the lives of Filipinos and of the country as well. The Institute is lead agency designated to lead and coordinate the annual observance of the DPRM. As per Malacañang Proclamation No 247, the month of September of every year is declared as DPRM to highlight the important role of research in policy formulation.

This year's theme "Managing the Development Impact of International Migration" seeks to find the balance between the cost and benefits of international migration. The conference held on September 23, 2008 at the Romulo Hall of the National Economic and Development Authority (NEDA) Bldg,



Highlighting the month-long celebration of the 6th Development Policy Research Month is a conference on "Managing the Development Impact of International Migration" held in Makati City. Photo shows Philippine Institute for Development Studies (PIDS) Senior Research Fellow Dr. Aniceto C. Orbeta Jr entertaining questions from participants during the open forum. With him (from L to R) are Institute of Migration and Development Issues Executive Director Prof. Jeremiaah Opiniano; PIDS President Dr. Josef T. Yap; Department of Labor and Employment Assistant Secretary Hon. Ma. Teresa Soriano; and Ateneo de Manila University-Department of Economics Chair Dr. Fernando Aldaba.

Makati City, served as the avenue for distinguished guests from the government, academe, nongovernment organizations, and private sector to propose better development objectives at the macro and micro levels. It also sought to recommend solutions on how to bridge the gap between conflicting data generated from various agencies.

The first session “International Migration and Development at the Macro Level” stressed the issues involved in relation to international migration and development. Dr. Fernando Aldaba, chair of the Economics Department, Ateneo de Manila University and president of the Philippine Economic Society, and Prof. Jeremiaiah Opiniano, Executive Director, Institute of Migration and Development Issues, tackled the overall effects of remittances to the country’s economy in their paper “The Philippine Diasporic Dividend: Maximizing the Development Potentials of International Migration.” They also discussed the possibility of using the skills of OFWs in creating businesses in their home provinces as well as sharing the knowledge they have learned from their foreign jobs.

In Session 2: “International Migration and Development at the Household/Community Level,” Dr. Fabio Baggio, director of Scalabrini Migration Center (SMC), shared the study that the center conducted which indicated that broken or double families are becoming more of a reality due loneliness and economic problems of OFWs.

The study titled “Factoring in the Social Dimensions of International Labor Migration: The Philippine Experience” also highlighted the dependence on remittances of OFW families. Because of this, other family members have lost interest in finding a job to help augment family income. Moreover, migration mentality or the culture of migration is now the norm with children of OFWs, seeing migration as the only chance of achieving personal and professional growth.

Dr. Baggio, however, surmised that social cost is a new topic in the research and policy agenda and still lacks adequate scientific studies. This is where statistical data play a crucial role in providing quantitative vari-

ables that would give credibility to the social cost(s) of migration, particularly on the negative effects.

In Session 3: “Data on International Migration and Remittances,” representatives from the Commission on Filipinos Overseas (CFO), Atty. Golda Roma, acting deputy executive; Philippine Overseas Employment Administration (POEA)-Planning Branch Dir. Helen Barayuga; Department of Economic Statistics, Bangko Sentral ng Pilipinas (BSP) Deputy Director Rosabel Guerrero; and National Statistics Office (NSO), Deputy Administrator Monina Collado, explained how their respective agencies generate and process data.

Stock estimates of Filipinos overseas are generated by the CFO encompassing permanent migrants, their children, and the OFWs. The POEA data, on the other hand, come from the deployment of OFWs and are classified by type of hiring; major world group; and top destinations. For the seafarers, data are composed of deployment of seafarers by flag of registry; skills; and vessel types, among others.

The BSP, for its part, deals with records of remittances in the country’s Balance of Payment (BOP). It is also the agency mandated to compile and release BOP data. And the NSO conducts the Survey of Overseas Filipinos (SOF) as a rider to the Labor Force Survey.

Indeed, said government agencies acknowledge the need to harmonize their data in order to provide accurate, consistent, and timely data fundamental to policy analysis and formulation.

As remittances are part and parcel of international migration, starting from personal consumption to investments, another area of use for remittances in the form of philanthropic activities is slowly being introduced as an option where remittances can be put to an advantage.

This was the focus of Session 4: “Alternatives for making the most out of remittances” where presenter Guillermo Luz, executive vice president of Ayala Foundation, intro-

duced the Ayala Foundation USA initiative that was organized as a public charity in the United States of America in the year 2000 and which focuses on Filipinos in America.

The foundation aims to be the link for these Filipinos to support various social projects in the Philippines. Primarily, the Ayala Foundation USA facilitates projects in education and training; social welfare; pastoral ministries; enterprise development; health; arts and culture; and environment.

Valuable ideas and insights were also imparted by the knowledgeable discussants namely, Department of Labor and Employment Assistant Secretary Ma. Teresa Soriano; Professor of Sociology from the University of

the Philippines and PIDS Board of Trustees Member, Dr. Ma. Cynthia Rose Bautista; PIDS Senior Research Fellow, Dr. Aniceto C. Orbeta, Jr.; Microfinance Consultant Dr. Ma Piedad Galias; and CFO Chief, Immigration Services Office, Maria Regina Galias.

Department of Labor and Employment Secretary Marianito Roque's closing remarks (see full text of Secretary Roque's speech in the accompanying Box), as read by Undersecretary Rosalinda Baldoza, reiterates the central role of policy research in the area of international migration. This, of course, according to Sec. Roque, should be complemented by accurate data and research tools in order to craft improved migration policies that would be responsive to the needs of the OFWs. **CSM**

Box 1. Closing Remarks of Hon Marianito Roque, Secretary, Department of Labor and Employment

At the outset, allow me to commend the Philippine Institute for Development Studies for organizing this conference, with a very timely theme, "Managing the Development Impact of International Migration." It is truly my pleasure to join you in the celebration of your founding anniversary and the Development Policy Research Month.

Through the years, the Institute has been doing an excellent job in implementing a research program that is of major influence to our national development plans and policies. It continues to undertake comprehensive researches and studies on areas that practically affect our social and economic well-being. I am glad that this time, it brings to the table the nexus between development and international migration as subject of national discussion.

With the presentations and intellectual views expressed throughout the day, it is clear to us now that international migration, indeed, has taken a life of its own. It has become a buzzword not only in the

domestic front but also in the global community. From Asia to Europe, Africa to America, migration and development have become a legitimate topic in many social dialogues among world leaders and policymakers.

Proof to this is the forthcoming 2nd Global Forum on Migration and Development, which will be held next month here in the Philippines. This will bring together in one conversation senior leaders from all over the world to discuss the multidimensional aspects, opportunities, and challenges of international migration.

Today's conference actually makes a good prelude to the Global Forum. I was informed that the discussions had been lively and insightful. There is all the more reason to be insightful because your views and ideas could be heard all over the world. Those are rich inputs to the Global Forum which seeks to foster among different nations ways of harnessing the development potentials of international migration.

* Read by Undersecretary Rosalinda D. Baldoz during the Conference on Managing the Development Impact of International Migration held on September 23, 2008 at the Romulo Hall of the NEDA sa Makati Building in Makati City.

Data research: vital tools in policymaking

I am impressed because we are ahead of the conversations. While foreign participants are still underway to the conference, here we have already talked about migration through a research-oriented activity. On occasions like this, we should commend researchers for being passionate enough to explore and express ideas that affect the different aspects of life, including migration for work. Researchers are deemed catalyst of change; they define the course of our national development goals and agenda through research.

As we all know, researches are best tools for unearthing new sets of ideas and opportunities. These are effective mechanisms for discovering wider perspectives and finding solutions to problems in the rapidly changing world. And in this era wherein migration has become a natural phenomenon, data and research tools are equally important for us to capture and determine the dynamics of international migration.

Through data and research tools, we get to recognize the contribution of overseas Filipino workers to our economy through dollar remittances, which according to Central Bank has surged to 9.6 US billion dollars in the first seven months of this year. We get to know the impact of migration on the home communities of the migrant workers. We get to document the linkages between diaspora and development.

Challenges in data and research tools

It is true that considerable amount of work has been done to strengthen data and research tools necessary for policymaking. However, as emphasized by the Friends of the Forum, the governing Board of the Global Forum, there remains a number of issues and challenges and there is still much work to be done.

First, challenges in strengthening data gathering. Some have expressed concerns over the assumption that efforts to improve migration data may be out of focus. Instead

of focusing too much on improving data on remittances, maybe we could shift to focusing on improving data on migrant workers and migration flows.

Second, challenges in strengthening impact assessment. There have been anecdotal evidences showing the connection between migration and development, but these have never been assessed extensively. We need to work on strengthening the mechanisms for assessing the development impact of international migration on our country.

And last, challenges in strengthening policy assessment. While we recognize the linkage between international migration and development, it requires us to recognize migration policies too. We need to assess our migration policies in terms of efficiency and responsiveness to the dynamics of the global economy.

Conclusion

Those are just three of the challenges that policymakers and researchers need to look into. Actions are needed because we all know that quality data and research tools are vital in enhancing our migration and development policies.

Rest assured that we at the Department of Labor and Employment will continue to support and give importance to research-related undertakings, as we believe that there are a lot more to discover, a lot more to explore, and a lot more to improve on in our migration policies, programs, and approaches.

In closing, I would like to congratulate the paper presentors, discussants and participants who shared their knowledge and expertise on international migration. I am confident that the sharing and exchange of ideas throughout the day will shape a common vision among us to set the right direction towards improving our migration and development policies. It is indeed my pleasure to bring this conference to a close. Thank you very much!

Measuring the social costs of migration

The second session of the conference on Managing the Development Impact of International Migration in celebration of the 6th Development Policy Research Month (DPRM) focused on the social effects of international migration—a newly considered topic in the research and policy agenda.

At the household level, migration has caused changes in the image and values of Filipino families through the emergence of “transnational families,” or families with members residing separately at different parts of the world

Dr. Fabio Baggio, director of the Scalabrini Migration Center (SMC), in his presentation “*International Migration and Development at the Household/Community Level*,” related that transnational families are exposed to vulnerabilities due to the absence of one or both parents, exchange of parental and family roles, and other contingent factors such as household economy, “machismo,” and gendered roles.

As a result, there is high dependence on extended families and household management is suffering especially when the mother is the migrant.

The occurrence of broken and double families is also noticeably increasing among migrant workers. It is said that the traumatic experience of loneliness and separation from family tend to make migrant workers seek attention and affection from fellow migrant Filipinos. Regardless of the immediate and yet temporarily found acquaintance with fellow nationals, migrant workers subsequently face further economic responsibilities and even the burden of sustaining more than one family.

Sociology Professor Cynthia Bautista of the University of the Philippines also noted that overseas workers, especially those who are living doubles, i.e., with double partners/families, sometimes find it difficult to return to the Philippines. This may stem from the new sense of autonomy, or reinvented identity that they experience brought about by their having to live on their own abroad due to migration.

It is also interestingly important to know the social costs of migration on the children left behind. An SMC national survey in 2003 of 1,446 children aged 10-12 years old showed that (a) children of migrants perform better in education and in health; (b) they cooperate less in household work; (c) they possess more mobile phones, through which parental control/supervision or “cellphone parenting” is exercised; and (d) children of absent mothers are more affected by migration.

Dr. Baggio added that other studies show that the effect of migration is later felt among



The long-term effects of migration parenting on children are somehow difficult to assess.

children when they could already understand and compare their situation with other children. The long-term effects of migration parenting on children, though, are somehow difficult to assess.

Prof. Bautista, for her part, agreed that the effects of migration on children may be difficult to assess. Many studies, for instance, show that there is no significant negative impact of migration of one or both parents on children. The 2003 SMC survey, in fact, shows the resilience of nonmigrant family members left behind. However, there are also other studies that show that there is an unexplained gap between children and parents and a sense of inadequacy among children left behind because of the migration of either parent.

Consequently, it is observable that financial planning of families is increasingly becoming dependent on the remittances being sent by migrant members. Lack of participation of the nonmigrant members in the family sustenance is also becoming an increasing phenomenon.

In a sociological viewpoint, the SMC Director stressed that migration has now become a “family investment” or investment of extended families. Instead of getting loans from banks, migrants usually ask for financial assistance from extended family members. However, debt that is spent to send a family member abroad owed from the extended family goes beyond paying the actual debt. This is because it involves moral commitment of being able to offer help to the lending family member whenever the need arises.

At the community/society level, progressive impoverishment of the societies of origin is the primary noticeable cost of migration. Huge state investment on education and social assistance are lost with the migration of skilled “exceptional” workers at their productive age. Those who migrate, according to assumptions of some migration theorists, are usually the best human resources who may be able to effect change to society.

Dr. Baggio mentioned that brain drain and the exodus of “experienced” professionals

form part of the progressive impoverishment of societies of origin and are actual threats to sustainable development. Although there is hope that these migrants would return, it does not normally happen.

It is also to be noted that the constant migration circle molds into a resilient migration culture or mentality that greatly affects the new generation, making them think that migration is the only possible way to gain and achieve personal and professional success. This is reflected in the 2003 SMC study that reveals that almost 50 percent of the respondents have already entertained thoughts to work abroad while 30 percent of Filipino adults would migrate if given the chance, according to a Pulse Asia Survey in 2006.

The development of migration mentality or culture has become a threat to a sound vocational orientation of the youth as decisions on their professional careers are strongly conditioned by overseas labor market such as the high demand for nurses, caregivers, and seafarers. Schools and courses offered are in turn established “ad hoc”, giving little importance to the personal and skills inclination of the youth. Moreover, there seems to be little concern for what the country might need in the future.

It has likewise been observed that the Philippine “deployment” policy or promotion of massive migration seems to be an instant development strategy for the country. However, the inflow of foreign exchange and remittance from migrants cannot negate the real problem of national development, which can only be achieved through sound development policies.

Dr. Baggio stressed that there is a need to link development and migration policies at the national and local levels. The migration and development nexus should not, however, lead us to think of migrant workers as “milking cows.” Instead, national development should not depend solely on migrants and their remittances. There is indeed a need for a policy that would correctly address the vicious circle of migration as well as the lack of effective and attractive programs for the reintegration of returnees.

Taking stock of Filipinos abroad and the remittances they send

The phenomenon of international migration poses a need for an established system of capturing information that could be used as basis for program planning and policy formulation. Recognizing this need, the third session of the conference on international migration held recently in Makati City was devoted to data on migration and remittances, the methodologies used, and some estimation issues.

Atty. Golda Roma, acting deputy executive director of the Commission on Filipinos Overseas (CFO), reported that in 2007, there were an estimated 8.72 million Filipino overseas (around 10% of the entire Philippine population). This covers 192 countries in almost all continents. The bulk of the stock, Atty. Roma added, consists of temporary migrants or the Overseas Filipino Workers (OFWs) at 4.13 million (47%). The number of permanent residents was second highest at 3.69 million (42%) while the remaining constituted the 900,000 irregular migrants. Except for irregular migrants, the number of Filipinos overseas has increased through the years (Table 1).

While the CFO conducts registration of all departing Filipino immigrants and permanent residents abroad as well as Filipino nationals who leave the country as spouses, partners, or fiancées of foreign nationals, the Philippine Overseas Employment Administration (POEA), on the other hand, is specifically tasked to document the OFWs. In terms of deployment destination, the Middle East remains the top destination at 60 percent followed by Asia (27%); Europe (6%); Americas (4%); and other destinations (3%).

Director Helen Barayuga of the POEA-Planning Branch said that the data that they generate serve as inputs to research, planning

and policy formulation, marketing plans, stock estimate of Filipinos abroad, the system of national accounts, and estimation of total OFW remittances. POEA-generated data, categorized into landbased and seabased workers, are also being used by the CFO, the Overseas Workers' Welfare Administration (OWWA), and the Philippine Health Insurance Corporation (Philhealth).

Considered as a major source of the country's foreign exchange, remittances from the OFWs are recorded in the country's Balance of Payments (BOPs) which contains the economic transactions between residents and the rest of the world for a certain period. The *Bangko Sentral ng Pilipinas* (BSP) is the agency responsible for the compilation and release of BOP statistics.

The remittances data published by the BSP are based on bank reports, the latest of which covers January to July of this year amounting

Table 1. Estimated number of Filipinos overseas, in millions

Year	Permanent Residents	Temporary Residents	Irregular Migrants	Total
1995	-	-	-	6.41
1996	1.92	2.71	1.86	6.49
1997	2.15	2.94	1.88	6.97
1998	2.33	2.96	1.91	7.20
1999	2.48	2.98	1.83	7.29
2000	2.55	2.99	1.84	7.38
2001	2.74	3.05	1.62	7.41
2002	2.82	3.16	1.60	7.58
2003	2.87	3.39	1.51	7.76
2004	3.19	3.60	1.30	8.08
2005	3.39	3.65	0.88	7.92
2006	3.56	3.80	0.87	8.23
2007	3.69	4.13	0.90	8.72

Sources: CFO, DFA, POEA, and other sources



Atty. Golda Roma (center), acting deputy executive director of the Commission on Filipinos Overseas, discusses some of the constraints in the current system of stock estimation. With her are PIDS Senior Research Fellow Dr. Gilberto M. Llanto and Director Helen Barayuga of the Philippine Overseas Employment Administration-Planning Division.

to US\$9.6 billion. In 2007, remittances grew by 13.2 percent to reach US\$14.5 billion. The robust inflows, according to the BSP report, resulted from continued demand for OFWs and improved delivery of financial services.

It should be noted that the reported figure corresponds only to cash remittances which passed through the banks. As Acting Deputy Director Rosabel Guerrero of the BSP Department of Economics and Statistics emphasized, there are a lot of remittances that do not pass through the banks—these are brought home by the workers themselves or sent through relatives or friends—called the informal channels.

To account for the amount coursed through the informal channels, the BSP uses a raising factor based on the Survey of Overseas Filipinos (SOF). Conducted by the National Statistics Office (NSO), the SOF is an annual, nationwide survey that gathers information on Filipino citizens who left for abroad in the 5-year period prior to survey date including how remittances are sent to the family left behind.

Deputy Administrator Monina Collado of the NSO related that said information are used by the BSP in accounting for the remittances sent through the informal channels. The SOF estimates that in 2007, the 1.75 million OFWs sent an amount of Php110 billion worth of remittances.

Reconciling different figures from different data-generating agencies (as seen in the varying figures of the CFO, BSP, and NSO among themselves and from other sources) remains as one of the major challenges in stock estimation. As PIDS Senior Research Fellow Dr. Aniceto Orbeta Jr. observed, there is a substantial difference of 5 million between the CFO's stock estimate of 8.7 million and that of the World Bank's 3 million. In terms of remittance, Dr. Orbeta mentioned that the World Bank's estimate for 2007 is US\$17 billion while the BSP's is US\$14.4 billion.

This is likewise admitted by the presentors themselves as they have cited the non-comparability of the figures produced by the NSO to those produced by the POEA and CFO. Interagency meetings are continuously being held to address the need to improve headcount of migrants, particularly those who left through backdoor channels, those counted as tourists upon departure, overseas workers who have changed status and acquired a foreign nationality, and returning migrants, among others.

Moreover, PIDS President Dr. Josef T. Yap expressed uncertainty with regard to the basis in choosing a base year since the stock estimate largely depends on it. Ms. Collado recognized this weakness and said that the first step in improving the stock estimate is revising the base data which the NSO plans to do by gathering all information on deployment, registration, and departures from the Bureau of Immigration for the past five years.

The data generated by the agencies concerned provide a very rich resource for analyzing the critical issues on international migration. However, the ones that are available are not presented in their raw form so that researchers would be able to do nuanced analyses. Dr. Orbeta emphasized the example of NSO in consistently preparing public use files of the SOF and that it should be emulated by other data-generating agencies.

Considering that international migration is a dynamic phenomenon, it needs to be analyzed through time. In particular, Dr. Orbeta related that though the current flows of workers and remittances are of interest, there is

OFWs as philanthropists?

It is a well-known fact that remittances sent home by overseas Filipino workers (OFWs) and other Filipinos living overseas are among the major resources that keep the Philippine economy afloat.

How these remittances are spent is one of the key points in the fourth and final session of the “Conference on Managing the Development Impact of International Migration” held recently in celebration of the 6th Development Policy Research Month.

Mr. Guillermo M. Luz, executive vice president of the Ayala Foundation, in his presentation “*Alternatives for Making the Most of Remittances: The Ayala Foundation Case,*” showed a profile of Filipino migrants worldwide and in the United States of America. With 1.45 million Filipino migrants in 2005, Luz said that the Philippines ranked tenth in terms of international migration “dyads”—pairing countries of origin with countries of destination (Table 1).

Related to this is the global picture of remittances which reveals two things: (1) that the Philippines is one of the countries getting more than US\$ 10 billion a year in formal remittances; and (2) that the Philippines has a high dependency on remittances as shown by its percentage of GDP (10–14.9%).

In terms of spending, Luz enumerated four areas, namely: consumption, investment, entrepreneurial activities, and philanthropy or charitable giving. The bulk of remittances are spent through consumption in the Philippines while some go to investment; mostly through the acquisition of properties specifically housing.

The fourth area of remittance spending is not a very large segment yet but is something

that has a lot of potential. Specifically, Luz presented the alternative of philanthropy or what is also called “diaspora philanthropy” as a way of spending the remittances by citing the case of the Ayala Foundation USA (AF-USA).

In terms of migrant grouping in the USA, Filipinos are considered the second largest group, representing 4.4 percent of all migrants in the country and with almost half (45.6%) living in California. One in five migrants arrived in the USA in 2000 or later and 64 percent of these are adults of working age. Half (49.6%) of all Filipino migrants aged 25 and older have at least a bachelor’s degree. Almost a third of employed female Filipino migrants were engaged in healthcare occupations. Data also show that Filipino migrants mostly had occupations in health care, administration, management, business, and finance.

Table 1. Top 10 international migration dyads

Rank	Country of Origin	Country of Destination	Number of Migrants (in million)
1	Mexico	United States	9.34
2	Russia	Ukraine	4.87
3	Bangladesh	India	3.81
4	Ukraine	Russia	3.56
5	Kazakhstan	Russia	3.58
6	Russia	Kazakhstan	2.19
7	Afghanistan	Iran	1.86
8	Bangladesh	Pakistan	1.57
9	Turkey	Germany	1.51
10	Philippines	United States	1.45

Source: *Migrant Origin Database, Development Research Centre on Migration, Globalisation, and Poverty, University of Sussex. Cited by Ayala Foundation.*

<http://www.bayanadvisory.com/images/oaks1.JPG>



Remittances from overseas workers are mostly spent on consumption goods and acquisition of properties such as a house.

Keeping this profile in mind, the AF-USA was organized in late 2000 as a public charity and registered with the US Internal Revenue Service as a tax-exempt organization. As Luz described, the foundation aims to become the bridge between Filipinos in the US and the Philippines by creating opportunities that facilitate meaningful contributions to Philippine social development initiatives.

The AF-USA provides US-based Filipinos the opportunity to reestablish their links back home and conducts resource-generating activities in the US to support social development projects in the Philippines.

To do this, the foundation provides a menu of Philippine projects that have shown results; tax deductibility incentives to donors; convenience of donation options; due diligence to ensure that the funds go directly to recipient organizations and are used for the designated purpose; progress reports and other feedback on supported projects; and public acknowledgement of donors and volunteers. In 2006, AF-USA started recruiting Filipinos in key US cities as volunteers.

Since its inception in 2000, the foundation has been able to mobilize a total of US\$ 7.2 million and has funded projects primarily on education and training (78%) and supported projects related to social welfare, pastoral ministries, enterprise development, health, and arts and culture. Other projects

include the Fil-Am Youth Fellowship Program and the Brain Gain Program which encourages visiting Filipinos to share their expertise to fellow Filipinos.

Related to this aspect, Luz cautioned against the thinking that all returning OFWs can become entrepreneurs and asserted that most of them left the country as salaried workers and had no experience in setting up a business. He related that there is a risk in thinking that the OFWs could come back and become entrepreneurs overnight as this could result in them losing all their savings. Moreover, Luz said that undergoing entrepreneurial training is not a solution and instead preferred that the money be used for other investments where there could be a safer return.

Microfinance expert Dr. Ma. Piedad Geron agreed and pointed out that the reason some government projects fail is because nonentrepreneurs are being forced to engage in businesses despite the lack of proper training or experience.

In this regard, Dr. Geron recommended that OFWs look into providing support for non-government organizations that engage in building capacities of the real entrepreneurs. In order to help their communities back home, OFWs can also look into projects that support microfinance institutions which are instrumental in poverty alleviation in the countryside.

As stated earlier, another area where remittances could be spent is through investment. Dr. Geron recommended that financial institutions should provide safe and sound financial instruments to OFWs which should be available not only from the commercial banks that might be far from where the OFW families are. If these instruments could be made available by the grassroots financial organizations, it would entail lesser transaction costs for both the commercial banks and the OFWs. However, most of these grassroots financial institutions are not regulated; this is therefore something that the government could look into.

Similarly, citing that about two thirds of remittances go to the rural areas, Prof.

Jeremaiah Opiniano of the Institute of Migration and Development Studies noted the need to improve the rural microfinance infrastructure so that the remittances' development potential could work for the beneficiaries.

Meanwhile, Ms. Maria Regina Galias, chief of the Immigration Services Office of the Commission on Filipinos Overseas (CFO), pointed out that the work of AF-USA is very similar to that of the CFO's. Both organizations share in the belief that Filipinos overseas have a key role in the development initiatives in the country and that they recognize the need for a systematized flow of donations from overseas to the home country.

Ms. Galias related that alongside AF-USA's development projects which are initiatives of the private sector, the government, for its part, has the CFO implementing a project called *Lingkod sa Kapwa Pilipino* Program (LINGKAPIL) which has accumulated a total of Php2.1 billion from 1990 to 2007. While AF-USA deals with donors from the USA, CFO's mandate includes OFWs worldwide.

Ms. Galias likewise discussed the challenges in diaspora giving. She started with the need to pay taxes and duties especially when Filipinos abroad donate in kind. While cash donations are being encouraged by AF-USA, the CFO as a government organization cannot help it if donors would like to give in kind, such as an old vehicle, for instance. She likewise emphasized that donations are personal in nature and thus donors abroad would prefer that their donations go to specific projects in the Philippines.

There is also the need for creating an enabling environment to facilitate the diaspora's involvement in development activities and a multi-stake partnership wherein the donor is aware of what the community needs and the beneficiaries are aware of what trainings they need. This way, donations are used efficiently and effectively. Lastly, there is also a need for greater information dissemination to donors abroad on the processes of donating to the Philippines.

The session on philanthropic giving brought about a new perspective to the issue on in-



Photo courtesy of Prof. Jeremaiah Opiniano

The remitter or the receiver cannot be burdened with a development need and the primary purpose of the remittance is a personal or family need.

ternational migration. As PIDS Senior Research Fellow Dr. Gilberto Llanto pointed out, human interaction is more important than just the remittances. Another is to look at remittances as a way for communities to interact.

However, Luz pointed out that the remitter or the receiver cannot be burdened with a development need and that the primary purpose of the remittance is a personal or family need. This is evident in the pattern of spending which is consumption-oriented.

More importantly, if remittances should be looked at from the developmental point of view, the financial institutions should provide safe and sound instruments by which the funds could be pooled and used by the financial sector.

As explained, the money coming from abroad are already incorporated or budgeted by the receiving families as part of their monthly or yearly budget. Therefore, philanthropy, according to Luz, is not for everybody and does not just depend on extra income but also on how one prioritizes and sees his spending habits.

In conclusion, Dr. Llanto reiterated the points mentioned by the speakers earlier that entrepreneurship is not everyone's "cup of tea." An alternative could be to design a better investment product that emphasizes the soundness and safety features of the financial instrument as mentioned by Dr. Geron earlier. **MAG**

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these impacts are to be assessed and related to the crafting of programs and policies that would help maximize our gains from the diaspora are also critical points of discussion.

Here, we take a look at the highlights of the conference on "Managing the Development Impact of International Migration" held recently which capped the DPRM celebration. The discussions benefitted from the information and insights shared by the presentors and discussants which hopefully would largely contribute to the presentation of the Philippine case in the upcoming Global Forum on Migration and Development that the country is hosting. Special mention goes to the conference rapporteurs Michael Cabalfin, Michael Abrigo, Aubrey Tabuga, and Renee Ajayi for their contributions. **DRN**

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Nevertheless, the social effects of migration are difficult to quantify. Dr. Bautista emphasized that surveys only provide snapshots of the dynamics of migration, which barely scratch the surface. The answers on how to minimize the negative effects of migration remain elusive.

Moreover, methodological issues regarding the study of the dynamics of migration should also be settled. As expressed by Professor Filomeno Aguilar from the Ateneo de Manila University School of Social Sciences, the aspect of internal migration is often neglected when in fact, both dynamics of internal and international migration are closely related to each other. Above all, both Dr. Baggio and Dr. Bautista concurred that there is need for a more comprehensive study on the social costs of migration. Thus, a scientific study is needed. Different perspectives such as economic, sociological, psychological, and cultural should be looked into to fill in the research gap on migration. In turn, more specific issues on social costs of migration should be studied. **APQ**

Taking stock...from p. 12

also a need to know how frequently remittances are sent and for how long the migrants leave their families to work abroad. Without a good set of panel data, it will be difficult to attribute, for instance, the breakup of families to migration without carefully establishing valid counterfactuals as mentioned in the session on the social costs of migration.

Coming up with better estimates by improving the methodologies and tools used and making these available to researchers and policymakers is a continuing journey for data-generating agencies.

While the tasks at hand seem difficult to accomplish given the limitations these agencies deal with on a day-to-day basis, through their persistent and collective efforts in improving the statistics on migration and remittances, overseas Filipinos and their families could look to a day when all is accounted for, and their needs addressed through carefully crafted policies and programs so that they would be better able to contribute to our economic development. **MAG**