Enhancing the Benefits and Reducing the Costs of Outward Migration: Experiences and Perspectives from the Philippines

Fabio Baggio

Regional Office for Asia and the Pacific
March 2009
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Enhancing the benefits and reducing the costs of outward migration: experiences and perspectives from the Philippines / Fabio Baggio; Asian Regional Programme on Governance of Labour Migration, ILO Regional Office for Asia and the Pacific. - Bangkok: ILO, 2009
30 p. (Working paper; no.20)
ISBN: 9789221221371; 9789221221388 (pdf)

ILO Regional Office for Asia and the Pacific; Asian Regional Programme on Governance of Labour Migration

international migration / migrant worker / cost benefit analysis / Philippines

14.09.2

ILO Cataloguing in Publication Data

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Printed in Thailand
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By Fabio Baggio

Abstract

The paper reviews the best practices and gaps concerning the contribution of migrants and diaspora to local development based on available literature. It organizes the findings according to four categories: remittances; migrants’ investment, diaspora philanthropy, and knowledge exchange. The paper also looks at the social costs of international migration and the transnational dimensions of the contributions of migrants and the diaspora.

About the author

Fabio Baggio is Director of the Scalabrini Migration Center in Manila, Philippines and editor of the Asian Pacific Migration Journal and the Asian Migration News. A missionary of the Scalabrinian Congregation, he is also Extraordinary Professor at the Pontifica Universitas Urbaniana in Rome, Italy and Professor at the Mayhill School of Theology in Quezon City, Philippines. Among his recent publications are Global Workers, Local Philantrophists (with Maruja Asis, in the book Global Migration and Development, New York), Migration, the Unfinished Piece of the Multilateral System (UNHCR, Kuala Lumpur), and Migration and Development in the Philippines (in the book International Migration and National Development in sub-Saharan Africa, Boston).

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1. Introduction - A Complex Policy Framework

At end of 2003, the United Nations Secretary-General Kofi Annan and a number of governments launched the Global Commission on International Migration (GCIM), an independent commission mandated to “… provide the framework for the formulation of a coherent, comprehensive and global response to the issue of international migration” (GCIM, 2003:1). In 2005, the GCIM Final Report stated that “The role that migrants play in promoting development and poverty reduction in countries of origin, as well as the contribution they make towards the prosperity of destination countries, should be recognized and reinforced. International migration should become an integral part of national, regional and global strategies for economic growth, in both the developing and developed world” (GCIM, 2005:4). It was because of this principle of action, together with the acknowledgment of the billions of dollars annually remitted by migrants to developing countries, that international attention started to re-focus on the migration-development nexus. For the last three years there has been a boom in empirical studies and conferences at the local, national and international levels. In September 2006, the links between international migration and development were discussed in the High Level Dialogue of the United Nations, the first time that the international community came together to discuss international migration. On the said occasion, the UN Secretary-General suggested to create an independent international forum to deepen the discussion, with the involvement of the civil society. As a result, the Global Forum on Migration and Development (GFMD) was established and its inaugural meeting was held in Brussels in July 2007. The second GFMD will be held in the Philippines in October 2008.

The renewed interest in migration and development has led several countries to openly adopt international migration as one of the main national development strategies. This enthusiasm has been tempered by some critical assessments of the links between migration and development (de Haas, 2008; Castle, 2007; Delgado Wise and Guarnizo, 2007). There is indeed a need to understand international migration in a realistic development framework, which cannot but consider historical trends, local/global determinants and consequences, and sending countries’ perspectives.

The economic benefits generated by international migration, at least at the individual household level, should not obfuscate the need for coherent development policies. International labour deployment strategy cannot substitute for a long term plan to reduce unemployment through the generation of domestic jobs. From an historical perspective, some European examples (e.g. Spain, Italy and Greece) reveal that remittances and migrants’ investment may play a positive role in the development of national economies only if they are accompanied by sound development efforts in the country of origin. In more recent times, remittances have not been the major driver in the national economic development of Taiwan and the Republic of Korea, which experienced significant outflows of people before the 1980s. Other policies and

programmes were in place, which triggered and sustained economic growth and development (Asis, 2006b). The economic benefits driven by international labour migration should not prevent policy makers of the countries of origin from building a strong and vibrant domestic economy.

The emphasis on the migration-development nexus should not induce the governments of sending countries to unfairly relinquish their own political and economic responsibilities to the diaspora. Migrants and immigrants cannot be made responsible for the development of their home countries, which, in many cases, were not able to offer them sustainable livelihoods. Their eventual involvement in transnational mechanisms of local/national development should be always understood as a “proposal” which considers, respects and values their individual wills and plans.

Disregarding the potential contribution of international migration to development would be a terrible mistake, but such development potentials are not automatic or inevitable. Most of the experts would agree that, due to the infinite number of variables that characterized past best practices, it would be impossible to identify a mechanism by which the economic benefits of international migration will automatically result in development (Papademetriou and Martin, 1991). Therefore, it is rather naïve to believe that appropriate forms of “migration management” alone would transform international migration into a major driver of development in the absence of essential factors for the positive transformations of society.

The amount of money remitted annually to developing countries by migrants is indeed considerable. The World Bank (2007) estimates that migrant workers' remittances, compensation of employees, and migrant transfers in 2007 totalled almost US$318 billion. And if one includes unrecorded flows, the magnitude of remittances would be much greater. Nevertheless, the discourse on the migration–development nexus should be able to go beyond individual remittances sent to families left behind. Collective remittances, migrants’ investments and knowledge exchange are relevant clues to understand how international migration may work for development.

There is an urgent need to foster and deepen the overall assessment of the migration-development nexus. More attention should be given to measuring the contribution of international migrants to the prosperity of receiving countries. Such an analysis may lead destination countries to ethically reconsider their migration policies, review their selective immigration criteria, abolish discriminatory regulations and provide fair compensation to families and countries affected by international migration. Moreover, more consideration should be given to sending countries’ perspective, furnishing scholars and experts in the countries of origin with resources, and opening to them the “decisional spaces” where global migration policies are shaped. This would lead to a more balanced empirical and theoretical scenario where both the benefits and the costs of international migration are fairly assessed. The complex equation between costs and benefits constitutes the heart of the whole matter. To ignite the development potentials of international migration, it is necessary to undertake a double action: enhance the benefits and minimize the costs.

Adopting the framework discussed above, this paper presents the case of one of the major sending countries, the Philippines, whose migration policy is often proposed as an effective model to other countries of origin.
2. International Migration in the Philippines

The year 2006 marked the centennial anniversary of the first batch of Filipino migrant workers deployed to Hawaii. It was the beginning of an exodus, which took off in the 1970s, when large-scale and more organized labour migration started to supply the need for manpower in the oil-rich Gulf countries. The “pull” factors converged with the “push” factors, mainly constituted by low economic growth against high population growth and the powerlessness of the Filipino government in providing decent jobs to its constituents. During the last 35 years, the outflow of Filipino workers has progressively increased in number and expanded geographically to almost 200 countries (Asis, 2006).

As of December 2007, the Commission for Filipinos Overseas (CFO) estimated that 8.73 million Filipino nationals were living overseas. The involvement of nearly 10 percent of the national population gives an indication of the importance of international migration to the Philippines. Among the major destination countries, the United States had the largest share with over 2.8 million Filipino immigrants. Saudi Arabia followed with more than 1 million overseas Filipino workers (OFWs). To have a clearer picture of the Filipino diaspora in the world, Table 1 offers a breakdown by continent, highlighting the countries with a stock of over 100,000 Filipinos. Moreover, the overseas Filipino population is classified into three different categories: permanent, temporary (mainly legally deployed OFWs) and irregular.

Table 1

<table>
<thead>
<tr>
<th>REGION / COUNTRY</th>
<th>PERMANENT</th>
<th>TEMPORARY</th>
<th>IRREGULAR</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFRICA</td>
<td>1,983</td>
<td>69,880</td>
<td>18,540</td>
<td>90,403</td>
</tr>
<tr>
<td>ASIA, EAST &amp; SOUTH</td>
<td>213,736</td>
<td>747,069</td>
<td>258,640</td>
<td>1,219,445</td>
</tr>
<tr>
<td>Malaysia</td>
<td>26,002</td>
<td>90,965</td>
<td>128,000</td>
<td>244,967</td>
</tr>
<tr>
<td>Japan</td>
<td>133,528</td>
<td>38,329</td>
<td>30,700</td>
<td>202,557</td>
</tr>
<tr>
<td>Singapore</td>
<td>29,850</td>
<td>70,616</td>
<td>56,000</td>
<td>156,466</td>
</tr>
<tr>
<td>Hong Kong S.A.R.</td>
<td>11,471</td>
<td>116,066</td>
<td>3,000</td>
<td>130,537</td>
</tr>
<tr>
<td>ASIA, WEST</td>
<td>4,082</td>
<td>2,055,647</td>
<td>121,850</td>
<td>2,181,579</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>350</td>
<td>1,046,051</td>
<td>20,000</td>
<td>1,066,401</td>
</tr>
<tr>
<td>UAE</td>
<td>703</td>
<td>493,411</td>
<td>35,000</td>
<td>529,114</td>
</tr>
<tr>
<td>Qatar</td>
<td>15</td>
<td>189,943</td>
<td>5,600</td>
<td>195,558</td>
</tr>
<tr>
<td>Kuwait</td>
<td>94</td>
<td>129,708</td>
<td>10,000</td>
<td>139,802</td>
</tr>
<tr>
<td>EUROPE</td>
<td>284,987</td>
<td>555,542</td>
<td>112,990</td>
<td>953,519</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>90,654</td>
<td>102,381</td>
<td>10,000</td>
<td>203,035</td>
</tr>
<tr>
<td>Italy</td>
<td>24,598</td>
<td>82,594</td>
<td>13,000</td>
<td>120,192</td>
</tr>
<tr>
<td>AMERICAS</td>
<td>2,943,812</td>
<td>354,352</td>
<td>354,843</td>
<td>3,653,007</td>
</tr>
<tr>
<td>Canada</td>
<td>410,626</td>
<td>49,309</td>
<td>3,000</td>
<td>462,935</td>
</tr>
<tr>
<td>United States</td>
<td>2,517,833</td>
<td>128,910</td>
<td>155,843</td>
<td>2,802,586</td>
</tr>
<tr>
<td>OCEANIA</td>
<td>243,927</td>
<td>84,927</td>
<td>33,160</td>
<td>362,014</td>
</tr>
<tr>
<td>Australia</td>
<td>221,892</td>
<td>19,455</td>
<td>9,000</td>
<td>250,347</td>
</tr>
<tr>
<td>SEABASED WORKERS</td>
<td>266,553</td>
<td>266,553</td>
<td></td>
<td>533,106</td>
</tr>
<tr>
<td>WORLD TOTAL</td>
<td>3,692,527</td>
<td>4,133,970</td>
<td>900,023</td>
<td>8,726,520</td>
</tr>
</tbody>
</table>

Although permanent emigrants represent almost 37 percent of the stock of the overseas Filipinos, their number has been dwarfed by the larger outflows of migrant workers since the mid-1970s. The great majority of temporary migrants are involved in the “contract workers system,” which entails a work contract overseas on a limited time, a contract to a specific sector or employer, and no family reunification. Such a system is adopted particularly in East Asia, Southeast Asia and the Middle East. The 2007 estimate of 900,023 irregular Filipino migrants (more than 10 percent of the total stock) highlights a worrisome phenomenon that, despite the many efforts by both the Philippines and the receiving countries, is far from under control. Filipino migrants in an unauthorized situation are of different categories. Some migrants leave as tourists to be irregularly employed abroad, violating the purpose of their visa. Some others simply extend their labour activity overseas beyond the terms of a regular contract, violating the duration of their stay. Some others obtain jobs abroad using fake documents (fake contracts, fake passports, etc.) to meet the strict requirements imposed by the receiving country. The last category includes the “clandestines,” i.e., those who illegally cross national borders without travel and/or work documents. Because of their unauthorized situation, irregular migrants are more vulnerable to abuse and exploitation (Battistella and Asis, 2003).

According to the official figures prepared by the Philippine Overseas Employment Administration (POEA), during the year 2007, 1,073,402 Filipinos migrated abroad as regular migrant workers, showing a slight increase from the 1,062,567 deployed in 2006. The growth was largely seen in land-based workers as their number rose 2.7 percent last year (Antonio, 2008). As for the destinations of the OFWs’ flow, for the last few years the Middle East and East Asia have been receiving a great portion of the Filipino exodus. Table 2 presents the 10 major countries of destination of newly hired, landbased Filipino workers that were legally deployed in 2007.

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>OFWs</th>
<th>COUNTRY</th>
<th>OFWs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. UAE</td>
<td>40,126</td>
<td>7. Canada</td>
<td>6,527</td>
</tr>
<tr>
<td>3. Qatar</td>
<td>26,529</td>
<td>8. South Korea</td>
<td>4,913</td>
</tr>
<tr>
<td>4. Taiwan</td>
<td>23,331</td>
<td>9. Italy</td>
<td>4,818</td>
</tr>
<tr>
<td>5. Hong Kong S.A.R.</td>
<td>16,124</td>
<td>10. Japan</td>
<td>4,015</td>
</tr>
</tbody>
</table>

Source: POEA, 2008b.

From 1990 to 2004 there was a notable feminization of the Filipino exodus; in some years women constituted up to 70 percent of all new hires among landbased workers (Baggio, 2008). This phenomenon was mostly due to the increased job opportunities in domestic and caregiving sectors, where a female worker is normally preferred. In the last three years a clear variation from the established pattern was noticed. In 2006 only 60 percent (or 184,416) of all new hires (308,122) were women (POEA, 2007). In 2007, out of 306,383 new hires the female contingent numbered 146,285 workers (only 47.8 percent), while 160,046 men constituted 52.2 percent of the total new hires (POEA, 2008a). This change in the gender composition of new hires can be attributed to the change in the service sector, particularly in the household sector, where in the previous years women constituted more than 90 percent of the total new hires.
Data from POEA\(^2\) show that the domestic and household related workers newly hired in 2007 were 47,878 (15.6 percent of the total new hires), down from the 91,412 (29.7 percent of the total new hires) registered in 2006 (POEA, 2008a and POEA, 2008b). The decline is due to the implementation of stricter policies for the admission of Filipino Overseas Performing Artists (OPAs) by the Japanese government and the implementation of new regulations for the deployment of Filipino household workers by the Philippine government.

As for the occupation of the landbased OFWs, the data referring to the new hires collected by POEA in 2007 show a clear preponderance of two sectors: production-transport–equipment work, which is associated with male workers, engaged almost 40 percent of the newly hired Filipinos; and service work (mainly domestic workers, caregivers and other household workers), which is associated with female workers, employed around 35 percent of the same contingent (POEA, 2008a). Table 3 presents the official data and estimates on the occupation of newly hired Filipino workers deployed overseas by selected occupational groups and sex in the last two years.

### Table 3

*Occupation of Workers Deployed to Other Countries by Occupational Group and Sex*

<table>
<thead>
<tr>
<th>Occupation in the country of destination</th>
<th>Year 2006</th>
<th>Year 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Professional, technical and related</td>
<td>17,212</td>
<td>24,042</td>
</tr>
<tr>
<td>workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative and managerial workers</td>
<td>528</td>
<td>289</td>
</tr>
<tr>
<td>Clerical and related workers</td>
<td>3,271</td>
<td>4,640</td>
</tr>
<tr>
<td>Sales workers</td>
<td>2,405</td>
<td>3,111</td>
</tr>
<tr>
<td>Service workers</td>
<td>16,135</td>
<td>128,160</td>
</tr>
<tr>
<td>Agriculture and animal husbandry</td>
<td>716</td>
<td>91</td>
</tr>
<tr>
<td>Production workers, transport and</td>
<td>80,240</td>
<td>23,338</td>
</tr>
<tr>
<td>equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others (Not Stated, Others NEC)</td>
<td>3, 161</td>
<td>745</td>
</tr>
<tr>
<td>Total</td>
<td>123,668</td>
<td>184,416</td>
</tr>
</tbody>
</table>

*The numbers in the 2007 total column may differ from the total of the 2007 male and 2007 female columns; information on gender was not available for 52 new hires.*


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\(^{2}\) POEA kindly provided the author with the rough data to be analyzed and included in its forthcoming *Annual Report 2007*. 
According to the POEA’s job classification, in 2007 the volume of professionals and skilled workers increased by 6.7 percent from the previous year. They constituted 74 percent of the total number of new hires (POEA, 2008a and POEA, 2008b). As for the international seafaring sector, 263,662 Filipino seafarers have been deployed in 2007 and, in the same period, 432,561 sea-based contracts were processed by POEA (DOLE, 2008).

The Philippines stepped up the regulation of the overseas deployment of its nationals in the 1990s, when public opinion, deeply moved by the Flor Contemplacion case, started demanding that the government extend more effective protection to OFWs. In 1995, the Migrant Workers and Overseas Filipinos Act (or Republic Act 8042) was promulgated with the aim of instituting national policies for overseas employment and establishing a higher standard of protection and promotion of the welfare of migrant workers and their families. While recognizing the relevant contribution of Filipino migrants to the national economy, Republic Act 8042 clearly states that “... the State does not promote overseas employment as a means to sustain economic growth and achieve national development” (Republic Act 8042, Section 2, c). The provisions of the 1995 Act rigorously regulate the recruitment and deployment of Filipino contract workers, aiming at an effective protection of their rights. Strong punishments are envisioned for any illegal recruitment practise. Republic Act 8042 entrusted to selected government agencies the monitoring and support functions. To deregulate the hiring system, the 1995 Act provided the state with five years to gradually phase-out its regulatory functions on private recruitment. In recognition of the need to strengthen the state’s regulatory functions before an increasingly abusive recruitment industry, the sections referring to the phase-out period were repealed in April 2007 (Republic Act 9422). In 2003 the Anti-Trafficking in Persons Act (or Republic Act 9208), aiming at preventing trafficking in person, prosecuting violators and protecting victims, was approved. This Act grants extended protection to OFWs, considering the migrant sector as highly vulnerable. In the same year, the Overseas Absentee Voting Act (or Republic Act 9189) conceded the right to vote to eligible Filipino migrants. This was followed by the Citizenship Retention and Re-acquisition Act (or Republic Act 9225), by which Filipinos residing abroad can avail of dual citizenship. As a confirmation of its enduring concern for Filipino migrant workers, the Philippines signed and ratified the International Convention on the Protection of the Rights of All the Migrant Workers and Members of their Families, and signed the ILO conventions C97 and C143. The Philippine government has also sought to ink cooperation on overseas deployment with receiving countries. As of June 2008, the Philippines has signed 45 bilateral agreements or memoranda of understanding with 40 countries of destination.

Different government agencies have been established to implement national policies dealing with Filipino international migration. The Overseas Workers Welfare Administration (OWWA) was created in 1977, under the direction of the Department of Labor and Employment (DOLE), to handle a trust fund with the aim to develop welfare programmes for Filipino migrant workers and their families both in the Philippines and abroad. The Commission for Filipinos Overseas, established in 1980, is mandated to aid the executive and legislative departments in the formulation of national migration policies, assist Philippine emigrants during the expatriation

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3 The criteria used by POEA to elaborate its job classification are debatable. The “high-end skills” category entails waiters, bartenders and related workers, housekeeping and related service workers, cooks and related workers, painters not elsewhere classified, and also the group of “non stated,” which counted more than 10,000.

4 Flor Contemplacion was a Filipino domestic worker in Singapore. She was accused of murdering a colleague of hers and the ward of the latter. Flor confessed to the murder to Singaporean authorities, but a witness claimed that the confession was extorted with torture. New evidences in favour of Flor’s innocence were brought to the attention of the court, which decided to disregard them. The Philippine government took up the case, but the plea was not able to change the decision of the Singaporean court. Flor was hung on March 17, 1995.
process, and nurture ties with overseas Filipino communities. CFO is now acting directly under the *Office of the President*. The Philippine Overseas Employment Administration, established in 1982 under DOLE, is tasked to manage the overseas employment programme and to execute the state’s regulatory function towards the protection of the rights of migrant workers. The task of the *Office of the Undersecretary for Migrant Workers Affairs* (OUMWA), established in 1995 under the *Department of Foreign Affairs* (DFA), is to provide legal assistance to Filipino migrants. In July 2004 a *Committee on Overseas Workers Affairs* was established in the *House of Representatives* of the Philippines to deal with all policies and programmes on the promotion and protection of the rights and welfare of overseas Filipino workers and their families. To expand further the concern of the Philippine executive branch, in August 2004 Vice President Noli de Castro was appointed *Presidential Adviser on Overseas Filipino Workers*. The efforts of such a profusion of state institutions and officers devoted to the Filipino international migration are not easy to synchronize. Responding to different affiliations, their activities and endeavors often overlap. Aiming at overcoming this hindrance, in July 2005 President Gloria Macapagal Arroyo, with the *Executive Order No. 446*, tasked the Secretary of DOLE to oversee and coordinate the implementation of various initiatives for OFWs.

Almost four decades of Filipino international migration should permit for a comprehensive assessment of the its development impact in the country. In recent years, the literature on the migration-development nexus in the Philippines proliferated, but it focused mostly on remittances. To expand the discussion, in the following assessment the author used the data gathered in 8 roundtable discussions undertaken in 8 different clusters (migration-related government agencies, human resource development government agencies, national development government agencies, local development agencies, migration-oriented NGOs, international organizations, foundations engaged in social responsibility and recruitment agencies) and the proceedings of the international conference “Migration and Development in the Philippines: Turning Transnational?” (Manila, 19-20 November 2007), organized by the Scalabrini Migration Center.
3. The Benefits of Filipino International Migration

The economic benefits driven by Filipino migrants’ remittances at both the macro and micro levels cannot be denied. In 2007, overseas Filipinos remitted through legal channels about US$14.4 billion, which accounted for 9.2 percent of Gross National Product. The remittance inflow marked an increase of 13.2 percent compared with the US$12.7 billion recorded in the previous year (BSP, 2008a). The landbased migrants remitted US$12.2 billion, while 2.2 billion came from Filipinos employed in the international seafaring sector (POEA, 2008). The inclusion of the money sent by Filipino migrants through informal channels will increase the total, since, according to findings of a fairly recent study, only 80 percent of overseas Filipinos use formal channels to transfer funds to their families (ADB, 2004). At the macroeconomic level, in the last few years the surge in remittances has been boosting the Philippine peso, easing the foreign debt burden and taming national inflation. Nevertheless, while the substantial role remittances play in increasing the Philippine GNP should be recognized, little empirical evidence has been produced on how migrants’ money transfers have significantly improved the domestic economy. At the microeconomic level, the families of Filipino migrants appear to benefit from foreign remittances. Recent studies highlighted that overseas-earned money is instrumental in improving the material conditions of migrant families, particularly concerning the ownership of houses and consumer durables (Asis, 2006a). The Consumer Expectations Survey undertaken by the Bangko Sentral ng Pilipinas in the first two quarters of 2008 reveals that migrant families primarily spent their remittances on food, education and medical expenses. In the second quarter of 2008, almost 40 percent of the households indicated having allotted part of the remittances for debt payments. Only 3 percent of migrant families used overseas-earned money on investment. A growing percentage of OFW households assigned some portion of remittances to savings and purchase of a house. Table 1 shows the use of remittances by migrant families from January 2007 to June 2008.

Table 4

Percentage of OFW Households by Use of OFW Remittances: Q1 2007 – Q2 2008

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Q1-07</th>
<th>Q2-07</th>
<th>Q3-07</th>
<th>Q4-07</th>
<th>Q1-08</th>
<th>Q2-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>92.1</td>
<td>91.8</td>
<td>94.1</td>
<td>97.3</td>
<td>96.2</td>
<td>95.7</td>
</tr>
<tr>
<td>Education</td>
<td>2.3</td>
<td>53.1</td>
<td>53.9</td>
<td>61.2</td>
<td>62.4</td>
<td>62.3</td>
</tr>
<tr>
<td>Medical expenses</td>
<td>0.7</td>
<td>24.2</td>
<td>24.5</td>
<td>29.3</td>
<td>38.5</td>
<td>51.2</td>
</tr>
<tr>
<td>Debt payments</td>
<td>-</td>
<td>22.9</td>
<td>30.2</td>
<td>34.0</td>
<td>31.1</td>
<td>39.2</td>
</tr>
<tr>
<td>Savings</td>
<td>7.2</td>
<td>15.7</td>
<td>19.8</td>
<td>17.5</td>
<td>14.0</td>
<td>31.3</td>
</tr>
<tr>
<td>Purchase of Appliances/Cons. Durables</td>
<td>5.2</td>
<td>9.0</td>
<td>10.3</td>
<td>7.5</td>
<td>6.5</td>
<td>20.3</td>
</tr>
<tr>
<td>Purchase of House</td>
<td>2.7</td>
<td>2.5</td>
<td>1.5</td>
<td>1.1</td>
<td>6.1</td>
<td>14.3</td>
</tr>
<tr>
<td>Investment</td>
<td>2.3</td>
<td>4.5</td>
<td>4.1</td>
<td>5.9</td>
<td>1.8</td>
<td>3.0</td>
</tr>
<tr>
<td>Purchase of Car / motor vehicle</td>
<td>1.6</td>
<td>3.5</td>
<td>1.5</td>
<td>1.4</td>
<td>1.6</td>
<td>5.1</td>
</tr>
<tr>
<td>Others</td>
<td>0.7</td>
<td>2.2</td>
<td>2.1</td>
<td>0.7</td>
<td>0.7</td>
<td>6.2</td>
</tr>
</tbody>
</table>

Source: Bangko Sentral ng Pilipinas (BSP), Consumer Expectations Survey Second Quarter 2008.
To assess if families of Filipino migrants use overseas remittance for “productive investments,” it is important to consider what may be perceived as such in the Filipino cultural tradition. House construction/purchase and education of children are traditionally ranked as “good investments” by OFWs and their families (Asis, 2006b) and they are ready to eventually sacrifice other expenditures to increase the money allocated to these two items. Moreover, going abroad to work generally entails huge expenses, which are seen as investment by migrants and their families. Rough empirical data lead the author to assume that the item “debt payments” is closely linked to the money OFWs borrowed from banks or relatives to shoulder the recruitment fees and other expenses related to their deployment.

Although they are not as widely documented, other kinds of remittances should be considered. Besides the money transferred by Filipino migrants to their families in the Philippines, there are considerable inflows of individual and collective remittances which are sent by the Filipino diaspora to government agencies, NGOs, and migrants’ associations to contribute to social programmes in the Philippines. Two recent studies done in this area by Opiniano (2005) and Powers (2006) reveal that lasting recent years several individual migrants and migrants’ groups have been supporting projects in the Philippines, particularly in their home communities. According to the database posted at the “Philippine Diaspora Philanthropy Portal” (www.filipinodiasporagiving.org), the actors of the “diaspora giving” can be classified as follows: individual overseas Filipinos, organized groups of Filipinos abroad, registered charitable organizations and foundations, professional associations, alumni association chapters overseas, sister city organizations between a Philippine city and a city from a developed country, cultural or sport groups, Church-based organizations and others. It has proved quite difficult to estimate the actual size of donations coming from overseas Filipinos. Opiniano’s (2004) analysis of BSP data claimed that in 2003 Filipino migrants transferred US$218 million in cash donations through formal banking channels.

Some of this diaspora-giving has been institutionalized by organizations belonging to the private sector. One of the examples is the Ayala Foundation Inc. (AFI), established in 2000 as a mechanism for Filipino-Americans to support Philippine-based non-government organizations in social development. AFI’s main objective is to collect funds from Filipino communities in the United States to finance social development projects in the Philippines. From 2000 to 2007, the Foundation was able to mobilize US$4.2 million in donations; individuals donated 54 percent of the amount collected, while collective donations made up 46 percent of the total. AFI’s donors’ database comprises 1,280 names, with only 15 percent of them being non-Filipino Americans. In the past seven years, the donations were forwarded to 140 partner organizations; 70 percent of the latter are NGOs and 84 percent of them are located in Luzon. Concerning the use of the grants, 83 percent of the funds were allotted to education and training programmes (Luz, 2007).

Good initiatives have been also undertaken by the Philippine government. In 1989 the Commission on Filipinos Overseas, introduced a programme titled LINKAPIL, an acronym for “Lingkod sa Kapwa Pilipino” (Service to Fellow Filipinos), which aims to tap and match the donations of Filipino migrants to fund livelihood, education, health/welfare, infrastructure, technology and skills transfer projects. LINKAPIL was envisioned as an official mechanism to harness the resources of overseas Filipinos towards national development. Concerned migrant individuals or groups are offered the chance to fund specific projects in the Philippines identified and classified by CFO. The transfer of resources may be direct to the beneficiaries or mediated by the Commission, which, in either case, commits to undertake project monitoring and provides donors with regular project reports. From 1990 to 2006 the funds coursed through CFO totaled US$45 million (Php2.05 billion), with a record of US$3.5 million (Php158 million).
in 2006. Approximately 14 million Filipinos, in 75 cities and provinces, have benefited from the projects enacted though LINKAPIL’s grants. Regarding the distribution of the donations, 70 percent of the funds were disbursed for medical missions and health related projects, 14.3 percent for emergency relief in cases of calamity, 13 percent for scholarships and education related projects, 1.5 percent for livelihood projects and 1.4 percent for small scale infrastructures. As for the origin of LINKAPIL’s donations, 90 percent of the funds came from Filipino migrants based in North America. For its mediation service, CFO does not charge any administrative fee (Gonzales, 2007). Besides the two examples mentioned above, there are other mechanisms of transfer and engagement with other actors and institutions (Opiniano, 2005).

Among the developmental benefits produced by international migration in the Philippines one should mention the contributions of collective migrants’ investments in productive projects. In this specific field, Philippine NGOs are indubitably playing an essential role. It is mainly through the programmes of non-government organizations that Filipino migrants and their families are made aware of savings, investments and entrepreneurial possibilities in the Philippines. In many cases, the matching of migrants’ funds with resources coming from international funding agencies and private donors makes the work of NGOs easier.

Established as a Filipino NGO in 1996, “Unlad Kabayan” (Develop Fellow Filipinos) is a social entrepreneurship non-government organization whose main goal is to link international migration to sustainable development at the community level. Unlad Kabayan was created to serve as the local counterpart for the programme “Migrants’ Savings for Alternative Investment” (MSAI) that was initiated in 1994 as a pilot project by some migrant groups based in Hong Kong. In 1995 Filipino migrant savings associations were established in Hong Kong and Malaysia. The following year MSAI groups were created in Japan. With migrants’ savings, in 1998 two enterprises were started: the “BBHK school supplies and book-store” in Sanchez Mira (Cagayan) and the “Passihon general merchandise” in Passi (Iloilo). In 2000 the cooperation between Unlad Kabayan and two seafarers’ associations generated the “Free range poultry and ube processing” in Bohol. Other enterprises started by the NGO are: “FAMdev integrated Agribusiness farm” in Bukidnon (2000), “Matin-ao Rice Center” in Surigao del Norte (2002), “Coco coir processing” in Davao Oriental (2004), in cooperation with Kalumonan Development Center, and “Food processing center” in Davao City (2006). To train and assist the development of community projects, Unlad Kabayan has established two centers for “Social Entrepreneurship and Enterprise Development Services” (SEEDS), one in Lanao and one in Davao. According to the official reports of the organization, for the enterprises established in Bukidnon, Surigao del Norte and Davao Oriental there was a total investment of US$264,000 (Php11.9 million), which has already produced a capital of US$304,000 (Php13.7 million) and net income which resulted in annual dividends for the investors. In the same endeavors, 143 new jobs were directly generated and another 400 households were indirectly benefited. Unlad Kabayan has also assisted families and groups in the establishment of several community enterprises (Unlad Kabayan Migrant Services Foundation, 2008).

“Atikha Overseas Workers and Communities Initiatives Inc.” is a non-government organization established in 1996 with the aim to provide economic and social services to Filipino migrants and their families in the Philippines. After dealing with social problems brought about by the separation of migrant families, in 2001, Atikha worked at realizing the development potentials of migrants’ savings and entrepreneurship and addressing the hindrances which constrain these potentials. Thus, the organization decided to elaborate programmes addressing the economic concerns of OFWs and their families in the areas of San Pablo City (Laguna) and Mabini (Batangas). In 2003 Atikha initiated the creation of the “Koop Balikabayani International” (International Returnees Cooperative), a credit cooperative composed of migrants, migrant
returnees, families, and members of the community. In the same year, the organization launched the “Batang Atikha Savers Club” (Atikha Children Savers Club) aiming at inculcating the value of discipline and saving money among the children of overseas Filipinos and other members of the community. In the past few years, Atikha has organized several seminars on business opportunity and distance learning programmes on leadership and entrepreneurship for OFWs and their families. The organization has also assisted the development and management of enterprises resulting from migrants’ savings and creativity. In 2006, mobilizing donations from overseas Filipinos, Atikha established a virgin coconut oil enterprise in San Pablo City. The success of the initiative and the increased market demand led to the creation of a new cooperative called “Coco Natur Cooperative,” in cooperation with the “Pederasyon ng Magsasaka at Magniniyog ng San Pablo,” Koop Balikabayani International, and San Pablo City Chamber of Commerce and Industry. This endeavor was expected to generate 250 new jobs. Together with the “International Network on Alternative Financial Institutions” (INAFI), in 2006 Atikha convened a network of migration and development practitioners, called the “Philippine Consortium for Migration and Development” (Philcondev). Several overseas Filipino organizations, NGOs, people’s organizations, microfinance institutions, cooperatives, community-based organizations, networks, and individuals have already joined this venture aiming at transforming OFWs into social development actors (Philcomdev, 2007). There are indeed other “best practices” undertaken by NGOs, but space constraints obliges the author to mention only some of them. There are also good endeavors initiated by unorganized groups, families and individuals, but they are less known or they lack proper documentation.

From the government side, in recent years OWWA has tapped the development potential of Filipino migrants and their family with the elaboration of specific programmes. Focusing on the social reintegration of returned OFWs, the Administration has developed psycho-social support programmes at the community and family levels. To maximize the possibilities of success of overseas Filipinos’ families, OWWA provides opportunities for skills enhancement though scholarships assigned to select OFW children. More recently, two other programmes were launched aiming to boost the entrepreneurial spirit of Filipino migrants and their families. The “OFW Grocery Program” is an interest-free loan assistance package extended in the form of merchandise goods worth US$1,100 (Php50,000) per qualified OFW family. The “Livelihood Development Program” offers loanable amounts from US$4,400 to US$22,200 (Php200,000 to Php1 million) to improve access to entrepreneurial development opportunities and credit facilities to OFWs, their families, and organizations. In 2006, through the OFW Grocery Program, OWWA granted 261 loans for a total of US$233,300 (Php10.5 million). In the same year the Livelihood Development Program funded 198 projects, for a total loaned amount of US$680,000 (Php34 million) (Agunias and Ruiz, 2007). Beyond the numbers, a real assessment of the results of the projects is long overdue. From some rough empirical data, the author has concluded that the complex application process and the strict eligibility criteria have jeopardized the success of both initiatives. To foster and coordinate government efforts towards the economic reintegration of Filipino migrants, in 2007 DOLE set up the “National Reintegration Center for OFWs” (NRCO). This office is supposed to offer different reintegration services to OFWs and their families and facilitate the link with other service providers in the same field. After 15 months of activity, official reports about the effectiveness of NRCO have not been made available yet. From the data collected in the above mentioned roundtable discussions, there is widespread impression that the Center has been serving as a mere referral tool to services provided by NGOs and the private sector.

World Bank economists Andrew Burns and Sanket Mohapatra (2008:1) claim that “International migrants are an important channel for the transmission of technology and knowledge. The so-called “brain drain” associated with better educated citizens of developing
countries working in high-income countries is acute in some developing countries. Developing countries benefit, however, from the temporary migration of managers and engineers, the return of well-educated emigrants, and contact with a technologically sophisticated diaspora.” The “brain gain” (or “brain circulation”) and transfer of knowledge, technology, and resources may cause salutary effects on the growth of developing countries. The Philippines appeared to have produced little effort in this important area. In the CFO’s LINKAPIL programme, there is a section dedicated to technology and skills transfer. From 1989 to 2006, 135 seminar-workshops on innovative teaching methods have been conducted in 34 schools by 22 US-based teachers, and 233 overseas-based Filipino professionals have been given the opportunity to share their expertise with local communities (Gonzales, 2007). The realization of medical missions sponsored and undertaken by Filipino doctors residing overseas or health professionals of Filipino origin should also be considered as one of the best practices in the knowledge exchange framework. In 2007, through the CFO’s LINKAPIL programme, 20 medical missions benefited local communities well distributed in the Philippine territory. Around US$1.7 million (Php76.7 million) were invested in such endeavors (data provided by CFO). Many other medical missions are carried out by private groups or individuals, without direct involvement of government agencies.

To assess the real (not only economic) benefits generated by international migration in the Philippines, the author will refer to the Human Development Index (HDI) elaborated by the United Nations Development Programme (UNDP) and other complementary indicators. The HDI represents a universally accredited tool to measure the overall achievements of a nation-state in three basic dimensions of human development: longevity (life expectancy), knowledge (educational attainment) and decent standard of living (adjusted per capita income in purchasing power parity US dollars). In the 2008 Human Development Report, the Philippines ranked 90th among 177 countries, a middle position, but not very far from the “Medium Human Development,” i.e., the 70th position (UNDP, 2008). Nonetheless, one should note that in 2001 the Philippines was 70th out of 162 in HDI rankings (UNDP, 2001). In 2005, the Philippine HDI was 0.771, almost unchanged from the 2003 mark of 0.758. Figure 1 shows the growth of the Philippine HDI in the last 30 years.

Figure 1

Philippine HDI, 1975-2005

In 2003, the poverty incidence in the Philippines, at the household level, was 24.4 percent, a notable improvement from the baseline 1991 figure of 39.9 percent. Poverty incidence rates had declined each year with an average of 1.2 percent. Government experts estimated that, holding such a rate of decline, the poverty incidence rate would have been reduced by half in 2006 (NEDA and UNCT, 2007). The reality is different. In 2006, the National Statistical Coordination Board (NSCB) of the Philippines estimated that 26.9 percent of Filipino families had a per capita income below the poverty threshold. The data marked a net deterioration (2.5 percent) from the 24.4 percent recorded in 2003 (NSCB, 2006). On the other side, according to a survey undertaken by the Social Weather Station (SWS) in the first quarter of 2008, 50 percent of Filipino families (estimated 9 million) perceive themselves as poor (SWS 2008). According to the Philippine Labor Force Survey (LFS) undertaken by the National Statistical Office (NSO), in April 2008 the unemployment rate was 8.0 percent, marking a slight deterioration compared with the 7.4 percent registered in April 2007. The same survey recorded that 19.8 percent of the Filipino workforce was underemployed, which represents a slight increase from the 18.9 percent registered for the same month in 2007 (NSO, 2008). While official sources claim that 92 percent of Philippine potential workers are employed, one can easily conclude that only 72.2 percent of the Filipino workforce is regularly and fully employed.

Recent surveys applying the Gini ratio to measure income inequality revealed that in the Philippines the gap increased progressively from 42.7 percent in 1997 to 42.9 percent in 2000 to 43.8 percent in 2005 (Human Development Network, 2005). According to the latest reports, in 2006 the Gini ratio averaged at 46 percent. The increase of the inequality ratio seems to be particularly felt in the capacity of Filipino families to provide education to their young members. Higher education is more and more necessary to access jobs in the Philippines, an expenditure that accounts for a large chunk of family income. Thus, more income inequality tends to promote inequality in access to quality college education and consequently, access to qualified jobs (NEDA and UNCT, 2007). As far as the attainment of the Millennium Development Goals (MDGs) is concerned, the performance of the Philippines has been quite good in the realms of promoting gender equality and empowering women (MDG 3), reducing child mortality (MDG 4), ensuring environmental sustainability (MDG 7), and developing a global partnership for development (MDG 8). As regards the achievement of universal primary education (MDG 2) and the improvement of maternal health (MDG 5) the Philippines is far from attaining its targets, and is slipping backwards in the area of environmental sustainability (NSCB, 2008).

In conclusion, one can say that only a slight progress in human development has been seen in the Philippines in recent years, and it cannot be considered satisfactory. The indicators presented above do not allow one to make conclusions about the causal link between labour migration and development. Nevertheless, as a general consideration, it can be fairly stated that after almost 40 years of massive labour migration, with all the presumed corresponding economic benefits, there is mixed to minimal evidence to indicate that international migration has contributed to development in the Philippines.

Although an overall assessment of the development potential of Filipino international migration is long overdue, one cannot deny the contributions made by overseas Filipinos, either individually or collectively through migrants’ associations, to the progress of their home country. They have contributed to assist various relief programmes and implement humanitarian and development projects in the Philippines. Oftentimes the success of the initiative rests on fruitful cooperation with local Philippine institutions. Such cooperation can be strengthened and amplified by enhancing stakeholders’ understanding of the migration-development nexus and
their roles as partners for promoting development in the Philippines. Thus, it is important to build the capacity, interest and readiness of migrants and migrants’ associations on the one hand, and Philippine institutions on the other, to prepare them as development partners. Given the interest of migrants and migrants’ associations to support projects in the Philippines, providing them with proper training will enhance their understanding of their roles and options as development partners of Philippine institutions. To address this challenge, in 2008 the Scalabrini Migration Center (SMC), with the support of EuropeAid, has initiated the project “Migrant Associations and Philippine Institutions for Development” (MAPID). MAPID is a research-cum-action project aimed at enabling Filipino migrants’ associations in Italy and Spain to participate in promoting development in the Philippines, paralleled by awareness of migration and development issues and capacity-building of relevant national government agencies and selected local government units in the Philippines, particularly in developing policies and action plans that integrate migration in development planning. The action part, envisioned in 2009, entails the realization of two different training programmes: one for migrant leaders and one for policymakers, and another for development and migration officers.

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5 EuropeAid, established in 2001, is the office within the European Commission centrally responsible for the practical implementation of European development policy. EuropeAid manages programmes and projects in all developing countries.
4. The Costs of Filipino International Migration

A fair assessment of the development impact of the Filipino international migration should include the costs which are shouldered by the country, communities, families and individuals. In recent years, there has been an increasing interest in the costs of international migration, with a notable production of research and literature on the topic. There are at least three categories of costs which should be considered: political, economic, and social.

4.1. The political costs of international migration

Contrary to Section 2 of the Republic Act 8042, during the last years both DOLE and POEA have been massively promoting foreign employment, with the objective of “generating” almost one million jobs overseas every year in support of President Gloria Magagapal Arroyo’s 10-point agenda to alleviate poverty. Through aggressive marketing strategies, the government succeeded in progressively increasing the level of deployments and widening the geographical reach of job opportunities abroad. Though not officially stated by the Filipino government, various indicators suggest that international migration has been adopted as one of the major strategies for national development. The excessive reliance on overseas remittances seems to have prevented the government from elaborating and enacting national plans towards self-sustainable development. In this regard, the Philippine economist Ernesto Pernia (2006:18) states:

“… while the country has certainly benefited from the diaspora, the remittance bonanza has not been totally an unmixed blessing, not only for the households but also the macro-economy. It has conveniently kept the government from pursuing real policy reforms (including no population policy) that would have improved the performance of the domestic economy and reduced the need for overseas employment. The government would probably be well advised to rethink its policy on labour export – a phenomenon subject to all kinds of vicissitudes, regard it as transitory, and just buckle down to doing its long overdue home work.”

The “need” to sustain the massive deployment of migrant workers has frequently led the government to concede to the labour conditions imposed by the receiving countries, which are often characterized by discriminatory practices and violation of migrants’ rights. This represents the other face of the tricky logic of the “numbers vs. rights” argument. The POEA’s deployment target (1 million per year) has contributed to develop a marketing mechanism which propelled the Philippines to be internationally recognized as a “sending country model.” Nevertheless, such massive exodus challenges the fragile national protection and prosecution systems. Despite continuous efforts to curb illegal recruitment practices and irregularities, exploitation and abuses still mark the experience of many overseas Filipino workers while they are still in the Philippines (Asis, 2005). Enforcing the protection of OFWs abroad, with all the constraints of national sovereignty, is evidently more difficult. Filipino migrant groups and advocates claim that human and logistical resources to support OFWs’ welfare outside the country are inadequate; in some cases, diplomats or labour attaches rudely treated Filipino migrants in distress (Philippine Migrant Groups and Advocates, 2006). The extent of abuses suffered by OFWs has already overlapped into human trafficking. The 2008 edition of the Trafficking in Person Report (TIP 2008:208) positions the Philippines in Tier 2 with the following annotation:

“A significant number of Filipino men and women who migrate abroad for work are subjected to conditions of involuntary servitude in Bahrain, Canada, Cyprus,
Hong Kong, Cote d’Ivoire, Japan, Kuwait, Malaysia, Palau, Qatar, Saudi Arabia, Singapore, South Africa, Turkey, and the United Arab Emirates.”

The Philippine government’s enthusiasm for the increased deployment of more highly-skilled and professional migrants should be reviewed in light of the political consequences of the brain drain and “professional exodus.” There are evident signs that the outflow of doctors and nurses will adversely affect the health care system in the Philippines in the near future. Aside from experienced and trained health care workers, the country is losing other highly-skilled people, including managers, engineers, information technology experts and pilots. The expectation that this brain drain may be converted into a gain should consider the benefits (including easy citizenship) highly-skilled and professional migrants are offered in the receiving countries. Moreover, the aggressive promotion of international migration may have severe implications for the country’s stock of human resources. The career planning of young Filipinos is more and more shaped according to jobs which are highly marketable abroad. Educational institutions, both private and public, promptly responded to the new demand with ad-hoc courses and specializations. This trendy focus on career-cum-migration intentions seems to have led the competent authorities to neglect the current and future needs of the domestic labour market.

In recognition of their great contribution to the national economy, the Philippine government honored the overseas Filipinos with the title “Bagong Bayani” (modern heroes). While the extent of such contribution is indubitable, some doubts about the intentionality of the heroic act may be raised. One may say that Filipino migrants are more “heroes by chance” than “heroes by choice.” As a matter of fact, many Filipinos perceive their overseas migration as caused by the lack of opportunities in the Philippines. They often experience estrangement and disaffection from a state that was not able to provide them a decent job. While OFWs are very much concerned about the welfare of their families, and even their communities, they do not seem to share the same concern when nation building is at stake.

4.2. The economic costs of international migration

The economic impact of international migration should be also considered in its negative dimensions. While the bulk of migrant remittances appears to produce positive effects at the national and the family level, the results at the local community level are not well-established. Official data collected in 2006 showed that income inequality (Gini ratio) at the national level averaged at 46 percent, marking only a 2 percent improvement from the 2000 estimate (NEDA and UNCT, 2007). According to recent studies, remittances appear to contribute to the increase/persistence of inequality in the Philippines. Since most of the OFWs belong to the lower-middle to middle-income households, remittances are largely received by families with higher average incomes and education (Jongwanich, 2007). The possibility that lower-income households may benefit from remittances as consequence of multiplier effects (consumption and investment) relies on the implementation of ad-hoc policies.

The disparity among regions represents another chronic problem for the Philippines and its solution is part of the official strategy to achieve the Millennium Development Goals. According to POEA data, most OFWs originate from the more developed regions and provinces, which means that remittances will also go mainly to the more developed regions and provinces. As a consequence, one can conclude that overseas remittances are likely to contribute to a widening of the economic disparities across regions.

In recent years, the Filipino government’s reliance on migrants’ remittances has taken the appearance of real economic dependence. Financial indicators have become more and more influenced by the prospects of OFW remittances. At the national level, expenditure plans and closing balances often refer to expected inflows of money remitted by OFWs during Christmas,
graduation and school enrollment periods. The greatest concern about the previous year’s appreciation of the local currency was not its negative effect on national exports, but the dramatic decline of the purchasing power of overseas remittances.

The demands of the global labour market have caused the emergence of a well-organized migration industry. Recruitment agents, immigration consultants, brokers, fixers, trainers and other service providers speculate on the migration dreams of millions of people. In the Philippines, despite the strict national regulation, international migration is still a quite expensive adventure. Besides the generally high placement fees, aspiring migrants have to shoulder further expenses due to the processing of documents, medical examinations, internal travels, lodging in hostels, and others (Asis, 2005). International migration has become a multi-million business, which obliges applicants and their families to seek extra resources.

4.3. The social costs of international migration

Although a comprehensive and empirically-based assessment of the social costs of international migration in the Philippines has yet to be undertaken, there are clear evidences that Filipino society is paying a steep price. In 2007, temporary migrants constituted around 93 percent of the total outflow from the Philippines6. Majority of them are recruited according to a contract workers system which does not allow family reunification. The extended separation of family members affects marital and parental relationships and constitutes a threat to the stability of the family unit. Family’s vulnerability increases in the case of “multi-divided” families, where two or more members of the nuclear family work overseas. Some Filipino NGOs (Uy, 2007) and Church based groups (Digal, 2008) claim that the number of family rupture among OFWs’ families has notably increased in recent times.

The high percentage of mothers in labour migration has been raising serious concerns. Recent studies (ECMI/AOS-Manila, SMC and OWWA, 2004 and Carandang, Sison and Carandang, 2007) show that when women migrated and men were left behind, family life and stability face more stress. In the Philippine migration experience, most mothers left behind successfully managed to cope with fatherly roles. Left-behind husbands/fathers appear to struggle more to adjust to the new situation. Fathers tend to relinquish caregiving functions to other female family members. The exchange of parental/family roles represents a real challenge for left behind fathers because of lack of skills and traditional bias.

Despite the increasing interest on the effects of international migration on children left behind, there are still scarce scientific research outputs. The experience of Filipino NGOs and Church-based organizations dealing with sons and daughters of migrants paints quite a negative picture. The study undertaken by SMC in 1996 noted that left-behind children had school problems (attention and performance) and experienced negative effects in their psycho-physical health. The survey was realized in one region with limited respondents left behind by fairly recent migration. In 2003, SMC conducted a new study (ECMI/AOS-Manila, SMC and OWWA, 2004) in partnership with the Episcopal Commission on Migrants and Itinerant People (ECMI), the Apostleship of the Sea-Manila (AOS-Manila) and OWWA. The research used a nation-wide survey with 1,443 children-respondents, whose parents showed different migration profiles. The outcomes depicted a generally better scenario. The role of Filipino extended families in helping children cope with parental absence appeared clearly. The children of migrants were seen generally performing better in education and health, although they admitted to cooperate less in household chores. Meanwhile, the children of absent mothers appeared to be more affected by

6 The calculation of the percentage is done considering POEA’s data on temporary migrants’ deployment and CFO’s data on permanent migrants’ departure in 2007.
migration. However, qualitative data collected though focus group discussions reveal that there are emotional costs for the children and left-behind caregivers and long terms effects which are difficult to assess (Asis, 2006a). A 1-year in-depth study on 10 households of migrant mothers, directed by Lourdes A. Carandang, a renowned child psychologist, concluded that all the left-behind members are pervaded by feelings of sadness. Younger children appeared to simply miss their mother, without a clear understanding of the reason of her absence. Adolescent sons and daughters appeared to be aware of the motivations behind their mother’s migration, but they were divided between appreciating the benefits resulting from her overseas work and the desire to have her back (Carandang, Sison and Carandang, 2007).

Almost four decades of international migration have promoted in the Philippines a "culture of migration." Beyond the true economic needs, Filipinos tend to see overseas migration as the only possibility to achieve professional and personal success, and they are eager to face all related risks and vulnerabilities. The institutionalization of overseas deployment has greatly contributed to the development of such a mentality (Asis, 2006c). A survey carried out by Pulse Asia in August 2006 found that 30 percent of adult Filipinos would migrate immediately if it were only possible. Another 32 percent would not exclude “a priori” the possibility of going to work or live overseas (Pulse Asia, 2006). In the above mentioned 2003 survey undertaken by SMC, almost 50 percent of respondents, aged 10 to 12, have already entertained thoughts of working overseas in the future. The rate was up to 60 percent in the case of children of overseas foreign workers (ECMI/AOS-Manila, SMC and OWWA, 2004).

It is the same culture of migration that influences the career/vocational orientations of young Filipinos, as was mentioned above: the global labour market plays a relevant role in the youth’s choice of professional training. Little importance is given to personal skills and inclinations in contrast to the importance placed on the promising financial prospects of an overseas job. Data collected from roundtable discussions suggest that parents and siblings, who generally shoulder the costs of colleges and universities, may be instrumental in the youth’s career decisions (e.g. seafarers, nurses and caregivers), which are likely to significantly contribute to the family economy in the future. Moreover, it appears that there is very little concern for what the country would offer or need in the long term.

A comparison with Mexico, Turkey and Nigeria

At this point it would be useful to compare the findings from the Philippines with results of similar studies conducted in three other major countries of origin in the Americas, Asia and Africa namely, Mexico, Turkey and Nigeria.

The case of Mexico

International labour migration has quite a long history in Mexico, but only one main destination: the United States of America. The first movements started in the 19th century, but the outflow became massive with the implementation of the “Bracero” programme from 1942 to 1964. Only the northwestern states of the country were involved in the Mexican exodus which filled the agricultural workforce needs of the United States. In the last decade of the 20th century, the outflow started involving other Mexican states and expanded to the service, construction and industry sectors in the US, with a notable opening to female migrants (Marchant, 2008). Precise data about the size of the diaspora are difficult to find, but official sources count around 30 million people of Mexican origin in the US: around 11 million are Mexico-born (6 million unauthorized migrants) and more than 19 million are of Mexican origin (González Gutiérrez, 2007). As for the size of the flow, the Mexican National Population Council (CONAPO) estimates that each year some 575,000 Mexicans migrate to the US (Delgado and Guarnizo, 2007).
According to World Bank data, in 2006 Mexican migrants’ remittances reached US$24.7 billion (2.9 percent of the GDP), marking a notable increase from US$21.9 billion registered in 2005. At the macroeconomic level, migrants’ remittances ranked second only to oil revenues as source of foreign exchange. There are evidences that such capital inflows helped in the chronic fight versus poverty incidence and social marginalization. At the microeconomic level, 1.6 million Mexican households greatly benefited from the money sent by members working abroad (Delgado and Guarnizo, 2007). In the aftermath of the “International Conference on Financing for Development” (Monterrey, March 18-22 2002), the link between migrants’ remittances and local development became an important point in the political agenda. The enthusiasm produced by the positive outcomes of some co-financing schemes (“Programa 2x1” and “Programa Ciudadana 3x1”) involving US-based hometown associations and state stakeholders in development projects led many to believe in a bright future for Mexico (Marchant, 2007). In recent years, the Mexican government adopted new policies and created new structures in order to achieve a more proactive engagement with its diaspora and enhance the economic benefits of international migration.

The structural dependence of the Mexican economy on the US economy has been worsened by the rampant export of cheap labour. The local industry (“maquiladoras”), which was supposed to reduce migration outflows by producing local development, has been stagnant since 2000, while remittances have already equaled the size of “maquila” exports. At this point the socioeconomic stability of Mexico critically depends on remittances. Despite the good practices mentioned above, a comprehensive and sustainable migration and development policy is still missing and the role of the state is often reduced to ensure that remittances sustain the country’s economy (Delgado and Guarnizo, 2007). There are clear evidences that international migration represents a “bad deal” for Mexico. The price to be paid in order to sustain the massive outflow is quite costly. Family fragmentation causes negative psychological effects on both migrants and family members who stay behind. In high emigration areas, a progressive abandonment of productive activities has been noted, while poverty and social marginalization are on the increase. In 2007, 34 percent of Mexican municipalities showed a net population decline and the appearance of the so-called “ghost-towns,” whose population is composed only of children, women and senior citizens. Empirical data showed that inequality within local communities has increased because of migration. The ostentatious display of the economic benefits resulting from remittances seems to create tensions between migrants’ and non-migrants’ families (Delgado and Guarnizo, 2007; Marchant, 2007). The high percentage of unauthorized migrants increases the vulnerability entailed in the migration experiences and reveals the precariousness of migrants’ contributions to the families left behind.

The case of Turkey

The massive emigration from Turkey started in the 1960s, after the signing of bilateral agreements with Germany, Netherlands, Austria, Belgium, France and Sweden, which regulated the recruitment of Turkish workers for the Western European labour markets. The main destination of Turkish emigrants was Germany, which had a strict guest worker programme. Majority of migrant workers originated from poor rural areas. From 1961 to 1973, Turkey was able to deploy to European countries 790,000 workers; 82 percent of whom migrated to Germany. In 1973, Germany suspended the guest worker programme, but allowed Turkish workers who had already stayed for more than one year to extend their stay. Many Turks decided to settle in Germany and applied for reunification with their families. From 1974, the outflow of migrants changed destination, giving preference to non-European countries. By the end of the 1980s, return-migration overcame out-migration (Avci and Kirishi, 2007). In 2003, official data showed that 3.5 million Turkish citizens resided abroad, of whom 1.2 million of
them were migrant workers. More recent data reveal that 2.5 million Turks live in Germany (Avci and Kirishi, 2007). Currently, in a 180-degree turn from its declared hopes in the 1960s, the Turkish government said it does not promote international labour migration. Despite the huge reservoir of would-be migrants, due to lack of opportunities for youth, ex-farmers and women, very few Turks intend to go and work abroad. If Turkey’s application for membership will be accepted by the European Union, and free circulation of workers will be implemented, given the high Turkish population growth and the realistic possibility of national development, a revival of massive migration is likely to happen (Escobar, Hailbronner, Martin and Mesa, 2006).

Migrants’ remittances represented an important economic factor in the Turkish national economy. In 1980, remittances totalled US$2 billion, constituting 3.3 percent of GDP. The remitting peak was reached in 1998, when Turkish migrants sent US$5.3 billion to their families, composing 2.6 percent of GDP. Remittances have been significantly decreasing from 2001; in 2003 they amounted to US$1.7 billion, representing 0.7 percent of the GDP. In the first two decades, the massive outflow of workers contributed to diminish the social pressure caused by the high unemployment rate. Turkish industrial production was benefited by migrants’ remittances, which increased the demand for goods and services. The Turkish government adopted different migrant-friendly policies and implemented several programmes aimed at attracting remittances and investment from their nationals abroad. Migrants and their families invested a great portion of their money in housing, purchase of vehicles or machines and real estate. In recent years greater attention has been paid to the establishment of links with the Turkish communities settled abroad; the appointment of former migrants to important government offices in Turkey has been instrumental to this last development. Turkish migrants have shown a great aggregative spirit: many organized groups and associations abroad responded to political ideals, exercising certain influence on politics in both the sending and receiving countries (Avci and Kirishi, 2007).

Despite the efforts by government, remittances did not create new jobs in the areas of origin. They did serve to boost the mechanization of agricultural production, but they also reduced the employment possibilities in rural areas, pushing more people to embark on international migration. There is evidence that migrants’ remittances did not contribute significantly to the development of their areas of origin. The return of skilled migrants, quite less than expected, did not advance local development: despite state incentives, many were not successful entrepreneurs because of economic or political constraints. Many returnees tried to start commercial enterprises; many were unable to use the skills they had acquired in Western Europe. Majority of the “Turkish Workers Companies” (TWCs), which were formed by a government-promoted cooperative project aimed at channeling migrants’ remittances to establish industry in rural areas, failed because of lack of economic viability. Turkish migrants have generally experienced hardships in their integration process in the countries of destination. Female migration increased (mostly due to the importation of “brides” from Turkey), but they were isolated in the receiving society. Marginalization was later passed on to the younger generations. In Germany, second and third generations of Turkish migrants are seen as not performing well in terms of education and labour (Avci and Kirishi, 2007; and Escobar, Hailbronner, Martin and Mesa, 2006).

The case of Nigeria

International migration from Nigeria started in the colonial era and was headed mainly to the United Kingdom. The outflow largely comprised highly-skilled professionals and youth in pursuit of higher education. In the 1960s the United States became another migration destination for study, business and work. From 1973 to 1981, because of its oil boom, Nigeria
enjoyed a prosperous time and international migration stopped. Thereafter, economic crises and political instabilities pushed many Nigerians to look for jobs abroad. Other European countries, Gulf States, Ghana, Cameroon, Gabon, Botswana and South Africa were added to traditional destinations. In the 1990s, Spain, Italy and Ireland received large numbers of labour migrants from Nigeria. This outflow was composed of less-skilled migrants employed in the service, trade and agricultural sectors. Female migration also increased in recent years (de Haas, 2008a). Some experts estimate that around 15 million Nigerians (or people of Nigerian origin) are living outside the country (Nworah, 2005). Other scholars claim such estimate is unrealistic, suggesting that the diaspora is more likely in the vicinity of 300,000 first generation Nigerian migrants legally living abroad as of 2000. In the past the Nigerian government strongly discouraged international migration because of its perceived negative impact on local development and its connection to human trafficking (de Haas, 2008a). It is only in recent years that the government has initiated programmes aimed at enhancing its engagement with the diaspora.

Nigeria has been receiving migrants’ remittances for some time, but from 2004, remittance inflows registered a remarkable increase. Data from World Bank show that in 2007 Nigeria received US$3.3 billion (2.9 percent of GDP) in formal remittances, ranking third after Egypt and Morocco in the African region. Some experts estimate that another US$3.3 billion were remitted through informal channels. The increase is probably due to more recent migration (regular and unauthorized) of people from more modest socioeconomic backgrounds (de Haas, 2008a). The remittances they send to their families are seen as beneficial to national/local development. The government’s recent attempts to engage with the diaspora produced a series of good initiatives, such as the “presidential dialogue with Nigerians abroad,” the “Nigerians in the Diaspora Organization” (NIDO), and the “Nigeria National Volunteer Services” (NNVS). Through these programmes and others organized by civil society, the Nigerian diaspora has contributed to poverty reduction and development in the home country. As a concrete expression of brain gain, some Nigerians who attained outstanding skills and experience abroad have been called to take up high level government positions (Nworah, 2005).

Although the beneficial impact of remittances has been recognized, there is also some evidence that such massive inflow of capital may exacerbate disparity among regions. In the case of migrants based in the United Kingdom, most of their remittances go to their region of origin, which are already relatively developed (de Haas, 2008a). Despite the best practices implemented recently, it is commonly recognized that brain drain largely outpaced brain gain. Many Nigerians who had originally gone abroad to study with the intention of returning to their home country never went back. The outflow of Nigerian professionals still continues (Nworah, 2005). Recent migration flows from Nigeria are highly affected by illegal recruitment practices, smuggling, and human trafficking.

A tentative assessment

The cases of Mexico, Turkey, and Nigeria seem to depict a largely discouraging scenario for the migration-development nexus. With or without special migration schemes, with or without state intervention, either high-skilled or low skilled, international migration appeared to have minimally contributed to the development of the country of origin, while possibly exacting significant political, economic, and social costs. Proactive engagement with the diaspora has proven highly beneficial in terms of collective remittances and brain gain. The “activation” of the development impact of international migration depends on a complex set of policy factors. Most likely, the implementation of migrants’ protection programmes and sound development policies may help minimize the costs of international migration.
5. Conclusion

An assessment of the Philippine experience with migration does not provide an unqualified positive scenario. However this should not lead to a deterministic pessimism about the migration-development nexus. The design/implementation of evidence-based policies and the inclusion/cooperation of all the stakeholders (policy makers, international organizations, private sector, academe and civil society) may increase the chances of success. Focusing on the pair “enhancing benefits and reducing costs,” the author has identified some policy recommendations which, though based on the Philippine experience, may suggest insights and considerations for global reflection.

To policy makers

- **National policies on development.** From different past examples one can conclude that international migration has not been a major driver of economic development of the sending countries. On the contrary, the lack of development has perpetuated the outflow of valuable human capital. An international labour deployment strategy cannot substitute for a long-term plan to reduce unemployment through the generation of domestic jobs. The main focus of policy makers should be the establishment of a strong and vibrant domestic economy so that overseas employment would become more and more a free choice.

- **The contribution of international migration.** Philippine policy makers should engage in solving the glaring disconnect between migration policies and development policies. There is a clear need to design long-term development plans where remittances, migrant giving, migrants’ investment and knowledge exchange are properly considered and fostered in order to make them work towards sustainable development.

- **Transparency and good governance.** The state has to take a more proactive stance in engaging with the Filipino diaspora to encourage and assure overseas Filipinos that their investments, donations, and other transfer of resources will be used for the intended purposes. As the major partner in development, the state and its institutions must demonstrate readiness, transparency, and sound governance to build an enabling environment. Re-establishing a relationship of trust with the diaspora should be a priority for national and local governments.

- **The beneficial effects of remittances.** The positive effect of remittances at the macro and micro economic levels is evident. Policymakers should elaborate programmes to maximize the benefits of remittances to the larger community. With no prejudice to the fact that it is privately earned and managed money, financial literacy programmes addressing more productive uses of remittances should be promoted on a larger scale. The offer of sound opportunities of investment should be matched with proper training and entrepreneur-friendly fiscal polices.

- **Reintegration programmes.** In the contract worker system, the return of migrant workers is a given. Reintegration programmes should be re-focused on how to tap not only the financial capital (if any), but also on how to harness the skills and knowledge of returning migrants in the domestic labour market. The design of programmes and policies should consider the fact that there are different types of return migration.

- **Bilateral agreements, MOAs and MOUs.** The Philippines has a good track record of forging bilateral agreements and regulating the deployment of nationals. Filipino policymakers should include in the negotiation with the countries of destination, elements of cooperation
for development. Migrants’ rights, the idea of reciprocity between sending and receiving countries, and the consideration of ethical compensation should be always considered in the discussion.

- **The costs of migrating.** Despite the government’s recent efforts, international migration from the Philippines is still quite expensive and the need to repay debts is trapping migrants in difficult working and living conditions. Policymakers should focus on how to reduce the costs of overseas labour migration, e.g., decentralizing the documentation process, eliminating the placement fees charged to migrants, and strictly monitoring the recruitment agencies.

- **Income inequality and regional disparity.** The beneficial effects of remittances at the local community level appear to be tempered by increasing income inequality and regional disparity. Policymakers should enact proper initiatives to foster the multiplier effects of remittances so as to benefit also non-migrant households. The development needs of the regions which are not the main origin of Filipino migrants may be addressed through a focused channeling of diaspora philanthropy and the creation of infrastructures for migrants’ investments.

- **Effective protection of migrants.** The coordination among the various Philippine government agencies dealing with migrants should be improved in order to achieve effective protection of Filipino migrants. Their personnel and programmes should correspond to the size of the current outflow and diaspora. Proper information provided to migrants before the decision-making or departure is a key prevention mechanism. Current initiatives (Pre-departure Orientation Seminars and Pre-Employment Orientation Seminars) should be assessed and re-formatted according to the real needs of migrants and aspiring migrants.

- **Brain drain.** The government’s intention to increase the deployment of more highly-skilled and professional migrants should be reconsidered. The optimism that brain drain may be transformed into brain gain must be tempered. Several examples showed how difficult it is to attract highly-skilled migrants and professionals back to the home country, especially for good. Also, the shaping of education policies should pay more attention to the needs of the domestic labour market.

- **Cooperation with NGOs.** To effectively address the costs of international migration, the Philippine government must engage in a more collaborative relationship with local NGOs. Despite the existence of the Consultative Council for OFWs (CCOFW), with the participation of government agencies and civil society, NGOs are not sufficiently involved in the decision-making process regarding policies and programmes concerning overseas Filipino workers.

- **Addressing the social costs.** Philippine society and families have been deeply changed by almost 40 years of international migration. There is a growing apprehension regarding the negative effects on the children left behind, exchange of parental roles, disruption of families, dependence on remittances, culture of migration, and career orientation of the youth. Policy-makers should promote deeper assessments of the impacts of migration on families and envision mechanisms and structures that would minimize the negative consequences.
To international organizations

- **A transnational mediator role.** At the international and regional levels, better governance of migration flows would require the participation of transnational actors with expertise and recognized authority. Regional bodies (e.g., ASEAN), United Nations agencies (e.g., ILO) and international organizations (e.g., IOM) should be more proactive in their essential role as mediators among nation-states, to promote co-responsibility, transnational solidarity, and sustainable development for all.

- **Promoters of dialogue.** Drawing from their wide experience, international organizations should promote dialogue between the different stakeholders within the Philippines in order to achieve a deeper understanding of international migration and to develop more effective responses. Using their resources, they should also facilitate the exchange of knowledge and offer capacity building opportunities to government institutions and civil society groups.

To the private sector

- **Recruitment agencies.** More than 1200 recruitment agencies operate legally in the Philippines; many others operate illegally. Despite the strict regulations, abuses are rampant. Mechanisms of self regulation should be enacted to assure ethical standards of recruitment. They should extend assistance to their recruits through fruitful partnerships with local unions and NGOs in receiving countries.

- **Migration-related business.** Banks, money transfer companies, telecommunications firms, insurance companies, and real estate agencies generate profits from businesses targeting migrants and their families. They can be models of corporate responsibility through the sponsorship of programmes that enhance the benefits and reduce the costs of international migration.

To the academe

- **Research and dissemination.** The role of the academe in deepening the knowledge of the migration-development nexus is crucial. More research and further studies on the different migration-related issues, particularly those addressing the research gaps, are highly needed. It would be useful to constitute a national think-tank involving universities and specialized centers of studies. In order to influence policy-makers and public opinion, proper dissemination activities should be organized at different levels.

- **Documentation of best practices.** There are many best practices in the Philippines which are not duly documented, minimizing possibilities for replication in other settings. This constitutes another challenge for the academe, which should examine and independently assess various initiatives trying to link international migration and development.

To civil society

- **Long term response.** In addition to responding to gaps in services and the protection of migrants’ rights, NGOs should never lose sight of the long-term responses to the challenges posed by the complex migration-development nexus. The elimination of the root causes of migration and the promotion of human development should always be part of their agenda.

- **Coordination and networking.** Going beyond their ideological divide, civil society groups should better coordinate their advocacy and service provision among themselves, with government agencies, and with other relevant organizations. To ground their endeavors with evidence-based analysis, they should foster links with the academe. Regional and international networking may be the key to success.
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Word Bank
The paper reviews the best practices and gaps concerning the contribution of migrants and diaspora to local development based on available literature. It organizes the findings according to four categories: remittances; migrants’ investment, diaspora philanthropy, and knowledge exchange. The paper also looks at the social costs of international migration and the transnational dimensions of the contributions of migrants and the diaspora.

This is part of the series of papers being published by the Asian Regional Programme on Governance of Labour Migration, ILO Regional Office for Asia and the Pacific.