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INTERNATIONAL RETURN MIGRATION AND REMITTANCES IN THE PHILIPPINES

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INTRODUCTION

For anyone who leaves his or her place of origin, the possibility of returning home, whether temporarily or permanently, remains. For some, the return may never occur; for others, it may be closer than expected. For instance, the unanticipated invasion of Kuwait in 1990 forced migrant workers, including many Filipinos to leave this small country in the Gulf and to return home immediately. Soon after the war ended, the number of Filipino workers going to Kuwait resumed its pre-war levels. Under normal circumstances, thousands of Filipinos do return home year after year. Each year the Philippines receives overseas workers on holidays who will return abroad to continue their contracts, as well as workers who have finished their contracts and who may stay while looking for another contract overseas. Those who stay face an economy with a GNP per capita that has declined in average every year over the last decade (-1.2% per annum between 1980-91, World Bank, 1993a). Available evidence suggests that return migrants have high rates of unemployment and they do not use their remittances productively, which has limited migrants' contribution to economic development[1]. Not surprisingly, the Philippine government and the International Labour Office (ILO) have expressed their concern about the prospects for the returnees (Amjad, 1991; ILO-DOLE, 1993: 149).

In this paper, we aim to provide a systematic description of international return migrants from the Philippines, using recently available national surveys. This descriptive effort represents a pre-requisite for further research on the consequences of return migration in the Philippines. In section 1, we provide information about migration trends, using published data from the Philippines and from host countries

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[1] Studies that report high unemployment among returnees do not control for the difference between those who will eventually leave again and those who will finally adjust. The latter group seems to be the most interesting, but no data are available except studies based on small (rather unrepresentative) samples, often of very recently-returned migrants. Vasquez (1992) acknowledges this limitation in his study that includes 240 workers in the province of Pampanga. 15% of them were return migrants and had an unemployment rate of 76%. Another survey of 506 returning contract workers reports that more than half of the returned migrants had not found local employment at the time of the survey (Arcinas, 1991). Most of the remittances were used to increase consumption (Arcinas, 1991; Vasquez, 1992). Even when some investment occurred, the study by ILO-POEA-CEC (1991) shows that the results were very modest. The latter study used a sample of 373 returning migrants and their relatives, who became self-employed with funds obtained overseas.

(section 1.1). This section also examines the data available on remittances, and compares sources (section 1.2). Section 2 draws profiles of migrants (temporary and permanent) and non-migrants (section 2.1). Following a profile of returned migrants versus absent migrants, section 2.2. uses regression analysis to examine the determinants of return migration. Further econometric analysis shows the influence of the pattern of return on total remittances (section 2.3). Section 2 closes by examining the distributional impact of remittances in the Philippines (section 2.4). Section 3 discusses policy issues concerning return migration and remittances, and is followed by conclusions. Further information on the data used in this study is given in the appendices.

1. BACKGROUND: INTERNATIONAL MIGRATION AND REMITTANCES

1.1. TRENDS IN MIGRATION AND LABOUR MARKETS

Whether temporary or permanent, emigration reflects the labour market conditions in the source country. Although labour migration has helped ease pressure from unemployment in the Philippine economy, the emergence of a new sector (i.e., the overseas labour market with its own barriers to entry and highly paid jobs for those who can bypass them) may have also accentuated the dualistic structure of the Philippine labour market.

Since the 1950s, labour markets in the Philippines have shown little dynamism in terms of employment and real wages. Taking unemployment rates in the Philippines from 1956 to the present[2], we can observe two major periods (figure 1): a decline from 1956-80 and a sharp increase in the 1980s (peaking in 1985). Real minimum wages[3], another indicator of the labour markets, does not show an

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[2] There are changes in definitions. From 1956-76 and 1987 onwards the reference period is the "past week" while this period changed to the "past quarter" between 1977-86. There was no labour survey conducted in 1979. Further, before August 1976, the definition of labour force includes people over 10. After 1976, it changes to include those over 15 years old.

[3] The World Bank documents the lack of a long series of wages (World Bank, 1993b: 372-384). They construct a series for 1965-91 which does not differ much from the one we could draw for 1951-92, by converting to real terms the legal minimum wage for non-agriculture in the National Capital Region.

improvement either (also figure 1). With a rapid increase in the size of the labour force in the 1970s and 1980s (more than 4% per annum, World Bank, 1993b: 373), real minimum wages declined in the face of a stagnant economy. Industrialization policy exacerbated problems of labour absorption, since macroeconomic and trade policies favoured the capital intensive importables sector. Although labour supply growth will slow down toward the year 2000, the Philippines still needs to create approximately 650,000 jobs a year, which may entail introducing overdue changes in its economic policies with greater emphasis on liberalisation (World Bank, 1993b).

Emigration has helped to reduce the pressure on domestic labour markets by creating a segment of workers with overseas appointments. In 1991, 665,123 migrants left the Philippines as permanent migrants (emigrants) and temporary workers (land-based and sea-based contract workers) (table 1). Between 1982 and 1991, the number of migrants grew at an average annual rate of 5%. The growth in the category of emigrants (most of whom were bound for North America) was only 1.5% per annum, probably reflecting the increasing difficulty to migrate under the category of "permanent resident" to industrialized countries. The growth was the largest for sea-based contract workers (an annual average rate of 7%). However, most of the migrants are still land-based contract workers in the Middle East and other Asian countries. While the most important destination in the Middle East (Saudi Arabia) has experienced lower oil prices and has faced a decline in GNP per capita since the early 1980s, labour shortages elsewhere have turned East Asia into the fastest-growing market for Filipino labour, increasing at 15.6% annually and comprising by 1991 almost 20% of the outflow of all Philippine migrants. If this trend continues, by the end of the century the numbers of Philippine migrants leaving for Asian countries would equal those leaving for the Middle East. Although statistics regarding migrants leaving the country are now readily available, it is more difficult to find information about the reverse flow[4].

[4] The Department of Tourism has figures on Philippine nationals arriving and leaving. This information is interesting as it can provide some indirect evidence on the number of returning Filipinos. In 1990, the number of arrivals of Filipinos reached 130,757, of which 73.7% declared they

As migrants move back and forth, it is difficult to calculate the number abroad. In table 2, we present a crude estimate of 1.7 million Philippine nationals living overseas in the early 1990s. Using mainly data from the censuses in the host countries, we are able to draw together information about the numbers of Filipinos overseas. In some cases, this information includes illegal migrants. Most permanent migration has been to the U.S., Canada and Australia, and these countries account for over three quarters of the estimated stock of Filipinos abroad. Almost 87% of the whole Filipino community overseas are concentrated in the U.S, Saudi Arabia and Canada. Between 1980-1990, the Philippine-born community has grown significantly in these countries. By 1990, it doubled in the U.S. (representing around 60% of the Filipino community worldwide), it more than quadrupled in Saudi Arabia (where 19.6% of the Filipino community abroad resided in 1990), and it less than doubled in Canada (7.3% of the worldwide community lived in Canada in 1991). Our estimates consider as Filipino migrants (temporary or permanent resident) all individuals born in the Philippines but living abroad. While the U.S., Australia, Canada, New Zealand and Singapore enumerate their residents by place of birth, countries such as Hong Kong and Japan report residents by nationality (see appendix 2 for details). Although we do not use them, Canada and the U.S. have additional criteria to identify Filipino migrants, such as language[5] or race[6]. When information on place of birth (or any other criterion) is not available like in Saudi Arabia, we use the flows of

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were visiting friends and relatives or just having a holiday (short-term returnees). Only 4.8% claimed to be on business, leaving 14.8% of Philippine nationals under the category of "others". This latter class (19,352 Filipinos) could include those migrants returning to the Philippines permanently, although distinction between "visiting" and "returning permanently" might be difficult (NSO, 1992c).

[5] The Canadian 1991 census collects information on the mother tongue of the population. While the criterion of mother tongue gives 110,435 residents who speak Tagalog, the 1991 Census indicates 123,295 residents were born in the Philippines which would include Chinese-Filipinos who do not report Tagalog as mother tongue.

[6] In the United States, data classify residents by race, giving a number of 1.4 million residents under the racial category of 'Filipino'. However, this figure includes American residents descended from Philippine-born parents, and excludes the significant Chinese-Filipino community living in North America who are not of Filipino descent.

Filipinos entering and leaving the country to calculate the stock of Filipinos. As the population of Filipinos in Saudi Arabia was negligible before 1970, we obtain a stock of migrants by compiling net entries since 1970.

Worldwide, the estimated stock of Filipinos overseas represent 2.8% of total population living in the Philippines in 1990. But it corresponds to a higher percentage of the Philippine labour force (4.4%), (coincidentally this figure is similar to the percentage of Philippine-born residents in the labour forces of the U.S.[7] and Saudi Arabia). This crude estimate of the economically active population overseas gives a total population of 1,060,743 Philippines-born of working age (15-65 years old). We assume a participation rate of 50% for the U.S., Canada, Australia and New Zealand as entire families have settled there, including family members who are not in the labour force. For Saudi Arabia and the other countries, we assume a participation rate of 100% since almost all these migrants are contract workers. Adjusting the stock of Filipinos by labour participation rates increases the significance of Filipino migrants in the Middle East and Asia in comparison to the large stock of Filipinos in North America (especially given that migration to the Middle East and Asia is mainly temporary). For instance, Filipino migrants in Saudi Arabia represent a third of all working age Filipinos abroad (31.6%) although they represent just a fifth of the population of Filipinos worldwide.

1.2. TRENDS IN REMITTANCES

This section reviews the magnitude of international transfers. Although the Central Bank of the Philippines (CBP) has usually reported the figures on remittances, several studies have attempted to provide estimations of migrants' remittances in the belief that official figures are underestimated. Since the early 1980s, the CBP has recorded the longest time series available, but it appears that the CBP series imputes the category of personal income from abroad to contract workers' remittances. These data,

[7] In some of the U.S. Trust Territories, Filipinos comprise a large share of the population. For example, 31.3% of the population in the Mariana Islands and 18.4% in Guam but only 9.7% in Palau.

collected from individual banks, is based on remittances via banks but likely include remittances from permanent migrants. This misclassification is evident when remittances are broken down by country of origin. As Abella (1989) notes, although the number of contract workers in the U.S. or Canada is negligible, the CBP reports significant remittances from these countries. Further, since the CBP only reports official transfers, transfers received by households via courier, mail or in person are excluded. Although liberalisation in the early 1990s has helped to increase official remittances, household surveys may give a better indication of the receipts from abroad, even if they too are subject to underreporting (Abrera-Mangahas, 1989).

A second source of information on remittances is the National Statistics Office (NSO) of the Philippines which undertakes family income and expenditure surveys (FIES) that include a category for income transferred from abroad since 1985. Also the NSO provides a third data source for remittances. Since 1991, it has administered the survey of overseas workers (SOW), which includes information on the remittances from individual migrants (mainly contract workers). The major limitation for the comparison of the latter survey with the first two sources (CBP and NSO-FIES) is that it includes only migrant workers working overseas in the last 6 months and their remittances during that time (April-October 1991)[8]. Table 3 shows that the NSO-FIES data tended to be about twice as large as the CBP data before the 1990's liberalisation, and thereafter about 50% larger (NSO-FIES still represented a quarter of all Philippine exports in 1985 and 1991). The NSO-SOW data are somewhere in between the other two sources.

Figure 2 shows the evolution of total remittances as well as the transfers from the U.S. and Saudi Arabia sent by land-based migrants (who sent most of the official remittances). Despite the well-known underestimation of the official figures, we observe two trends in remittances: the growing importance of

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[8] In 1992, the same survey changed the screening question to comprise any family member -not only workers- who had left for abroad between October 1987 and September 1992, giving a much broader definition of Filipinos overseas.

remittances from the U.S., together with the rise and decline of remittances from Saudi Arabia during the 1980s. According to these aggregate figures (and also according to estimated remittances per migrant which we do not report), remittances from the U.S. rose during the last decade, together with the stock of Filipino migrants and the recovery of the American economy. In Saudi Arabia, despite the significant increases in the stock of migrants, total remittances (and average remittances) from migrants in this country peaked in 1985 but decline thereafter. However, this pattern of remittances contrasts sharply with the evolution of the Saudi economy whose peak occured before 1985 (between 1970-80, Saudi Arabia grew at 10.1%, but -0.2% between 1980-91, World Bank 1993a). However, a number of other factors could have also influenced this evolution in remittances, including the economic crisis in the Philippines in the mid-1980s. If the CBP figures are correct, they still suggest the increasing importance of permanent migrants (who doubled their numbers in the U.S. over the decade) and the reduction in remittances from Filipino workers in Saudi Arabia (also in the rise but facing a weaker Saudi economy). After 1988, estimated remittances per migrant in the U.S. turn to be even larger than the transfers from migrants in Saudi Arabia when we use the CBP data which normally gives estimates below US$ 2,000[9].

Other estimates of per capita remittances are generally higher (above US$ 3,000) than those estimates based on official figures. However, using samples of re-migrating workers, the 1981 Overseas Employment Development Board (OEDB) survey and the 1982 Institute of Labour and Manpower Studies (ILMS) survey[10] pose an upward bias to any estimate of remittances, as these migrants tend to be more

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[9] Also using CBP remittances and assuming that they are sent by an estimated stock of contract workers abroad, Canlas and Tan (1989) estimate per capita remittances between 1980-86 (below US$ 2,000). These estimates have two opposite biases. They are underestimated because they exclude cash brought home by migrants (or sent through other non-official channels). At the same time, they also include income sent from emigrants and non-contract workers.

[10] The 1981 OEDB survey contains 480 re-migrating workers and reports remittances of US$ 3,477. The 1982 ILM survey has 798 re-migrating workers with an estimated annual remittances of US$ 4,734 (Canlas and Tan, 1989: table 8.13).

"successful" in their overseas postings. Also these estimates may be subject to overreporting due to the self-reporting by migrants themselves. Further, it is not clear if these average remittances include cash brought home in addition to the regular stream of remittances the migrant sends while he or she is away.

Finally, no long series of average remittances is available; however, data from national surveys provide useful benchmarks. Survey data give more representative average remittances from migrants in the Philippines: higher than estimates based on the CBP figures and lower than the estimates from surveys based on re-migrating migrants. According to the 1991 NSO-SOW, annualized average total transfers per remitting worker (mainly contract workers) are below US$ 3,000 (lower if we exclude cash brought home, US$ 1,825) (NSO, 1992a). Alternatively, according to the 1991 NSO-FIES, the average remittances that households received from contract workers were US$ 1,601 a year and US$ 1,293 from "other migrants" (non-contract workers and permanent migrants).

3. RETURNEES AND REMITTANCES

3.1. PROFILE OF MIGRANTS: TEMPORARY VERSUS PERMANENT

How different are temporary migrants from permanent emigrants? Table 4 shows differences in destination, sex, age, occupation and education between these two groups of migrants. First, the U.S. is still the major destination for permanent migrants and Saudi Arabia for temporary migrants. Japan and Canada attract both types of migrants. Second, regarding the gender of the migrants, about 60% of the permanent migrants are women and about 60% of the temporary workers are male. More temporary migrants are male as Filipinas working as domestic helpers are outnumbered by the predominantly male labourers and crew members. In the case of permanent migrants, a substantial number of permanent migrants leave as fiancees or spouses of foreign nationals (they represented 28.8% of all emigrants in 1991, CFO, 1991b).

Third, the age distribution of both types of migrants differs (table 4). On one hand, almost 70% of all temporary workers concentrate in the prime age group (25-44 years old) more than in the Philippine labour force. On the other hand, permanent migrants are more similar in distribution to the non-migrant population residing in the Philippines, but migrants are on average older. For instance, 17.9% are under 14 years old whereas 39.8% of the population in the Philippines is under this age. Actually, Filipinos overseas appear older than the population in host countries. In the U.S., the stock of Filipinos has a smaller proportion of the very young and a similar proportion of people over 65 years old (table 5).

Also, regarding occupation and education, there are significant differences between the group of temporary and permanent migrants and the non-migrant population in the Philippines (table 4). The breakdown by occupation reveals that the distribution is essentially not different between permanent and temporary migrants at the 1-digit level for the first four categories (professional, managerial, sales and clerical) despite differences at the 2-digit level. The major differences are that more temporary migrants are concentrated in services and production whereas permanent migrants are out of the labour force (52.3%) and unemployed (15.7%). Note that permanent migrants leaving the Philippines report their occupation before migration. The emphasis on family reunification in host countries explains the large proportion of permanent migrants out of the labour force (housewives, students, minors and retirees), which represents an "echo" migration of relatives of those who left before. A closer examination to the characteristics of the stock of permanent migrants overseas shows that they are extremely well represented in professional occupations. For example, the proportion of Philippine-born professionals in the U.S. is 20.1%, much higher than any other group (foreign or U.S. born, table 5). On the other hand, 12.7% of all temporary workers in the Middle East and Asia have professional occupations, but only 5.3% of non-migrant workers in the Philippines are professionals (table 4). With respect to education, the differences are equally striking. Among temporary workers, the percentage is lower (28.2%) but it is much lower for non-migrant workers living in the Philippines (11.3%) according to table 4.

Higher education and professional occupations have contributed to make Filipinos living overseas a prosperous community, not only, in the U.S., but also in Australia and Canada[11]. In 1980, table 5 shows that annual median household income of Filipino-born residents (US$ 22,787) exceeded that of U.S.-born residents, and all other foreign-born groups (excluding India-born). In Australia, Filipinos had similar median incomes to Australia born residents in 1986 (BIPR, 1991). Data on income and ethnicity are not available for Canada.

2.2. DETERMINANTS OF RETURN MIGRATION: WHO RETURNS AND WHEN

Many studies have explored the determinants of migration following Harris and Todaro (1970), whereas fewer studies have addressed the determinants of return migration. In this section, we examine the characteristics of returnees using two alternative data sets (the 1991 SOW mentioned above, and the 1988 National Demographic Survey) to explain the pattern of return to the Philippines. First, return migration could represent a change in the perception of the net benefits of migration; thus, "over-optimistic" migrants become dissatisfied and return (Yezer and Thurston, 1976). An alternative explanation often put forth is that the return to a previous place of residence or birthplace indicates an accumulation of location-specific human capital (DaVanzo, 1983). This human capital can be close family ties or aspirations to inheritance, which migrants value and decide to keep by returning. Finally, exogenous factors can also explain the return of migrants through deportations, sickness, war in the host country, etc. The latter seems particularly applicable to international migration, where institutional obstacles hinder the free movement of labour across borders.

At this point, we need to define what is meant by a returnee. Here, we use two samples with

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[11] Although Philippine migrants in Canada commonly appear as domestic helpers (15% of all migrants from the Philippines in 1989 and half of all the domestic helpers entering Canada that year), they also enter the country as "investing" immigrants. Since 1986, the Canadian Immigration grants a special class to investors that have a net worth of at least half a million dollars and invest between $ 150,000-500,000 in Canada. In 1992, 2.5% of the 2,196 principal applicants as investors were from the Philippines (87.5% were from either Taiwan or Hong Kong), according to Employment and Immigration Canada (1993).

different definitions of returnees. One is the 1991 Survey of Overseas Workers (1991 SOW) which asks the household "is there a family member who is working or has worked abroad during the past 6 months - from April to September 1991? (including only those who used to live with this household or are now here with this household)". Households are asked "If still abroad, when is the worker expected to return to the Philippines?" (excluding holidays). For overseas workers who have already returned there is a specific code which allows us to identify workers who arrived home between April-September 1991. The sample size was 1,653 migrants, of whom 252 were returnees. The sample represents more than 700,000 overseas workers, of who more than 100,000 returned (NSO, 1992a). Table 6 presents the characteristics of these returned migrants and of those migrants who stay away according to this survey.

Also table 6 includes in brackets an additional definition of both groups of migrants. The National Demographic Survey of April 1988 (1988 NDS) asks "in the last five years -from 1983 to 1988- has any member or former member of this household left for abroad and been away or intends to stay away for one year or more?". For those that answered this question, the household is then asked if the person has returned since he or she left, and if so, when. Including contract workers and other workers as well as emigrants (excluding tourists, students and miscellaneous), we obtained a sample of 1,587 migrants. Of these, 387 were returnees.

There are two major differences between these alternative definitions of returnees. First, in the 1991 SOW, the screening question emphasizes that the person is working abroad and excludes people who left to live abroad but who do not work. The returnees in this data set are recent returnees (within the past 6 months) and almost all are contract workers (96%). The 1988 NDS does not restrict the definition to working migrants and it includes a wider range of migrants (12% of the sample are permanent migrants). A second main difference between these two samples refers to the reference period. The 1988 NDS restricts both the date of departure and return of the migrant to the last 5 years prior to the survey (i.e. 1988). While, in SOW 1991, there is no restriction on the date the the family member left for the first time, the date of return is restricted to the last 6 months prior to the survey (April-October 1991). With a longer period to return (1983-88), the 1988 NDS gives a higher rate of returnees (24.2%) than the 1991 SOW (14.8%). On the other hand, the longer horizon in the 1991 SOW (i.e., no restriction on the original date of departure) gives an higher average stay overseas among migrants (3.2 years among returned migrants) while the 1988 NDS has shorter stays overseas (1.6 years among returned migrants). Using both surveys, figure 4 depicts the pattern of return among migrants, by showing the percentages of returnees with respect to the year migrants left (the percentages of returned migrants refer to the proportion of returned migrants from all the migrants who left the same year). Regardless of the sample used, the figure exhibits a quadratic pattern. In the 1988 NDS, the highest rates of returnees occurs among migrants who left 2 to 3 years before and, in the 1991 SOW, rates are higher among those who left 3 to 6 years before the survey. Although we also observe high rates among returnees who had been away for 6 years (NDS) or 9 years or more (SOW), they represent a small number of migrants. Note that neither sample is a random sample of all migrants or all returnees, but both are truncated depending on the reference period used.

Table 6 shows that returned migrants are (not surprisingly) slightly older than migrants still away, have less education, are more likely to be in service occupations (SOW) or production (NDS) and less likely to be professional workers. They are more likely to be the head of the household or their spouse and to have come from regions in the Philippines with low unemployment rates. Using both samples of returnees (1991 SOW and 1988 NDS), we examine the effects of migrants' and migrants' household characteristics on return using probit (table 7). First, the effect of time spent overseas shows a significantly statistical quadratic relationship with the probability of return, even after controlling for other characteristics. But the coefficients for time spent overseas are smaller with the 1991 sample (which contains migrants with longer migration periods) compared to the 1988 sample.

Another important correlate with the likelihood of return is regional unemployment (in the region where the migrant comes from). This variable represents average unemployment from 1980 to 1991 in the area of origin and, for both samples, a 1% increase in unemployment reduces the probability of return by 12% to 20%. Also, having an emigrant visa as opposed to a contract-worker visa unsurprisingly reduces the probability of return in the 1988 NDS sample. In the 1991 SOW sample, having a contract visa reduces the probability of return most likely because the reference group is workers who are not under contract (likely illegal workers or *tago-nang-tago*[12]). Some characteristics of the sending household also are significant.

2.3. DETERMINANTS OF REMITTANCES

Temporary migrants might be expected to remit more than permanent migrants as they retain closer ties due to expectations of return[13] (although permanent migrants also transfer funds to their relatives in the Philippines). From the 1988 NDS and the 1991 SOW, only the latter contains information about remittances and we use it to compare the characteristics of remitting and non-remitting migrants and their households[14] (table 8). The SOW 1991 has information about transfers (either cash or in-kind) made in the 6 months prior to the survey (April-September 1991). In the 1991 SOW, 83.6% of the migrants remitted. Compared to the non-remitters, the migrants who sent money home are on average older, slightly better educated, less in occupations related to services (like domestic help) and they are more frequently either the head or spouse of the head within the household. At home, the heads of the households with remitters are in average younger and more educated. Our estimates differ for the preliminary estimates published by the NSO, mainly because we also include the category of "cash brought

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[12] Also known as TNT, this Tagalog expression means "hiding and hiding".

[13] For Germany, Mekle and Zimmermann (1992) find empirical evidence that migrants' expectations about return to their country of origin affects remittances positively.

[14] The information on heads of the household come from the Labour Force Survey which the National Statistics Office administered at the same time as the Survey of Overseas Workers (October 1991). So the information corresponds to the matched households.

home"[15].

Table 9 examines the determinants of total transfers (including cash brought home and remittances in kind). The first column indicates the incidence of total transfers in the sample. To measure the probability of being a remitter, we have used probit estimates. As we expected, time spent away influence positively the probability of remitting and has a quadratic effect. Also age exhibits a similar effect on remittances. That is, the older the migrants and the longer they stay abroad, the more likely they will remit although this incidence decreases for long absences or older migrants. The duration of the migration has a greater coefficient than age (for the linear term the coefficient is 70.8% for duration and 42.5% for age; the latter variable has a smaller effect in the quadratic term). Also table 9 (column 1) shows that being a member of the nuclear family (i.e., head, spouse or child) increases the chances of remitting. The probability is 15.3% higher for spouses or heads and 10.3% for children, either son or daughter, as opposed to other less close members. Finally, being a contract worker increases the incidence of remittances very modestly (7.6%) and so does being an artist (10%). After controlling for the rest of the migrants' characteristics, migrants from the Middle East have a 13.5% lower probability of remitting compared to the other destinations and it may reflect the less favourable economic conditions in oil exporting countries where most contract workers go.

To estimate amounts of remittances from migrants, we use Tobit to avoid the biased and inconsistent estimates we would obtain by ignoring families that report zero transfers but that have

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[15] If we use all the observations in the sample, we find that "cash brought home" represents 71% of the total average remittances from international migrants, and the latter figure is heavily influenced by a few migrants in the sample who report large sums of money brought home. Therefore, it is important to clarify whether the definition of remittances includes only the regular cash flow (i.e., monthly transfers), or also includes lump-sum transfers upon return of the migrant. If we include the latter then the transfers in the last 6 months could reach US$ 3,670, using the 1991 SOW (an annual estimate would have to consider that the cash brought home could occur only upon return of the migrant, for holidays or for permanent return). If cash brought home is not included in the calculation then our figures are closer to those published by the NSO (regular cash transfers of US $ 954 for a 6-month period).

migrants working abroad. Under three different specifications for the dependent variable (in table 9, columns 2, 3 and 4 correspond to the regressions for total remittances, per capita remittances and remittances as percentage of the migrant's estimated wage overseas[16]), we find that amount of remittances is mainly explained by two factors, namely, the time the migrant has spent away and the location of the migrant's household in urban areas. Note again that the sample is only one of migrants, i.e. it examines the amount of remittances conditional on the household having a migrant.

First, urban households receive larger remittances (table 9) which implies that international remittances could increase inequality in the Philippines (see next section). Second, the time spent away represents an indication of the likelihood of the migrant's return, which follows a quadratic pattern as we have already observed. This inverted-U probability of return also affects remittances in a similar fashion. Hence, although more time abroad represents more experience and higher earnings, remittances do not increase continually because ties with the household at home weaken among those migrants who have stayed away longer. Because time spent abroad represents such a significant factor in explaining remittances, time should be taken into account in any study on the benefits of emigration for the source country[17]. Earlier we observed that probability of return increases with low regional unemployment[18] and when the migrant is a member of the nuclear family. In table 9, these variables also increase

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[16] The 1991 SOW does not give any information on migrants' earnings so that we use 1993 data on wages in US dollars as a proxy for overseas wages according to the characteristics of migrants in our sample. The overseas earnings equation was estimated, using data from more than 100,000 contracts registered during the second quarter of 1993 at the Philippine Overseas Employment Administration (POEA), which has to approve the overseas contracts before allowing the migrant to leave the Philippines as a contract worker.

[17] Goldfarb et al. (1984) shows that large flows of remittances from Philippine-born physicians living in the U.S. would compensate the Philippines for the loss of doctors. The study does not account for the decline in remittances over time which may be steeper among permanent migrants.

[18] The country is divided in 13 regions. The regions with higher unemployment (above 10%) between 1980 and 1991 were the National Capital Region (18.8%), Central Luzon (13%), Southern Tagalog (10.2%) and Western Visayas (10.1%).

remittances (only statistically significant under two of the three specifications in columns 3 and 4). Lower unemployment in the region of origin increases the migrant's remittances, and migrants who are sons or daughters tend to remit more to their households (but households with older heads receive smaller transfers from international migrants). Again other demographic characteristics of the migrants and their households do not appear significant, except being an artist (which had a positive, but insignificant effect on the probability of return) and which also has a positive and statistically significant effect on amount of remittances.

2.4. REMITTANCES AND INCOME INEQUALITY

A remaining issue is to determine whether or not remittances increase inequality in the Philippines, where income distribution appears to have worsened since the 1960s[19]. According to some studies, international remittances increase income inequality in the rural areas. In a rural province of Egypt, Adams (1989) finds an increase in inequality when international remittances are included (a 14.8% increase in household income inequality and a 21.3% increase using per capita household income). For rural Pakistan, the same author reports a neutral effect of remittances (domestic and international) (Adams, 1992). In the Philippines, the number of families receiving income from international sources has increased (especially among rural households), but urban families still receive a larger share of income from abroad than rural families (figure 5). In 1991, 17.2% of all Philippine households reported having received some income from abroad (around 8% of the total income of Philippine households comes from abroad). Most of this income come from contract workers (52.5% of total income from abroad), income from relatives who are not contract workers overseas (26.8%), cash gifts from other relatives (who would not be part of the household if they were in the Philippines) and private institutions from abroad (16.5%), and pensions or dividends from overseas (4.2%). Before we mentioned the characteristics of households with remitting and

[19] Boyce (1993: 13-53) suggests that household survey data understate the incomes of the rich and that data on real wages provide a strong case for an increase in inequality in the Philippines.

non-remitting migrants, here the FIES data allow to compare households with migrants who remit and those households that do not have any migrants or remittances (table 10). The former group is predominantly urban and has higher total income and expenditure than households with no remittances. Table 10 also indicates that the heads of households receiving remittances are slightly older and more likely to be female, and, although they are less likely to be employed, they also have more education than heads of non-recipient households. These figures already suggest that migration may exacerbate inequality since migrants come from better educated, wealthier, urban households. Using these data from the 1991 FIES and following a similar methodology as the one used by Adams (1989, 1992), Rodriguez (1994) calculates the effect of remittances from international migrants on the income distribution of the Philippines. The study shows that income inequality increases by 7.7% for the whole country (the Gini coefficient increases from 0.297 to 0.320 with remittances from international migrants), and the increase is greater in urban areas (8.8%). These findings need to be considered when evaluating the contribution of migrants (returnees or not) to the Philippines.

3. POLICY ON RETURN MIGRATION AND REMITTANCES

The contribution of returned migrants and remittances to the economic development of the Philippines has been considered disappointing (Abella, 1992). Earlier we mentioned Vasquez's (1992) findings that indicate return migrants are mostly unemployed, and their savings or remittances are consumed rather than invested in small businesses. These findings have become the predominant view on the impact of international migration in the Philippines (ILO-ARTEP-DOLE, 1993) and they echo similar experiences in other countries like Mexico, Central America and the Caribbean (Diaz-Briquets and Weintraub, 1991). Can regulation bring more remittances to the country, stimulate temporary return or give alternative occupations to permanent returnees? Most of the programs aimed to increase official remittances will not meet their goals if they do not consider sufficiently the factors governing the decision to remit or return. Some policies have proved to be feasible and even profitable for the government (e.g., the "Balikbayan" program -"returnee" in Tagalog- has increased business at the government-run duty free shops), whilst some others may have a more limited success (e.g., the Participatory Debt Reduction Certificate, retirement programmes or simpler immigration procedures). Some of these are discussed in more detail below.

Several government entities run or sponsor programmes that aim to favour international migrants in the Philippines, including the Commission for Filipinos Overseas (CFO), the Overseas Workers' Welfare Agency (OWWA) and the Philippine Overseas Employment Agency (POEA). According to the Commission for Filipinos Overseas (CFO), in 1990, 4% of all visitors to the Philippines were "balikbayans". Approved in 1989, the "Balikbayan" programme offers to returning Filipinos (including former Filipino citizens) tax-free shopping up to US$1,500, visa-free entry for a year, travel tax exemptions, and special areas in the ports of entry to expedite the processing of documents[20]. Another programme aimed to Filipino returnees is the Philippine Retirement Authority (PRA), a government agency currently implementing a national scheme offering incentives to retirees who choose the Philippines for their retirement. Since 1987, however, only 1,207 retirees have already enlisted in the programme[21].

The Overseas Workers' Welfare Agency (OWWA) has a number of programmes aimed specifically at contract workers. Some of these programmes lend money to contract workers or their families (the Expanded Livelihood Development Program, the Pre-Departure Program -which gives up to

[20] Even the private sector supports the program with the issuing of a Balikbayan Plus Card that gives discounts in stores, banks, hotels, transport fares and overseas phone calls (CFO, p.2, 1991).

[21] The requirements are to be over 50 years old (no age limit for Filipinos or former Filipino citizens) and a deposit of US$ 50,000 (30,000 for Filipinos). The benefits mainly include a special resident retiree's visa and US $ 7,000 exemption from customs duties. In general, the government has aimed to simplify immigration procedures for overseas Filipinos returning to the Philippines. For instance, no visa is required for visits up to a year and for longer stays a non-quota immigrant visa can be obtained. However, returning Filipinos who have renounced their Philippine citizenship can buy land only for residential purposes in the Philippines.

5,000 pesos or less than US$ 200-, and the Family Assistance Loan). For protection, they offer legal assistance, repatriation of workers, life and death/disability insurance (less than US$ 1,000). In addition, they offer Training Grants for Seamen's Career Development, Training Loans for Filipino Seamen and a Skills-For-Employment Scholarship Program[22].

No information is available about the actual impact of any of these programs (CFO or OWWA) either in terms of funds spent or number of beneficiaries. The POEA does however publish statistics about four groups of cases handled by the POEA and the OWWA handles: illegal recruitment cases, legal recruitment cases, recruitment regulation cases and welfare cases (Overseas Employment Statistical Compendium, 1982-1991). The last group, under the auspices of the OWWA, represented 5,386 welfare cases in 1991 of which, only 2,397 were resolved in the same year. In 1991, the POEA's activities included handling 712 cases concerning illegal recruitment (down from 1,671 in 1984) and 2,564 cases of disputes concerning legal recruitment (down from 2,694 in 1984). Of these, the number of cases settled and workers who benefitted was 39 for illegal and 698 for legal recruitment cases in 1991. Considering the size of the outflow of contract workers (almost half a million in 1991), these figures may not appear impressive.

When we examine the legislation on the remittances of contract workers, we continue to observe the strong involvement of the Philippine government. In 1982, an interagency body formed by the Central Bank, the Ministry of Foreign Affairs and the Ministry of Labor and Employment, issued Executive Order 857 which provided for the mandatory remittance of 50-70% of overseas workers' salaries. As sanctions, the government would not renew the worker's passport or approve new employment contracts. After complaints from contract workers, the EO 1021 of 1985 repealed the punitive provisions of EO 857, but

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[22] Also the OWWA offers other programmes such as the Social Reintegration Programme Development (part of the OWWA's Integrated Return Programme for Contract Workers), Value Formation Programme and "Hatid-Saya" (or "Deliver Joy") project which brings entertainment to the overseas jobsites.

the remittance target figure continues in effect until now. Although the government policy on compulsory remittances remains valid up to the present, it is not widely observed. It is difficult to implement except for a subgroup of contract workers -the seamen- who get paid by their contractors in the Philippines. But in the case of seamen, there is less difficulty complying with the government target due to the nature of their work (most of their expenses are covered aboard the ships). For the majority of contract workers, permanent migrants or Filipinos with a new citizenship, the government cannot possibly enforce this policy.

Instead of imposing restrictions, the government has started to give incentives to remitting migrants such as the Overseas Workers Investment, approved in 1991. Again, we have no information about the success of this program. Other minor programs have tried to facilitate remittances by providing alternative channels. For instance, the OWWA has a remittance assistance for Filipinos overseas which takes deposits abroad and delivers the money in 24 hrs in Manila or 72 hrs in the provinces. Many Philippine banks offer similar services.

The change of policies from more punitive to more supportive probably indicates reveals the difficulty of increasing remittances through the use of legislation. Although lifting restrictions reduces transaction costs, the economies of the host countries, the prospects of return of the migrants and the strength of family ties are the most significant forces determining remittances. Reducing transaction costs and offering a market rate for the hard currency increases the amounts transferred under the legal system without necessarily increasing total remittances.

4. CONCLUSIONS

The paper has reviewed the basic statistics on international migration and remittances in the Philippines. Statistics on remittances from previous micro studies tend to be unrepresentative of the entire country, and were often not clearly defined. The regularly published national data from the Central Bank underreport the value of remittances in the aggregate (by a factor as large as 50%). At the beginning of the 1990s, the estimated stock of Filipino migrants represented 2.8% of the total population resident in the country and 4.4% of the labour force resident and they contributed remittances equivalent to a quarter of the country's total exports. The two major groups of migrants are contract workers in Saudi Arabia and permanent migrants in the U.S., but contract workers in the rest of Asia are a rapidly growing group.

Compared to the population, permanent migrants from the Philippines are on average older and are more likely female. More than half are out of the labour force before leaving the Philippines. This likely represents the "echo" migration fostered by family reunification. Almost a third of permanent migrants from the Philippines leave as "fiancees and spouses of foreign nationals". On the other hand, temporary migrants are in their prime working years and are more likely to be men, working mainly in services (including domestic help) and production (which includes transport). Both permanent migrants and contract workers are on average more educated than the non-migrant employed population in the Philippines. Abroad Filipinos outperform the populations of the host countries in terms of qualifications, occupation and income.

Return migrants are an interesting group in terms of impact on the domestic economy. Our study, based on previously little-used microdata sets, presents two alternative definitions of returnees and examines what determines their pattern of return. A profile of return migrants reveals that they are slightly older than migrants still away, have less education, and are more likely service or production workers. When we control for demographic characteristics, two factors explain the probability of return. First, migrants coming from areas with high average unemployment delay their return. Second, time spent overseas is associated with an inverted-U pattern in the probability of return which is also manifested in the pattern of remittances of which cash brought home by visiting or returning migrants is a substantial fraction. Data on households that receive remittances indicate that these families are more likely to be urban, have more educated heads, and higher incomes (even excluding overseas income). Hence, remittances from international migrants exacerbate income inequality.

Finally, we review some policies affecting remittances. Permissive policies have generally been more successful than coercive ones, although the impact of some programs aiming to increase remittances has not yet been adequately documented.

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APPENDIX 1. DATA SETS ON INTERNATIONAL MIGRANTS AND REMITTANCES IN THE PHILIPPINES

In this paper, we have used four data sets that the National Statistics Office (NSO) has collected:

1. 1991 Family Income-Expenditure Survey (FIES)

This survey aims to gather data on family income and family living expenditures and related information affecting income and expenditure levels and patterns in the Philippines. Also it determines the sources, distribution and levels of income and spending patterns of Philippine families. The latter is used to estimate the weights in the estimation of the consumer price index. Similar surveys have been undertaken in 1956-7, 1961, 1965, 1971, 1975 , 1979, 1985 and 1988.

The 1991 survey we use in this paper include interviews to more than 20,000 households in two separate times (June 1991 and January 1992) so the reference period was the last six months -except food and other items-, making it easier to avoid memory bias on the part of the respondents. This data set includes information on remittances received but not on the number of migrant workers. Although in theory it is feasible to match the FIES and the LFS, in practice the march has proven problematic and is not feasible at present.

2. Labor Force Survey (LFS)

The NSO administers the LFS quarterly; however, data on salaries are only collected in the survey of the third quarter, along with information about each member of the household at the moment of the survey. The survey used in the paper corresponds to the third quarter of 1991 (October 1991) and it covers more than 25,000 households. The survey asks a question about migrant workers overseas (not reported in the questionnaire) which is used to draw the subsample for the SOW.

3. Survey of Overseas Workers (SOW)

The SOW was undertaken at the same time as the October LFS. These two surveys have been matched to provide more information about the household of the migrant workers. The SOW has information on 1,713 migrants working overseas and includes information on remittances. The reference period is the last six months before the survey (April to September 1991) that took place in October 1991.

4. The National Demographic Survey (NDS)

The NDS was undertaken in April 1988. It is a quinquennial nationwide survey and started in 1968 with the aim of collecting data on fertility, mortality, migration and social mobility. The 1988 round of the NDS covered 19,897 households nationwide. The latest NDS was in 1993 (that is still not available). In the paper, we have used two modules of the 1988 NDS: the household information to obtain the information about the heads of the households (module 1) and the information on contract workers, other workers and emigrants from the module on international migration (module 2). The survey has no information on migrants' earnings and remittances. The survey records stays overseas during the last 5 years (January 1983 to April 1988). Although in theory it is feasible to match the 1988 LFS and NDS, in practice it proved problematic to link the April NDS to the October LFS such that matched information is not available at present.

APPENDIX 2 - NOTES AND SOURCES TO ESTIMATE THE STOCK OF PHILIPPINE-BORN

United States: Philippine-born population in censal years. Statistical Abstract of the United States 1992, table 46, published by the Bureau of the Census.

U.S. Territories: Philippine-born population in censuses. Bureau of the Census. Social, Economic and Housing Characteristics - Guam (1990), Social, Economic and Housing Characteristics - Commonwealth of the Northern Mariana Islands (1990), Social, Economic and Housing Characteristics - Republic of Palau (1990), Social, Economic and Housing Characteristics - American Samoa (1990). For 1980, the UN Demographic Yearbook 1989, table 32 (censuses of Guam and American Samoa only).

Saudi Arabia: Cumulative estimate of foreigners by nationality according to arrivals and departures from 1970 until 1990. Statistical Yearbook (several issues) published by the Ministry of Finance and National Economy. Original source from the Ministry of the Interior.

Canada: Philippine-born population in censuses. Immigration and Citizenship - The Nation (1992), table 2 and Place of Birth, Citizenship and Period of Immigration (1984), table 1b, published by Statistics Canada.

Australia: Philippine-born population in censal years. Shu, J. et al (1994) Australia's Population, Trends and Prospects, AGPS: Canberra, table 5.3. Original source from the Australian Bureau of Statistics.

Japan: Foreigners by nationality registered as of the end of the year in accordance with the Aliens Registration Law. Japan Statistical Yearbook 1991, table 2-15, published by the Statistics Bureau. Original source from the Judicial System and Research Department, Minister's Secretariat, Ministry of Justice.

Hong Kong: Working population by nationality. Hong Kong 1991 Population Census- Main Tables, table 20c, published by the Census and Statistics Department, Hong Kong.

Spain: Resident aliens by nationality. Espana-Anuario Estadistico (1991 and 1992), table 3.2.1., published by the Instituto Nacional de Estadistica. Original source from the Direccion Nacional de la Policia.

New Zealand: Philippine-born residents. 1991 Census of Population and Dwellings - National Summary, table 2, and New Zealand Census of Population and Dwellings 1981- Volume 7: Birthplaces and Ethnic Origin, published by the Department of Statistics.

Singapore: Philippine and Thai-born residents. Singapore Census of Population 1990 - Demographic Characteristics, table 10, and Census of Population 1980 Singapore - Geographic Distribution, table 22, published by the Department of Statistics.

Sweden: Philippine-born residents (1985) and Philippine-born and Philippine nationals (1992). 1992 estimate from Statistical Yearbook of Sweden 1994, table 60, published by SCB Befolkningsstatistik. For 1985, UN Demographic Yearbook 1989, table 32.

Switzerland: Residents by nationality. Annuaire Statistique de la Suisse (1992, table 1.30, and 1994, table 1.9), published by the Office Federale de la Statistique. Original source from the Office Federale de la Statistique, Evolution de la Population.

Macau: Balance of foreigners with legal residence and non-resident workers as of december (1991) and the cumulative estimate of foreigners who legalized their residence in the territory (between 1975-1981). Anuario Estatistico (several issues), published by the Direccao de Servicos de Estatistica e Census de Macau.

Other countries: Philippine-born residents. In 1980, Philippine-born residents appear in the population census of Malaysia (424), the Bahamas (63), Panama (38), Puerto Rico (290) and "Pacific Islands" -not specified- (1,899). In 1981, Philippine-born residents also appear in the population census of Belgium (522) and Denmark (976). In 1985, Finland's census only records 79 Philippine-born residents. UN Demographic Yearbook 1989, table 32.

TABLE 1

COMPOSITION OF THE OUTFLOW OF PHILIPPINE NATIONALS 1982-91

MIGRATION	1982	%	1985	%	1991	%
Emigrants	53953	13.3	45269	10.8	62671	9.4
Americas a/	49336	12.1	40750	9.7	51214	7.7
Oceania b/	2931	0.7	3458	0.8	5728	0.9
Other	1686	0.4	1061	0.3	5729	0.9
Landbased c/	289065	71.0	320494	76.7	476693	71.7
Africa	1098	0.3	1977	0.5	1964	0.3
Asia	31011	7.6	52838	12.6	132592	19.9
Americas	3707	0.9	3744	0.9	13373	2.0
Europe	1465	0.4	4067	1.0	13156	2.0
Middle East	210283	51.6	253867	60.7	302825	45.5
Oceania	683	0.2	953	0.2	1374	0.2
U.S. Trust Territories	1148	0.3	3048	0.7	11409	1.7
Other	39670	9.7		1		
Seabased c/	64169	15.8	52290	12.5	125759	18.9
WORLD	407187	100.0	418053	100.0	665123	100.0

a/ Canada and the U.S.
b/ Australia
c/ Processed files for 1982.

Sources: Commission for Filipinos Overseas (CFO), data on emigrants; Philippine Overseas Employment Administration (POEA), data on landbased and seabased contract workers.

TABLE 2. ESTIMATED STOCK OF PHILIPPINE-BORN POPULATION a/ WORLDWIDE: 1980-1990

COUNTRY	ESTIMATED STOCK 1980 b/	ESTIMATED STOCK 1990 c/	Stock in percent	% change 1980s-1990s
U.S.A.	501000	998000	58.70	99.20
U.S. TRUST TERRITORIES d/		39947	2.35	
Guam	16998	(24545)	(1.44)	44.40
American Samoa	38	(380)	(0.02)	900.00
SAUDI ARABIA	65195	334013	19.64	412.33
CANADA	66460	123295	7.25	85.52
AUSTRALIA	15400	73700	4.33	378.57
JAPAN	5547	49092	2.89	785.02
HONG KONG		60340	3.55	
SPAIN	2878	7416	0.44	157.68
NEW ZEALAND	405	4185	0.25	933.33
SWEDEN	1258	3380	0.20	168.68
SINGAPORE	5826	2609	0.15	-55.22
SWITZERLAND	1769	2424	0.14	37.03
MACAU	345	1879	0.11	444.64
OTHER COUNTRIES	4291			
TOTAL POPULATION OVERSEAS	687410	1700280	100.00	148.60
TOTAL POPULATION IN THE PHILIPPINES	48098460	60703206		26.21

a/ Philippine-born residents in the U.S., the U.S. Trust Territories, Canada, Australia, New Zealand and Other Countries. For the rest of the countries, see appendix 2.
b/ 1981: Canada, Australia, New Zealand, Switzerland and Macau.
1985: Sweden.
c/ 1991: Canada, Australia, Hong Kong, New Zealand and Macau.
1992: Sweden.
d/ Guam, American Samoa, Commonwealth of the Northern Marianas and the Republic of Palau.

Sources: Appendix 2

TABLE 3. TOTAL REMITTANCES FROM ABROAD 1978-1992
(Millions of U.S. dollars per year)

	Central Bank of the Philippines (CBP) 1/	Family Income-Expenditure Survey- National Statistics Office (FIES-NSO) 2/	Survey of Overseas Workers-National Statistics Office (SOW-NSO) 3/
1978	290.9		
1979	364.7		
1980	421.3		
1981	357.7		
1982	649.8		
1983	895.2		
1984	602.9		
1985	687.2	1380.2	
1986	680.4		
1987	791.9		
1988	856.8	1513.7	
1989	973.0		
1990	1181.1		
1991	1628.3	2400.0	1775.8
1992	2202.4		

1/ Total for landbased and seabased sources.
2/ Includes income from contract workers, other family members abroad and gifts from overseas.
3/ The total remittances of 24.4 billion pesos for the last six months (NSO, 1992a) before the survey are doubled to obtain an annual estimate.

Source: Central Bank of the Philippines (CBP); National Statistical Office (NSO).

TABLE 4. PROFILE OF PERMANENT VERSUS TEMPORARY MIGRANTS 1991 (in percent)

		1990 CENSUS (NSO)	1991 LABOUR FORCE (NSO)	PERMANENT MIGRANTS (CFO)	TEMPORARY MIGRANTS (NSO-SOW)
DESTINATION	US			70.2	3.6
	Saudi Arabia				43.2
	Canada			11.5	1.7
	Japan			6.3	9.3
SEX	Male	50.2	62.5	39.6	59.6
	Female	49.8	37.5	60.4	40.4
AGE	14<	39.8		17.9	
	15-24	20.5	26.4	22.0	16.5
	25-34	15.1	24.3	25.0	40.4
	35-44	10.4	21.1	11.9	28.8
	45>	14.2	28.3	23.1	14.3
OCCUPATION	Professional	59.4	5.3	12.0	12.7
	Managerial		1.1	0.7	0.4
	Clerical/Sales		16.6	9.0	5.0
	Service		8.2	3.1	37.1
	Agriculture		39.6	2.2	0.5
	Production		19.1	4.9	44.4
	Unemployed	7.0	10.6	15.7	
	Out of labour force 1/	33.6		52.7	
EDUCATION	No Education		3.8		0.2
	Primary		44.9		9.1
	High School		31.1		34.9
	College		8.9		27.2
	University		11.3		28.2

1/ Includes housewives, retirees, students, minors and armed forces.
Source: 1992 Philippine Yearbook (NSO, 1992c); Commission for Filipinos Overseas (CFO, 1991b); Survey of Overseas Workers (NSO, 1992a).

TABLE 5. CHARACTERISTICS OF THE U.S. POPULATION BY SELECTED COUNTRY OF BIRTH - 1980 CENSUS
(in percent)

COUNTRY OF BIRTH		TOTAL	AGE		EDUCATION a/		OCCUPATION c/		MEDIAN HOUSEHOLD INCOME
		('000)	<15 yrs	65 yrs>	High School	University b/	Professional	Service	(1979 US$)
Total		226546	22.6	11.3	66.5	16.2	12.3	12.9	16841
U.S. born		212466	23.5	10.6	67.7	16.3	12.3	12.7	17010
Foreign born d/		14080	8.8	21.2	53.1	15.8	12.0	16.1	14588
Asia	**Philippines**	**501**	**11.3**	**10.4**	**74.0**	**41.8**	**20.1**	**16.2**	**22787**
	Korea	290	24.2	2.6	77.8	34.2	14.7	17.0	18085
	China	286	3.8	14.8	60.0	29.5	16.8	24.4	18544
Americas	Mexico	2199	14.7	7.6	21.3	3.0	2.5	16.6	12747
	Canada	843	4.9	29.3	61.8	14.3	16.2	11.4	15953
	Cuba	608	4.1	13.8	54.9	16.1	9.2	12.2	16326
Europe	Germany	849	4.7	27.9	67.3	14.9	13.4	14.1	15790
	Italy	832	2.1	44.5	28.6	5.3	6.1	16.3	13736
	England	442	6.2	26.8	74.6	16.4	17.4	12.2	16006

a/ For persons 25 years old and over. **b/** Completed 4 years or more of university. **c/** Employed persons over 16 years old and over. **d/** Includes other countries not shown in this table.

Sources: U.S. Bureau of the Census (1986).

TABLE 6. PHILIPPINE MIGRANTS: MIGRANTS AWAY VERSUS RETURNED MIGRANTS IN THE 1991 SOW AND THE 1988 NDS (in percent)

	MIGRANTS AWAY 1988 NDS	MIGRANTS AWAY 1991 SOW	RETURNED MIGRANTS 1988 NDS	RETURNED MIGRANTS 1991 SOW
MALE (%)	55.8	62.6	77.6	54.6
AGE (in years)	33.1	33.9	36.5	34.1
HEAD OR SPOUSE (%)	44.1	40.5	63.5	42.2
URBAN (%)	67.1	76.5	64.8	65.5
CONTRACT WORKERS (%)	79.5	96.2	90.6	92.2
TIME SPENT AWAY (in years)	1.2	2.7	1.6	3.2
REGIONAL UNEMPLOYMENT 1980-91 a/ (%)	10.8	12.3	12.2	10.8
ESTIMATED MONTHLY WAGE b/ (US$)	n.a.	436	n.a.	452
AVERAGE TOTAL REMITTANCES (US$)	n.a.	2813	n.a.	8589
EDUCATION (%)				
-No Education	0.5	0.1	0.8	0.2
-Primary	6.4	8.7	9.1	9.1
-High School	35.2	34.4	39.8	34.9
-College	19.3	27.9	19.1	27.2
-University	32.0	28.6	26.0	28.2
OCCUPATION c/ (%)				
-Professional	16.2	14.1	12.4	13.6
-Administrative	0.7	0.6	0.8	0.5
-Clerical	6.5	5.0	4.4	4.6
-Sales	5.8	1.2	5.4	1.1
-Services	10.0	32.6	8.5	34.3
-Production	32.9	45.9	48.7	42.3
DESTINATION (%)				
-Middle East d/	40.3	47.2	52.2	32.6
-Asia e/	28.5	32.0	27.6	39.5
-Europe	6.3	7.2	5.6	10.5
-Americas	20.1	2.4	9.9	8.5
-Other	4.8	11.2	4.7	8.9

a/ Unemployment rates (BLES, 1991); **b/** Estimates from POEA contracts; **c/** for the 1988 NDS, "Occupation" refers to occupation at home; **d/** Saudi Arabia (1988 NDS); **e/** Other countries in Asia, including other Middle Eastern countries (1988 NDS).

Source: 1991 Survey of Overseas Workers (SOW); 1988 National Demographic Survey (NDS).

TABLE 7. RETURN AMONG FILIPINO MIGRANTS (Standardized Probit Estimates)

	1991 SOW		1988 NDS	
MIGRANTS AWAY	1418 (85.2%)		1202 (75.8%)	
RETURNEES	247 (14.8%)		385 (24.2%)	
Age	-0.105		0.063	
Age Squared	0.132		0.151	
SEX ('Female' is omitted variable)				
Male	0.028		0.286	**
RELATIONSHIP TO HEAD ('Other' is omitted variable)				
Spouse or Head	0.043		0.183	**
Son or Daughter	-0.028		0.027	
MARITAL STATUS ('Other' is omitted variable)				
Married			-0.122	*
EDUCATION ('No Education' is omitted variable)				
Primary	-0.08		-0.072	
High School	-0.138		-0.098	
College	-0.211		-0.093	
University	-0.166		-0.154	
DESTINATION ('Other' is omitted variable)				
Middle East	-0.156	**	-0.014	
Asia	-0.025		0.06	
Europe	0.022		0.005	
Americas			-0.041	
OCCUPATION ('Production workers' is omitted variable)				
Professional	-0.102	*	-0.012	
Artist	0.046		0.038	
Administrative & related	-0.087	*	-0.044	
Domestic Helper	-0.019		-0.082	
Other Services	0.036		-0.002	
Transportation	-0.029		0.014	
URBANITY ('Rural' is omitted variable)				
Urban	-0.055		0.006	
VISA ('Other' is omitted variable)				
Contract Worker	-0.088	**	0.0004	
Emigrant			-0.182	**
TIME AWAY				
Away	0.487	**	1.315	**
Away Squared	-0.507	**	-1.143	**
CHARACTERISTICS OF HEAD				
Head-Age	0.329		0.084	
Head-Age Squared	-0.313		-0.225	
Head-Male	0.019		0.445	**
Head-Married	-0.007		-0.334	**
Head-Single	0.083	*	0.053	**
Head-Primary	-0.173	*	-0.041	
Head-High School	-0.18	*	0.053	
Head-College	-0.055		0.003	
Head-University	-0.129		0.113	
LABOUR MARKETS AT HOME				
Average Regional Unemployment 1980-91	-0.201	**	-0.118	**
-2 Log Likelihood (Chi-Square for covariates)	109.5 (32 d.f.)		376.9 (35 d.f.)	

* indicates at least 90% significance; **, at least 95% significance.

Source: 1991 Survey of Overseas Workers (SOW); 1988 National Demographic Survey (NDS).

TABLE 8. PHILIPPINE MIGRANTS: REMITTERS VERSUS NON-REMITTERS - 1991 SOW (in percent)

	ALL MIGRANTS	NON-REMITTERS	REMITTERS
TOTAL	751317	127887	623430
Male	61.4	52.3	63.1
Age (in years)	33.9	31	34.5
Urban	74.8	67.5	76.2
EDUCATION			
No Education	0.2	0.4	0.01
Primary	9.1	11.6	8.7
High School	34.9	34.7	35
College	27.2	27.8	27.1
University	28.2	25.3	28.7
OCCUPATION OVERSEAS			
Professional	13.7	10.4	14.2
Administrative, clerical & sales	6.2	5.4	6.3
Services	34.3	43.7	32.5
Production	45.3	39.0	46.5
DESTINATION OVERSEAS			
Middle East	45	44.8	45
Asia	33.1	33.6	33.1
Europe	7.7	10.1	7.2
Americas	3.3	1.8	3.6
Other	10.9	9.7	11.1
TYPE OF VISA			
Contract workers	95.6	92.8	96.2
Other	4.4	7.2	3.8
OTHER CHARACTERISTICS			
Time Away if overseas (in years)	2.8	1.7	3
Estimated Monthly Wages (US$)	438	403	445
CONDITIONS AT HOME			
Head or Spouse of head	40.5	29.6	48.3
Children of head	45.3	51.6	38.4
Family size-All 1/	5.3	5.3	5.3
Family size-Children under 10 1/	1.1	1.1	1.1
Female-headed Families 1/	48.2	34.3	51.5
Age of head (in years) 1/	48.2	50.1	47.7
Heads w/no education 1/	3	4.3	2.9
Heads w/primary 1/	34.8	42.2	33.3
Heads w/high school 1/	33	30	33.6
Heads w/college 1/	13.6	11.6	14
Heads w/university 1/	15.5	11.9	16.2
Unemployment in the Region 1980-91 2/	12.3	11.5	12.4
AVERAGE REMITTANCES (US$)			
Remittances in last 6 months	3670		3670
-Cash remittances	954		954
-Remittances in kind	498		498
-Cash brought home	2623		2623

1/ From 1991 October Labour Force Survey (characteristics of the head); 2/ From the 1991 Yearbook of Labor Statistics (unemployment).
Source: 1991 Survey of Overseas Workers (SOW).

TABLE 9. TOTAL REMITTANCES: INCIDENCE (Standardized Probit Estimates) AND AMOUNTS (Tobit Estimates)

	Incidence of Total Remittances 1/		Amount of Total Remittances		Amount of Total Remittances per capita		Total Remittances as % of Estimated Annual Wages	
Mean	83.6%		98,374 Pesos		23,847 Pesos		76.4%	
Constant			-217227		-28671		-118	
CHARACTERISTICS OF MIGRANT								
Age	0.425	**	10135		1889		8.9	
Age Squared	-0.314	*	-105		-20		-0.09	
SEX ('Female' is omitted variable)								
Male	0.006		13668		6358		-2	
RELATIONSHIP TO HEAD ('Other' is omitted variable)								
Spouse or Head	0.153	*	-13013		2084		-52.7	
Son or Daughter	0.103	*	76497		27093	*	84.6	**
EDUCATION ('No Education' is omitted variable)								
Primary	-0.102		-72934		-12365		-53.1	
High School	-0.065		13394		4336		4.9	
College	-0.088		54709		12729		41.3	
University	-0.067		41945		9159		31.1	
DESTINATION ('Other' is omitted variable)								
Middle East	-0.135	**	32785		10642		65.4	
Asia	-0.05		19976		74		-22.1	
Europe	-0.074		-80892		-20713		-64.7	
OCCUPATION ('Production workers' is omitted variable)								
Professional	0.005		-21437		2733		-36.9	
Artist	0.1	**	421276	**	100599	**	128.1	
Administrative & related	0.038		-44168		-10035		-38.9	
Domestic Helper	-0.037		6973		5420		65.4	
Other Services	-0.033		-50375		-10905		-29.3	
Transportation	-0.039		6190		9042		53.8	
Urban ('Rural' is omitted variable)	0.038		37769		19606	**	80.2	**
Contract Worker ('Other' is omitted variable)	0.076	**	95127		22795		52.5	
TIME AWAY								
Time Away	0.708	**	24124	**	8175	**	34.2	**
Time Away Squared	-0.538	**	-405		-319	*	-1.4	**
CHARACTERISTICS OF HEAD								
Head-Age	-0.347		9932		-3640	*	-12.5	**
Head-Age Squared	0.285		73		30	*	0.09	
Head-Male	-0.056		-31224		-5252		-26.4	
Head-Married	-0.009		79349		11756		81.8	
Head-Primary	-0.042		77330		21321		69.1	
Head-High School	-0.005		21406		13746		52.3	
Head-College	-0.02		18442		11589		45.2	
Head-University	-0.021		81826		35350		104.4	
LABOUR MARKETS AT HOME								
Average Regional Unemployment 1980-91	0.042		-5230		-1850	*	-5.5	*
-2 Log Likelihood (Chi Square for covariates)	140.2 (31 d.f.)							
Log Likelihood for Normal			-20710.1		-18826.4		-10882.8	

1/ 1,392 remitters and 273 non-remitters in the sample.

* indicates at least 90% significance; **, at least 95% significance.

Source: 1991 Survey of Overseas Workers (SOW).

TABLE 10. CHARACTERISTICS OF NON-RECIPIENT HOUSEHOLDS AND HOUSEHOLDS RECEIVING INCOME FROM ABROAD - 1991 FIES- PHILIPPINES

	Non-Recipient Households	Receiving Income from Abroad	Receiving Income from Contract Workers	Receiving Income from Other Migrants
% Total Households (11.9 million)	83.4	16.6	6.8	4.4
Total Household Expenditure (US$)	1605	2829	2945	3277
Total Household Income (US$) (1)+(2)+(3)+(4)	2274 (100)	3900 (100)	4053 (100)	4604 (100)
(1) Wages (%)	42.1	29.1	25.7	28.2
(2) Entrepreneurial Income (%)	33.9	16.6	12.2	16.3
(3) Other Income (%)	24.0	23.5	21.1	25.1
(4) Income from Abroad (%) (a)+(b)+(c)+(d)	0	30.8 (100)	41.0 (100)	30.5 (100)
(a) From Contract Workers (%)	0	52.5	92.1	8.0
(b) From Other Migrants (%)	0	26.8	3.9	85.8
(c) Cash Gifts (%)	0	16.5	3.4	3.2
(d) Pensions & Dividends (%)	0	4.2	0.6	3.0
Age of Head (years)	46.0	48.9	48.1	50.7
Head-Male (%)	88.7	71.1	61.6	69.9
Head-Married(%)	84.7	79.9	83.2	75.7
Household Size (persons)	5.27	5.27	5.27	5.29
Urban (%)	46.4	65.8	68.0	69.5
Head-Has a Job (%)	89.8	68.2	63.6	63.4
Head-Primary (%)	53.0	34.8	35.3	31.8
Head-High School (%)	26.4	32.8	34.6	30.0
Head-College (%)	7.4	14.4	14.0	15.2
Head-University (%)	7.1	15.0	13.5	20.3

Note: Households receive income from more than one source.

Source: 1991 FIES.

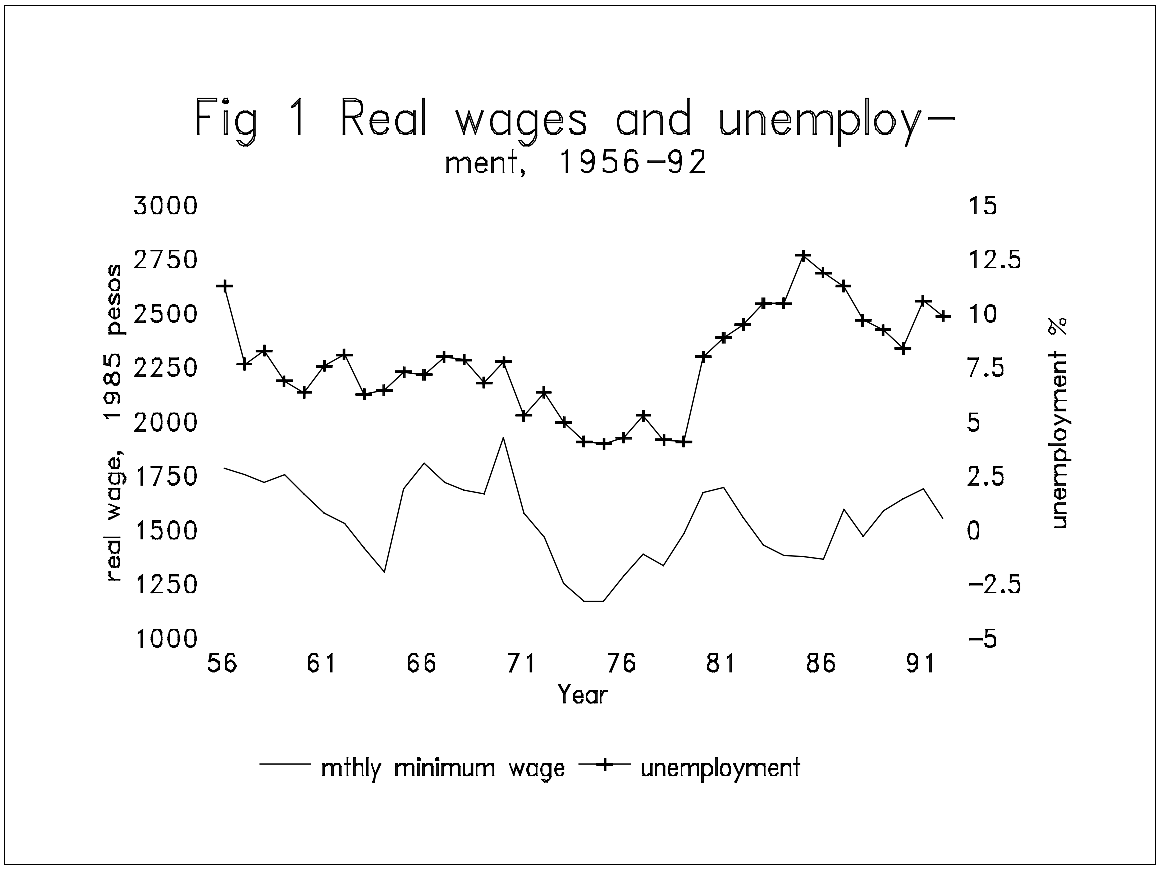

Fig 1 Real wages and unemployment, 1956-92
real wage, 1985 pesos
unemployment %
3000
2750
2500
2250
2000
1750
1500
1250
1000
15
12.5
10
7.5
5
2.5
0
-2.5
-5
56
61
66
71
76
81
86
91
Year
mthly minimum wage
unemployment

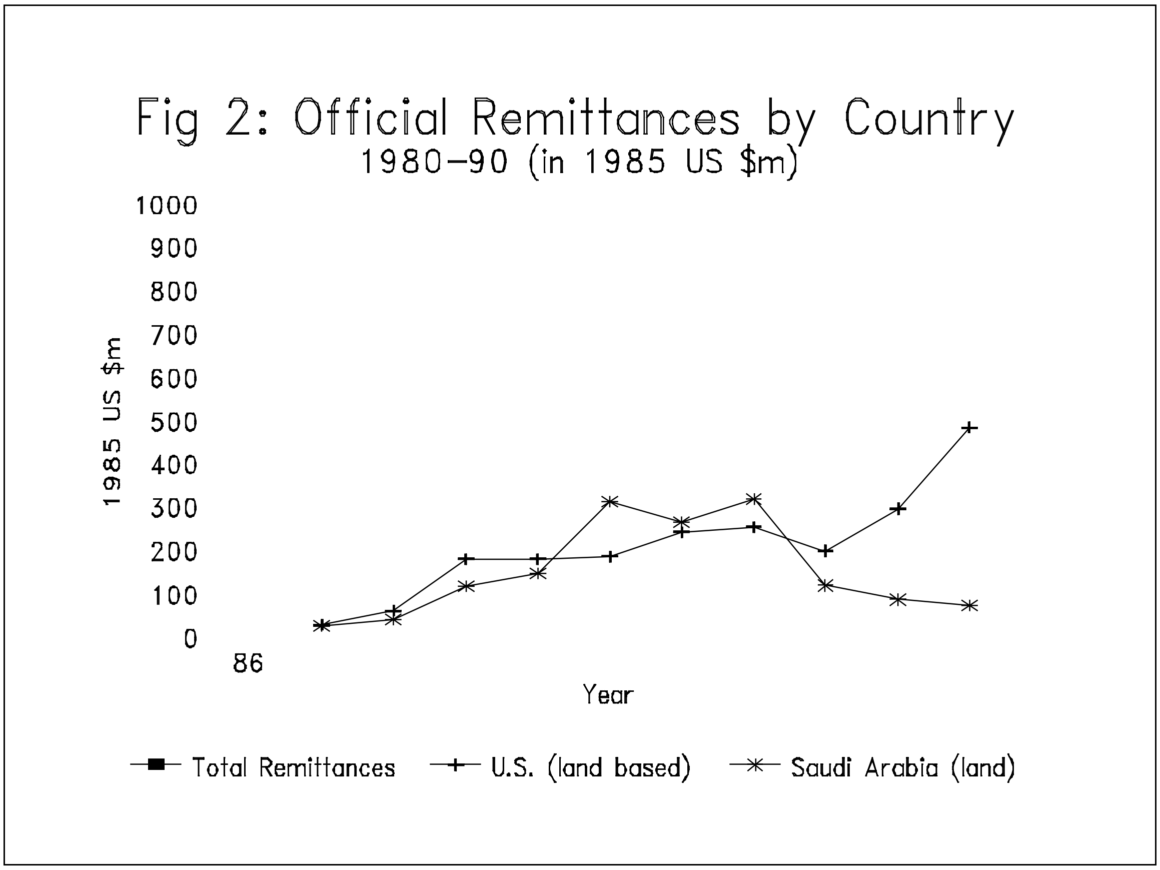

Fig 2: Official Remittances by Country
1980-90 (in 1985 US $m)
1000
900
800
700
600
500
400
300
200
100
0
1985 US $m
86
Year
Total Remittances
U.S. (land based)
Saudi Arabia (land)

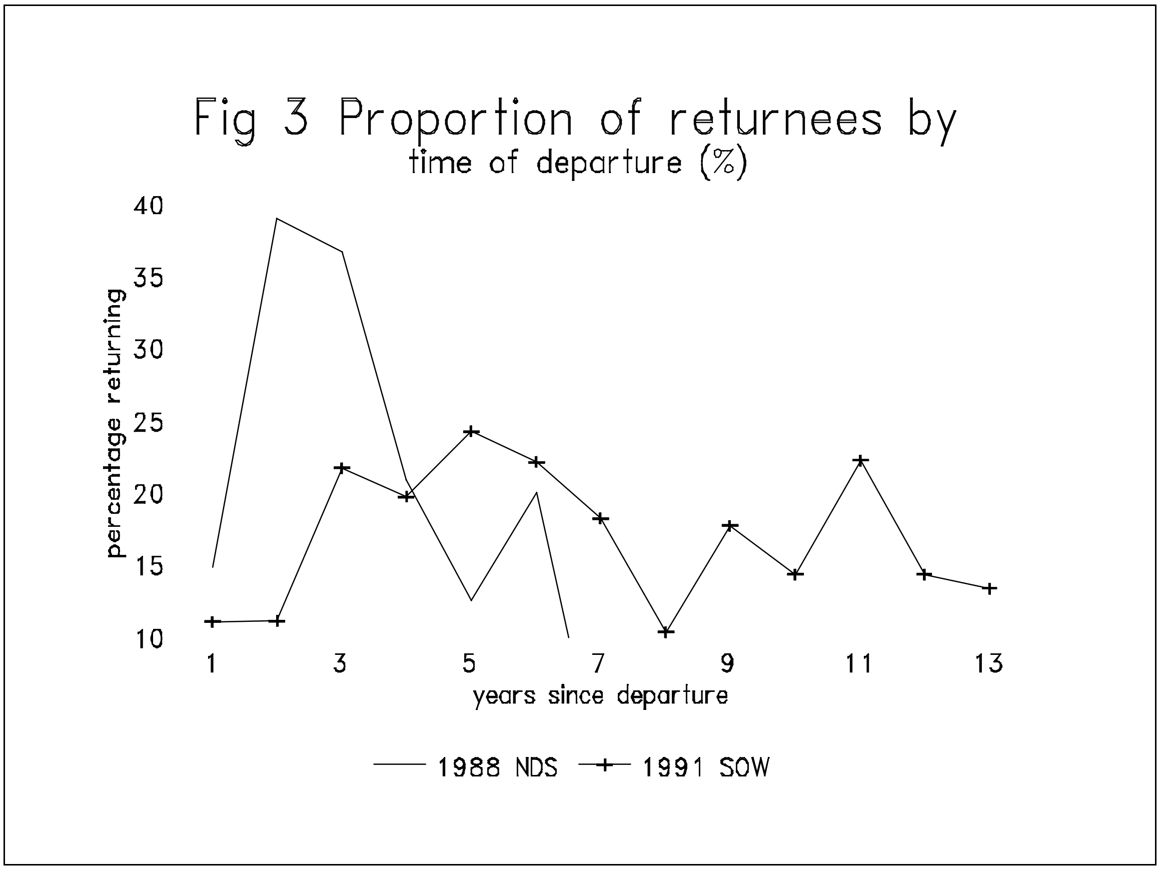
Fig 3 Proportion of returnees by
time of departure (%)
percentage returning
40
35
30
25
20
15
10
1
3
5
7
9
11
13
years since departure
1988 NDS
1991 SOW

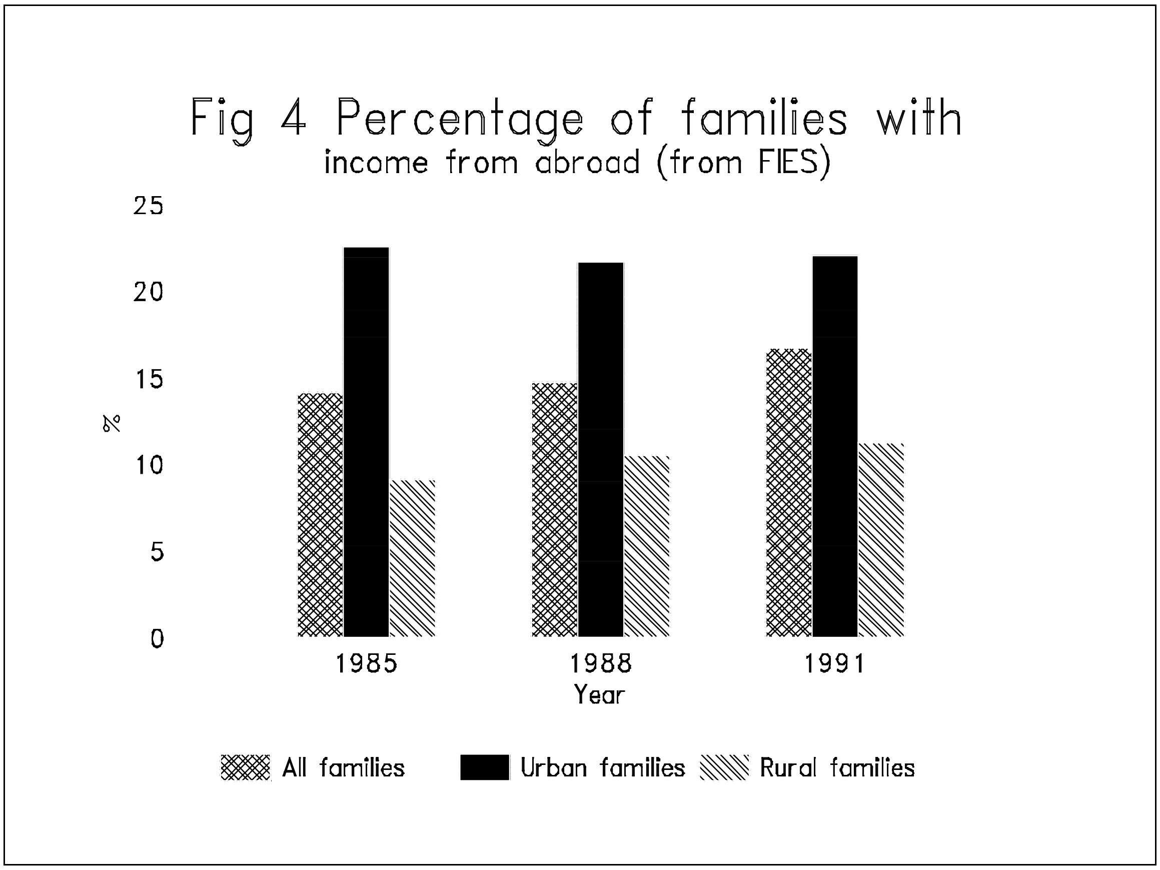
Fig 4 Percentage of families with
income from abroad (from FIES)
25
20
15
%
10
5
0
1985
1988
1991
Year
All families
Urban families
Rural families