The 'new' Philippine future "beside" the exodus
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The "new" Philippine future beside the exodus

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Abstract

Purpose – The purpose of this paper is to review the international migration-and-development story of the Philippines, amongst the leading migrant-origin countries.

Design/methodology/approach – Migration and socio-economic development data are used to depict the migration-and-development conditions of the Philippines.

Findings – The Philippines has mastered the management of overseas migration based on its bureaucracy and policies for the migrant sector. Migration also rose for decades given structural economic constraints. However, the past 10 years of macro-economic growth may have seen migration and remittances helping lift the Philippines’ medium-to-long term acceleration. The new Philippine future beside the overseas exodus hinges on two trends: accelerating the economic empowerment of overseas Filipinos and their families to make them better equipped to handle the social costs of migration; and strategizing how to capture a "diasporic dividend" by pushing for more investments from overseas migrants’ savings.

Research limitations/implications – This paper may not cover the entirety of the Philippines’ migration-and-development phenomenon.

Practical implications – Improving the financial capabilities of overseas Filipinos and their families will lead to their economic empowerment and to hopefully a more resilient handling of the (negative) social consequences of migration.

Social implications – If overseas Filipinos and their families handle their economic resources better, they may be able to conquer the social costs of migration.

Originality/value – This paper employed a population-and-development (PopDev) framework to analyse the migration-and-development conditions of the Philippines.

Keywords Migration and development, Overseas remittances, Migrants’ rights, The Philippines, Diasporic dividend

Paper type Conceptual paper

Introduction

Since the turn of the new millennium, global interest – even optimism – to international migration and development persists. There is also pessimism in discussing these multifarious, multi-dimensional migration-and-development issues (De Haas, 2010; 2012). Nevertheless, the world now sees migrants’ origin and receiving countries becoming more open to try out measures to make migration a win-win solution. The recent signing of the Global Compact on Migration signals a new chapter of the planet’s handling of global human mobility.

International migration is not complete without discussing the Philippines, a global model of managing the exodus of labour (as well as prospective emigrants for overseas permanent settlement) given policy frameworks and an elaborate state-run bureaucracy (IOM and SMC, 2013). For quite some time, the Philippines has been the global face of certain migration phenomena: brain drain, female domestic work and nurse migration. The Philippines also ranks amongst the top five receiving countries of billion-dollar remittances. The Philippines remains young in implementing initiatives to harness overseas migrants for development, but experienced in trying to mitigate the negative social costs of migration, as well as illegal recruitment and irregular or unauthorised migration. It has been 44 years since this country
issued a labour code that signalled the start of organised overseas employment and migration management.

Long-time Filipino migration analysts (e.g. Asis, 2008; SMC, 2008) have called for a better future in handling overseas migration, and in harnessing the supplementary role of overseas migration on development. Others though note overseas Filipinos have already transformed the country’s socio-economic landscape (Aguilar, 2015). Those previous analyses though were bellowed out in backdrops like inconsistent macro-economic growth, notably high unemployment and underemployment, and rising poverty incidence. However, after the 2008 global economic crisis, the Philippines is amongst the emerging economies that have improved. The current time is also a window of opportunity given that the Philippines is entering the second phase of the demographic dividend (Mapa, 2015).

Given previous and current lessons surrounding Philippine development and migration, what “new future” awaits this country? This review of the migration-and-development story of the Philippines begins with a little theoretical discussion, followed by a historical presentation of Filipino overseas migration. Two major trends to be tackled may then explain a prospectively “new” Philippine future beside the exodus. These trends span population-and-development and charting migrants’ economic empowerment vis-à-vis handling migration’s (worrisome) social consequences.

Migration from the lens of population-and-development (PopDev)

Scholars have largely agreed that international and internal migrations are socio-economic processes that carry iterative relationships with development processes (Taylor et al., 1996a, 1996b; De Haas, 2010). This view explains why the positive and negative consequences of migration on development are heterogenous and context-specific (De Haas, 2006). From a population-and-development standpoint, the demographic processes of fertility, mortality and migration not only determine the growth, structure and distribution of the population but these also impact on socio-economic and human development processes, and on the well-being of individuals, families, communities and nations (Herrin, 2002).

Presenting the Philippine story can be analysed using a migration and population-and-development framework that adopted a basic framework done by Filipino demographers and economists (Commission on Population, 2007; Herrin, 2002). Here, migration is intimately related to various population-and-development processes. Overseas migration also yields demographic outcomes that affect development processes. This interaction then produces multifarious development outcomes (see Figure 1). Thus, population-and-development processes become bases for population policies which purposefully affect fertility, mortality and migration (Demeny, 1975, p. 147).

Demeny’s treatise on population policy (1975) was written at a time when rapid population growth seems to hamper developing countries’ capacities. Rapid population growth (Herrin, 2002) was then having “adverse implications” on countries’ growth. Out-migration was then seen as “rarely a feasible or indeed desirable instrument” for lowering population growth (Demeny, 1975, p. 154).

However, developed countries have now felt the brunt of low population growth and have resorted to importing foreign workers to sustain their economic growth. Billion-population countries like China and India are current economic powerhouses. From an investor standpoint, the size of the labour force is a factor in assessing the suitability of countries for investment.

Those latest trends are why demographic theory has integrated migration processes. Zelinsky (1971) hypothesised the mobility transition; Here, population mobility is linked to a “vital transition” (De Haas, 2007, p. 41) where demographic transitions are linked to modernisation, economic growth and increasing human mobility. Societies are then
categorised according to certain population-and-development social phases: high fertility and mortality (pre-modern traditional society); rapid decline in mortality and major population growth (early transition society); major decline in fertility and significant but decelerating natural increase (late transitional society); stabilised fertility and mortality rates at low levels amid slight population increase (advanced society) and continuing low fertility and mortality (future “super-advanced” society). Each of these phases is linked to certain forms of human mobility, this being the mobility transition. Thus, various forms of migration are linked to a “broader spatio-temporal development perspective” (De Haas, 2007, p. 41).

Population-and-development perspectives are an interesting framework to analyse the migration-and-development conditions of origin countries. De Haas (2007, p. 43) adopted Zelinsky’s approach in saying that Moroccan migration can be seen from a transitional migration perspective (where there are “complex, non-linear linkages between... various forms of migration and general social, economic and demographic transformation processes”). There are projections the rates of Moroccan out-migration will decline and the country will see a rising influx of migrants from neighbouring sub-Saharan African countries (De Haas, 2007).

Penninx (1982) did an earlier treatise on Turkey, covering the 1970s. The prognosis is that remittances have been a big gain of labour migration, as emigration and return migration do not seem to be that significantly important in terms of gains and losses. Delgado-Wise and Marquez (2007) wrote about Mexico through a political economy view. Authors underscored three interrelated dimensions: regional economic integration (the North American Free Trade Agreement), national development models and social agents. Thus saying, remittance dependency by Mexicans has deepened, possibly warranting radical policy reforms (Delgado-Wise and Marquez, 2007) to address the root development causes of Mexican migration to the United States.

These analyses are cues to present the migration and population-and-development conditions of the Philippines. Previous analyses (Opiniano, 2004; IOM and SMC, 2013; OECD
and SMC, 2017) recommended that the Philippines should maximise the gains of overseas mobility and minimise resultant social costs of migration. This paper not merely reiterates such observation, but will see how demographic trends and future macro-economic trajectories impact on the country’s future beside the exodus.

**International migration and development: the Philippines**

The Philippines is remarked as amongst “labour frontier” countries or states with high emigration and rural-to-urban migration movements (Castles et al., 2014, p. 48), high population growth, at least a moderate level of economic growth, and partial de-agrarisation (De Haas, 2003, p. 29). This grouping comes as recent economic shifts have seen the rise of emerging market economies (Cox, 2012) and of Asia as current-day major driver of global growth (Kekic, 2012).

Migration-and-development profiles. The population growth rates of identified middle-income economies, the Philippines included, are being tamed, and age dependency rates have been falling significantly. Amidst rising urbanisation, these countries have managed their unemployment. Not only are purchasing power parity (PPP) per capita levels of these countries rising; their human development index scores are also improving. These countries also have rising overseas emigrant populations and remittance inflows (see Table 1). Some of these labour frontier countries are amongst the top 20 major economies of the world by PPP (PricewaterhouseCoopers, 2017). The bulging populations and labour forces of emerging or “labour frontier” countries are advantages.

The Philippines, prior to the 2008 global financial crisis, had “boom-and-bust” cycles of economic growth (World Bank Philippines Office, 2013, p. 7) no thanks to internal and external economic and political crises. However, post-global economic crisis years show the Philippines’ gross domestic product (GDP) growth levels to be amongst the world’s highest.

What then has been the role of migration and remittances? Since the restoration of democracy in 1986 (after a 14 years-dictatorship), remittances have helped shore up the economy and its dollar reserves. Filipino labour migration was boosted given rising demands for less-skilled workers in the Middle East (given the oil boom) and in Asian and European countries (IOM and SMC, 2013). After 1986 though, the rising emigration of women as domestic workers followed suit.

Philippine migration management: A global “model.” The Philippines is amongst the world’s top labour exporters (Martin et al., 2006), and is said to be the world’s most organised migration bureaucracy by origin countries (International Organization for Migration, 2005).

The Philippines enacted a national labour code (Presidential Decree 422) that laid out regulations for domestic and overseas employment, setting the tone for a labour migration “program” (Alunan-Melgar, 1999). The period mid-1970s to early 1980s also marked the establishment of migration-related agencies: the Overseas Workers Welfare Administration (OWWA), the Philippine Overseas Employment Administration (POEA) and the Commission on Filipinos Overseas (CFO). These agencies then worked in tandem with the Departments of Labor and Employment (DOLE) and Foreign Affairs (DFA).

Some think the Philippines has a “labour export policy,” meaning the country deliberately sends workers abroad as part of a development strategy and as a systematic program for Filipino workers. Some have also noted previous government pronouncements that overseas employment is a temporary, stop-gap measure to ease domestic unemployment problems (Alunan-Melgar, 1999). However, government regimes shy away from declaring a formal labour export “policy;” overseas employment responses, government thinks, are driven by demand for particular skills and the availability of skilled manpower (Sto. Tomas, 2005).

And since the turn of the 21st century, remittances have become a major development discussion (World Bank, 2003). Since the Philippines is a major recipient country of dollar
|                                | Egypt            | Mexico           | Nigeria          | Philippines      | Vietnam          |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| **Gross domestic product, %**  |                  |                  |                  |                  |                  |
| (1) 1990                        | 5.7              | 5.1              | 12.8             | 3.0              | 5.1              |
| (2) 2015                        | 4.4              | 2.6              | 2.7              | 6.1              | 6.7              |
| **Population (millions)**       |                  |                  |                  |                  |                  |
| (1) 1990                        | 57.412           | 85.357           | 95.269           | 61.947           | 68.209           |
| (2) 2015                        | 93.778           | 125.890          | 181.181          | 101.716          | 93.571           |
| **Urban population (% to total population)** |                  |                  |                  |                  |                  |
| (1) 1990                        | 43.48            | 71.42            | 29.68            | 48.59            | 20.25            |
| (2) 2015                        | 43.13            | 79.25            | 47.78            | 44.37            | 33.59            |
| **Population growth rate (%)**  |                  |                  |                  |                  |                  |
| (1) 1990                        | 2.48             | 1.96             | 2.58             | 2.54             | 2.15             |
| (2) 2015                        | 2.12             | 1.33             | 2.64             | 1.60             | 1.10             |
| **Age dependency rate, %**      |                  |                  |                  |                  |                  |
| (1) 1990                        | 83.5             | 76.4             | 91.8             | 78.8             | 75.8             |
| (2) 2015                        | 61.8             | 51.4             | 88.2             | 58.2             | 42.5             |
| **Human Development Index (1 = highest)** |                  |                  |                  |                  |                  |
| (1) 1990                        | 0.484            | 0.635            | 0.552            | 0.407            | 0.407            |
| (2) 2015                        | 0.691            | 0.762            | 0.527            | 0.682            | 0.683            |
| **GDP per capita, PPP (current prices, US$)** |                  |                  |                  |                  |                  |
| (1) 1990                        | 3819.3           | 6037.0           | 1965.8           | 2591.9           | 939.0            |
| (2) 2015                        | 10750.5          | 16983.5          | 6038.5           | 7320.5           | 5915.2           |
| **Labour force (millions)**     |                  |                  |                  |                  |                  |
| (1) 1990                        | 15.785           | 30.409           | 29.591           | 22.741           | 33.185           |
| (2) 2015                        | 30.077           | 56.018           | 55.789           | 42.982           | 56.489           |
| **Labour force participation (% to labour force)** |                  |                  |                  |                  |                  |
| (1) 1990                        | 49.3             | 58.5             | 56.4             | 62.2             | 77.7             |
| (2) 2015                        | 51.1             | 61.4             | 55.1             | 62.4             | 78.5             |
| **Unemployment rate, %**        |                  |                  |                  |                  |                  |
| (1) 1990                        |                  |                  |                  |                  | 2.0 (1991)       |
| (2) 2015                        |                  |                  |                  |                  | 2.1              |
| **Number of emigrants (millions)** |                  |                  |                  |                  |                  |
| (1) 1990                        | 1.320            | 4.393            | 0.447            | 2.027            | 1.232            |
| (2) 2013                        | 3.386            | 13.220           | 1.117            | 6.001            | 2.592            |
| **Overseas remittance inflows (million US$)** |                  |                  |                  |                  |                  |
| (1) 1990                        | 4.283            | 3.098            | 0.010            | 1.465            |                  |
| (2) 2015                        | 18.325           | 26.233           | 21.059           | 29.799           | 13.200           |
| **Overseas remittances as % of GDP** |                  |                  |                  |                  |                  |
| (1) 1990                        | 9.9              | 1.2              | 0.0              | 3.3              | –                |
| (2) 2015                        | 5.5              | 1.9              | 4.4              | 10.2             | 6.8              |

**Source(s):**
1 – World Bank’s World Development Indicators Dataset;
2 – United Nations Development Programme – Human Development Reports and Human Development Reports and Human Development Reports and Human Development Reports and Human Development Reports and Human Development Reports and
3 – United Nations Population Division – International Migrant Stock

Table 1. Migration and development profile of “labour frontier” countries

Future of the “new” Philippine
remittances, the previous “temporary, stop-gap” point of view on migration as a development strategy whittled away in current-day discourse.

**Migration and the Philippine macro-economy.** Rising overseas migration also came with changes in the structural make-up of the economy since 1986. The Philippines is largely agricultural, but agriculture’s contribution to macro-economic growth (see Figure 2) has declined the past decades. The services sector’s role to domestic growth has risen and has provided the most jobs. Manufacturing’s growth has stagnated, though the sector is enjoying a current resurgence. Even if the agricultural sector has the largest workforce, many farmers are vulnerable to poverty. It is during these decades (1986–2007) where overseas migration and remittances rose into economic prominence (World Bank Philippine Office, 2013, p. 170).

**The migration bureaucracy.** A number of government agencies are involved in migration management. Primarily involved are DOLE and DFA since overseas Filipinos are part of labour and foreign affairs policies. DOLE handles the POEA (the chief regulator of overseas employment) and OWWA (the world’s largest welfare fund for migrant workers). DOLE also has an army of labour attaches under the Philippine Overseas Labour Office. A labour court, the National Labour Relations Commission, handles cases facing overseas and homeland-based workers with employers. Meanwhile, returning overseas workers are being assisted by the National Reintegration Center for Overseas Filipino Workers (OFWs) (NRCO). DOLE and its nationwide army of locally based Public Employment Service Offices also facilitate local and overseas job opportunities to workers.

DFA provides the frontline services – from consular to assistance to nationals (ATN) services – to Filipinos in jurisdiction countries. In a diplomatic post abroad, government personnel adopt a one-country team approach (led by an ambassador or a consul-general) to coordinate services for Filipinos. The diplomatic post may have social welfare officers and labour attachés. Labour attachés certify the jobs Filipino workers are to enter into in the host country, while social welfare officers provide psycho-social services to distressed workers.

Other government agencies also have programmes for migrants. CFO, under the Office of the President, handles the concerns of departing emigrants (including those departing given
family reunification, intermarriage or permanent settlement visa statuses in host countries. The Bangko Sentral ng Pilipinas (BSP) (central bank) regulates the remittance industry while providing financial inclusion services to citizens at home and abroad.

The Department of Social Welfare and Development has psycho-social services to distressed migrant workers and overseas trafficking victims. Government financial institutions offer social protection services for migrants, like pension (Social Security System), health insurance (Philippine Health Insurance Corp.) and savings and housing investments (Home Development Mutual Fund). Other agencies also have their own services for migrants. Now, even local government units – provinces, cities and municipalities – are slowly becoming involved in the migrant sector by directly serving their constituents abroad (Asis, 2017).

Migration policy. The Philippines has passed major migration-related laws – enacted after harrowing episodes affecting overseas Filipino workers or OFWs (the colloquial term for Filipinos workers abroad). Republic Act 8042 was enacted in 1995 after the execution of a Filipina domestic worker, Flor Contemplacion, in Singapore for allegedly killing a baby and a compatriot domestic worker (Alunan-Melgar, 1999). This Migrant Workers and Overseas Filipinos Act is the centrepiece law surrounding overseas work and recruitment, and the services to be accorded unto migrant workers in all stages of migration. The Philippines, also in 1995, ratified the United Nations International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families. (RA 8042, for its part, has been amended thrice in succeeding decades: RA 9422, RA 10022 and RA 11299.)

Other laws had been enacted for the migrant sector: overseas absentee voting, dual citizenship, anti-trafficking, anti-mail order bride, personal equity and retirement (savings and investment), protection of domestic workers, amongst others. The Philippines has also forged bilateral labour and social security agreements with some countries.

Perhaps no other migrant-origin country has this extensive array of government agencies, laws and services accorded to her overseas-based population. Not surprisingly, there are overlaps of functions and programmes between and amongst government agencies.

Global spread. This migration management system tries its best to ensure safe, orderly migration. However, rising numbers of overseas Filipinos – temporary, permanent and irregular migrants – all but challenge the country’s ability to minimise the risks of migration (David, 2018). Filipinos are found in almost all occupations, and in over-200 countries and territories; the Philippines has a 2013 stock estimate of over 10.238m overseas Filipinos.

A major administrative statistic being monitored is the deployment of migrant workers. Seafarers plying overseas vessels on six-to-ten-month work contracts are considered overseas workers in the Philippines (the world’s largest source of merchant marine fleet (Sto. Tomas, 2005)). Total deployed “newhire” and “rehire” OFWs (see Figure 3) have reached the two million mark in 2016, from 33,157 OFWs in 1972. Meanwhile, emigrants have reached a total of 2,281,364 over a 36-year period.

This is not to say, however, that Filipinos abroad (especially the less-skilled overseas workers like domestic workers) do not experience risks: Filipinos face labour and welfare-related cases daily. These cases seem to be increasing, challenging the Philippine migration management system (David, 2018). Migrants’ welfare conditions, especially affecting less-skilled and women migrant workers, will pervade into the future – and protecting and promoting the rights of migrants are precursors for empowering them economically (Bagasao, 2005).

Remittances. Overseas Filipinos have been hailed as “modern-day heroes” of the economy (bagong bayani in Filipino [Franco, 2013, 98]) given their remittances. Filipino remittances have never abetted their rise even with economic crises at home (see Figure 4). Filipinos abroad have remitted an estimated US$342.5 bn to the formal banking system in 44 years. However, indications show the Philippines is a remittance-dependent economy. On a 16-years
Figure 3. Deployed overseas Filipino workers

Source(s): Philippine Overseas Employment Administration (POEA)
Source(s): Bangko Sentral ng Pilipinas (BSP) and the World Bank (WB)
average, remittances’ share to GDP is about nine per cent. If one compares the “labour frontier” countries in terms of remittances’ share to GDP, the Philippines leads here. It may reveal Philippine economic conditions still need improvement, notwithstanding years of high macro-economic growth.

The “new” philippine migration-and-development future: two trends
This paper concludes with presenting two trends that may lead to a “new” chapter in the Philippine migration story. The current backdrop here is a decade (i.e. since 2009) of sustained macro-economic growth. Meanwhile, Filipino development planners have targeted a future (targeting the year 2040) where majority of Filipinos will live more comfortable lives (NEDA, 2017). As the country is soon to enter the second stage of the “demographic dividend” (Mapa, 2015), right economic policies may have to be put in place (NEDA, 2017).

The overseas Filipino sector is but a part of this bigger picture. However, there are concerns this “new future” may repeat previous tales that the Philippines struggles with handling migration’s social costs – and this measure is not balanced with economic measures to harness remittances.

Can migrants’ economic empowerment mitigate migration’s social costs?
Filipinos have some increased awareness of handling money better. National policy even mandates promoting financial literacy to improve people’s financial capabilities. Theoretically, improving people’s knowledge and practices about money may minimise the welfare problems that families face (Sherraden and Ansong, 2016). This perspective applies to migrants and their families, even complementing efforts to harness the positive developmental impacts of migration vis-à-vis promoting migrants’ rights (Bagasao, 2008). If migrants and their families have better practices on money, then the situation ultimately builds “strength of character and keenness in demanding respect for (migrants’) human rights” (Bagasao, 2008, p. 177).

We thus return to the parallel approach of ensuring safe and orderly migration while trying to harness remittances. The former is addressed to the overall migration management system through better regulation and labour migration management that adheres to migrants’ rights and welfare. The latter is the task of those involved in improving Filipinos’ financial capabilities. Some civil society groups for example hold leadership and social entrepreneurship seminars that led migrant Filipinos to save and venture into businesses in their origin communities.

The question arises if remittance incomes are saved and invested. However, two different government surveys reveal two worrying trends: (1) Migrant savers are declining (see Figure 5) and (2) Migrant households who invest their remittance incomes have not gone up significantly (see Figure 6). These have implications on luring remittances for development. The bigger implication is on mitigating the social costs of migration. Minimal or no improvements in remittance owners’ financial practices may lead to elongated family-level dependency on remittances, pushing families to continually endure the social costs of migration. A new migration generation is already here, and Filipino migration management will continue to react to overseas workers’ welfare cases.

Ideally, if overseas Filipinos and their families are economically empowered, they will extend and bring their monetary resources to the country (through transnational linkages, remittance transfers and return migration) as savings, investments and capital for enterprises. The above-mentioned trends – declining migrant savers and negligible rises of migrant-initiated investments – were also observed in micro-studies (Ang and Opiniano, 2016a; 2016b, 2016c). This brings us to the second prospective development.
Where is the Philippine “diasporic dividend?”
An economist, Alvin P. Ang, coined the term “diasporic dividend” (Opiniano, 2007) to refer to the “net of net” benefit of overseas migration; that term is tied to the demographic dividend (Mapa, 2015). On this score, the Philippines can harness that demographic dividend by reducing population growth rates, increasing domestic job generation, directing people’s savings to investments and improving the quality of the labour force (Commission on Population, 2007). This view thus allows us to put together indicators of a demographic transition and a diasporic dividend (see Table 2).
## Indicators of a Philippine diasporic dividend vis-à-vis the demographic dividend

| Indicators | 2008 | 2010 | 2012 | 2014 | 2016 |
|------------|------|------|------|------|------|
| **Demography** | | | | | |
| Population size (projected [medium assumption], in 000) | 90,457 | 93,135 | 96,510 | 99,880 | 103,242 |
| Population growth rates (of projected population, in %) | 2.16 | 0.99 | 1.78 | 1.71 | 1.65 |
| Fertility rates, births/woman (in %) | 3.278 | 3.158 | 3.067 | 2.992 | 2.718 |
| Proportion of population below 15 y/o (%) | 35.33 | 33.90 | 33.17 | 32.52 | 31.96 |
| Proportion of population aged 15–64 y/o (%) | 36.82 | 61.96 | 62.53 | 63.00 | 63.35 |
| Proportion of population aged 65 y/o above (%) | 3.86 | 4.14 | 4.30 | 4.48 | 4.69 |
| Dependency ratio (in %) | 64.43 | 61.39 | 59.93 | 58.72 | 57.86 |
| **Homeland employment** | | | | | |
| Total labour force (in 000) | 37,058 | 39,287 | 40,433 | 41,309 | 44,048 |
| The employed (in 000) & employment rate (%) | 34,533 (93.2) | 36,488 (92.9) | 37,670 (93.2) | 38,837 (94.0) | 41,685 (94.6) |
| The unemployed (in 000) & unemployment rate (%) | 2,525 (6.8) | 2,799 (7.1) | 2,763 (6.8) | 2,472 (6.0) | 2,363 (5.4) |
| Homeland jobs generated (in 000) | 861 | 1,010 | 408 | 533 | 1,910 |
| **Savings and investments** | | | | | |
| Gross domestic savings rate (% of GDP, current prices) | 16.8 | 18.7 | 14.9 | 17.0 | 15.3 |
| Gross capital formation rate (of % of GDP, current prices) | 19.3 | 20.5 | 18.2 | 20.5 | 24.3 |
| Resource gap or savings-investment gap (% difference between GDS and GCF) | 2.5 | 1.8 | 3.3 | 3.5 | 9.0 |
| **Growth of output** | | | | | |
| Gross domestic product (%) | 3.8 | 7.6 | 6.7 | 6.1 | 6.9 |
| Agriculture (%) | 3.2 | –0.2 | 2.8 | 1.7 | –1.3 |
| Industry (%) | 5.0 | 11.6 | 7.3 | 7.8 | 8.4 |
| Services (%) | 3.3 | 7.2 | 7.1 | 6.0 | 7.4 |
| **Overseas migration** | | | | | |
| Deployed migrant workers | 1,376,823 | 1,470,826 | 1,802,031 | 1,832,668 | 2,112,331 |
| Registered permanent residents | 70,800 | 86,075 | 83,640 | 80,689 | 89,354 |
| Remittances (in million US$) | 16,427 | 18,762 | 21,391 | 24,628 | 26,899 |
| **Saving and investing by overseas Filipino households** | | | | | |
| OFW households with savings from cash remittances, % | – | 47.4 | 42.2 | 35.2 | 37.0 |
| OFW households’ allotting remittances to savings (%) | 35.8 | 43.7 | 39.5 | 42.1 | 46.8 |
| OFW households’ allotting remittances to investments (%) | 4.7 | 5.8 | 3.1 | 6.8 | 10.0 |

**Source(s) of data:**

1. Philippine Statistical Yearbook;
2. Philippine Statistical Yearbook;
3. World Bank country indicators;
4. Philippine Statistics Authority (PSA) – Labour Force Surveys (end-of-October round);
5. Author’s computations, subtracting the number of employed every year to represent number of new jobs generated;
6. ADB Key Indicators for Asia and the Pacific;
7. ADB Key Indicators for Asia and the Pacific, plus Philippine Statistics Authority;
8. Philippine Overseas Employment Administration;
9. Commission on Filipinos Overseas;
10. Bangko Sentral ng Pilipinas;
11. PSA – annual Survey on Overseas Filipinos and
12. BSP – quarterly Consumer Expectations Survey (citing fourth quarter survey results)
Demographic indicators point to slowing population growth, rising labour force and declining dependency ratios. Employment indicators show increasing homeland jobs generated, which may be corollary with rising GDP performance and a rebound by the manufacturing sector. Meanwhile, labour migration and permanent migration have steadily risen.

However, the crucial element is savings and investment. The economy’s gross domestic savings rate has been declining, leading to a wider savings-investment gap rate (meaning investments are financed by foreign loans, not by domestic savings). Zooming into households receiving overseas remittances, two surveys point to mixed pictures. The Philippine Statistics Authority’s Survey on Overseas Filipinos points to a trend of declining savings habits by remittance households. Meanwhile, end-quarter results of the Consumer Expectations Survey (CES) of the BSP show rising number of migrant households allotting remittances to savings. Both surveys show at least over 37% of migrant households save. However, the surprising observation is on allotting remittances to investments. CES data show a rising trend that, however, is not yet a cause for celebration. If we deduct the percentage of migrant households who allot remittances for savings versus those allotting for investments, the gap remains wide: an average of 35.5% (refer to Table 2).

Thus, directing remittances to investment is still an uphill climb. Saving remittance incomes is the first step to harness the development potential of migration. The challenge is to further provide the migrant population with savings and investment products and entrepreneurial opportunities and information. Domestic workers and less-skilled migrant workers may even need tailor-fit investment products and enterprise development services. Their economic empowerment will be a key for them to take care of their welfare and labour conditions, as well as assert their human rights (Bagasao, 2008).

Migration-contextualised economic and psycho-social interventions may have to go hand-in-hand, directly targeting the overseas migrant household. Studying the migrant household in terms of their financial and relational behaviours, practices and socialisation may give cues if their experience with migration will yield either struggles to handle the social costs of migration, or display resiliency beside migration (Opiniano and Lacsina, 2017; Garabiles et al., 2017). Certain sectors – agriculture, education, health, infrastructure, social development, information technology, tourism – may also have to be ready to tap overseas Filipinos’ economic and non-economic resources (Aldaba and Opiniano, 2008).

Final remarks
Accelerating strategic migration-for-development efforts in the next 10 years will determine if the Philippines will chart that “new” future beside the exodus, maximising a demographic-cum-diasporic dividend. This “labour frontier” country may never be like Morocco where emigrants from neighbouring countries flock there (De Haas, 2007). The Philippines has also diversified the destination countries where her workers go (Lee, 2017), thus diversifying remittance incomes and, perhaps, maintaining the dependency to remittances.

However, it would also be interesting to see how the government of the world’s most organised migration bureaucracy will chart a new future. That “future” may have to envision the decline of addressing migrants’ rights and welfare issues, and the rise of having more economically empowered migrants and migrant families who make the Philippines better suited for more bountiful gains beside the overseas exodus.

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