Session 6
Part I: Senders and Receivers: Socioeconomic Profiles and Remittance Behavior, Social and Political Context
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Case Studies and Determinants

Examining remittance trends in case by case studies helps identify common and divergent points that, in turn, may help institutions craft appealing products for remittance senders/receivers.

Philippines

a. Human Development
    i. Population dispersed over some 7000 islands.
    ii. High standards of living in certain urban areas and very low standards in very rural areas.
    iii. Population concentrated around the capital city of Manila; rapid urbanization of country's population.
    iv. There is a labor surplus because of the rapid population growth resulting from high fertility rates.
    v. There are relatively good education and literacy statistics.
b. Overseas Foreign Workers (OFWs)
    i. Approximately 8 million Filipinos living abroad. Among these, approximately 3.5 million are OFWs.
    ii. Fifth largest remittance receiver in the world.
    iii. 30% of OFWs are in Saudi Arabia.
    iv. A large portion of these workers are female.
        1. Impact of female migration: leaving families behind or delaying starting families.
        2. Studies show that 47%-60% of children of OFWs wish to migrate, creating a migration culture.
        3. Adults are also affected – 20%-30% want to move abroad.
    v. Most migrants have at least some college education.
    vi. Migration is associated with development and government revenue.
    vii. The government is trying to be a part of the migration process from beginning to end: sending them overseas, to remitting, to soliciting participation in local economic development, and offering or sponsoring nostalgic tourism.
c. Remittance tendencies
    i. Migrants tend to work in service industries, working 12 to 15 hour days with zero to one day off a week. Abuse is not uncommon. The resulting social isolation is different from dense ethnic community enclaves in other countries. Remitting may be difficult, but there is a government program that facilitates it.

ii. Significant differences between Filipino migrants living in the US and the Middle East. The Philippine community in the US is relatively well-established and well-paid. Contrastingly, Filipinos in Middle East are more dispersed and often living in isolated conditions without a social network.

d. Strong institutionalization of migration in the Philippines has generated a number of innovative remittance tools; for example, people are able to send remittances by cell phone.

Ghana

a. General
   i. Ghana is an oasis of economic growth and stability in West Africa.
      1. 4-5% growth for commodities.
      2. High fertility ratios and population growth.
      3. High dependency ratio – 44% of the population under 15 years.
      4. Large disparities in rural/urban poverty.
      5. Education attainment is good - 86.3% primary education, 78% completion – however, there is gender disparity.
   ii. 3 million Ghanaians living abroad, compared to 20 million population.
      1. The 15-24 female age group is the largest.
      2. Men aged 15-35 are the next largest group of migrants.
      3. Older people (35+) are far less likely to migrate.
   iii. Approximately half of the remittances come from the US and England.
b. Family and community social dynamic
   i. There is a great deal of regional migration and the demographic is relatively young and predominantly female.
   ii. International migrants are mostly male.
   iii. As in the New Economic of Labor Migration framework, migration decision-making is family oriented.
      a. Also, approximately half of all remittances are coming from siblings and spouses rather than children.
   iv. Child fostering is common. This is the practice of sending your children overseas to work for family. Recent data suggests that approximately 15% of children are being sponsored abroad.
c. Economic situation/standard of living
   i. Forced migration in the 1980s due to political turmoil. As a result, there was large migration of elite and skilled, especially in the health and education fields.
d. Geographic/spatial characteristics
   i. Importance of inter-regional trade/migration. Nigeria has historically been a destination for many Ghanaian migrants during periods of political turmoil. Many Ghanaian academics settled there.
   ii. Other major international destinations include US and England.
e. Education and financial literacy
   i. Ghanaian migrants have tended to be well-educated.

ii. More than 50% of migrants have bank accounts overseas and say their remittances will be used for savings. Both of these characteristics are relatively rare in the remittance/migration data.

f. Transnational networks
   i. There is growing interest in hometown associations (HTAs) as a result of the early migration of well-educated, established migrants.
   ii. Active behavior on the part of some migrants supporting schools, hospitals, religious buildings.
   iii. The return migration experience is met with stability in home country.

Middle Eastern Gulf States

a. General
   i. Migration became an issue in this region during the 1930's as a result of the start of the oil industry.
   ii. During oil shocks in the 1970's, a large influx of capital to the region fueled demand for foreign workers.
   iii. Saudi Arabia has been a large absorber of migration: 7 million immigrants amounting to almost one third of the total 23 million population.
   iv. Immigration policy is beginning to shift as a result of a desire to "re-*Arabize*" the labor force.

b. Make-up of migrant populations.
   i. Some of the highest ratios of foreign workers to native population of anywhere in the world - 14 million foreign workers in the region, which includes legal, irregular, refugees and displaced persons.
   ii. Also, huge inter-regional migration – Palestinians, Iraqis and Bedouins – this population includes displaced persons and refugees.
   iii. Inter-regional migration led to preference for Asian work forces which would be easier to control, less likely to demand rights and unlikely to stay.
   iv. South Asians and South East Asians are the largest percentage of migrants in the region.
   v. In Egypt, primarily Sudanese migrants/refugees.
   vi. Low native female participation in economy leads to high proportions of immigrant female labor in domestic and other services, especially from Asia and Southeast Asia.

c. Migration Drivers and Indigenization
   i. High domestic indigenous unemployment with harmful results:
      1. Unemployed and under-employed domestic population;
      2. Low productivity among Arab workers;
      3. Arab workers therefore more expensive; and
      4. Difficulty of finding trained and qualified Arabs.
   ii. To date, there has been a region-wide failure to achieve sustainable development and growth despite substantial natural resources.
   iii. Result: Arab leaders rethinking foreign workers' participation in the labor force, especially those from South Asia.

iv. Also decided that capital flight (remittances) would be slowed by indigenizing labor force.

d. Policy Responses

i. The policy response has been a move towards indigenization of the labor force to improve development outcomes.

1. Complete bans on hiring of foreign laborers for low-skilled jobs, with some outcry from employers, especially in small and medium sized enterprises.
2. Moving toward higher ratios of natives in certain industries, especially publicly owned companies.

ii. Saudi Arabia has made more progress in making the conversion to indigenous labor.

iii. Results:

1. Migrants start to offer their labor for even lower wage-rates than previously.
2. Concern of increased *Ghettoization* of migrant communities.
3. Movements toward judicial reform to address concerns about abuse.
4. Possibility of future sectoral discrimination among native and immigrants.