

## Executive summary

The view of policy makers on the role migration plays in development has changed remarkably over the past 20 years. Today, migration has a firm place amongst the Sustainable Development Goals (SDGs) and officials from countries worldwide meet annually to discuss policies that best leverage migration for development at the Global Forum on Migration and Development.

The Philippines realised the development potential of migration fairly early on thanks to its long-standing experience of migration. The *Philippine Development Plan 2011-2016* includes specific provisions on migration and development. The creation of the Sub-Committee on International Migration and Development (SCIMD) under the National Economic and Development Authorities (NEDA) in 2014 demonstrates a recognition of the importance of generating a co-ordination mechanism for policy coherence on migration and development.

Adequate data, however, continues to be an issue in ensuring that policy responses are coherent and well informed. A discussion on how migration is generally embedded in all aspects of decision making is now needed, with the goal of making policies coherent with migration and development objectives. The Interrelations between Public Policies, Migration and Development (IPPM) project – managed by the OECD Development Centre and co-financed by the European Union – was conceived to enable this discussion in the Philippines, in collaboration with the Scalabrini Migration Center (SMC) and the Commission on Filipinos Overseas (CFO). The IPPM project in the Philippines fulfils this goal by exploring:

1. how migration, in its multiple dimensions, affects a variety of key sectors for development, including the labour market, agriculture, education, and investment and financial services.
2. how public policies in these sectors enhance, or undermine, the development impact of migration.

This report summarises the findings of the empirical research, conducted between 2013 and 2016 in the Philippines – and presents the main policy recommendations.

## A project with empirical grounding

The OECD designed a conceptual framework that explores the links between three dimensions of migration (emigration, remittances, return migration) and four key policy sectors in the Philippines: the labour market, agriculture, education, and investment and financial services. It also looked at how the policies in these four sectors influence a range of migration outcomes, including the decision to emigrate or return home, the amount of remittances sent and how they are spent.

The project is grounded in empirical evidence. Data were gathered from almost 2 000 households, interviews with 37 local authorities and community leaders, and 40 in-depth stakeholder interviews across the Philippines. Robust analysis, accounting for the Philippine political, economic and social contexts, measured the relationship between the three migration dimensions and the four key sectors.

## The policy context is critical for how migration affects development in the Philippines

After more than 40 years of policies supporting sustained labour migration, migration governance is now expanding to examine how migration can be better linked to development. The research undertaken in the framework of the IPPMD project provides evidence of some links between migration and a range of key development indicators in the Philippines. It also finds that public policies that help improve market efficiency, relieve financial constraints, develop skills and reduce risk do influence individual and household-level decisions to emigrate, return home or send remittances.

**Emigration** can be a stronger asset for the Philippines' development than it is now. Intentions to emigrate increase with educational level; individuals with post-secondary education are more likely to plan to emigrate than poorly educated people. The opportunity to emigrate, however, can encourage people to invest more in education, possibly leading to an increase in human capital if not everyone realises their plan to emigrate. Losing labour to emigration can cause shortages in some sectors, for instance, the health sector. While the relevant skills are abundant, the sector has considerable shortages, especially in rural areas, because people with the right skills choose to leave to seek better job opportunities rather than stay in the domestic labour market. The Philippine government now sees that the migration of Filipino workers is a reflection of the lack of employment opportunities at home and has thus set a goal of creating new opportunities and decent jobs. Yet, vocational training programmes in the Philippines appear to serve people as a means to find jobs abroad according to the IPPMD surveys. It may be that the training programmes are not entirely relevant to the domestic labour market. Policies that relieve financial constraints such as agricultural subsidies and cash-based education programmes tend to curb emigration.

**Remittances** can also be better capitalised for the development of the Philippines with the right policies. Remittances make a significant and increasing contribution to the Philippines' economy, accounting for 10% of the country's gross domestic product (GDP). The report finds that remittances are invested in education, but not so much on other productive investments. Sectoral policies can indirectly influence the behaviour of remittance recipients, and help leverage remittances for development by relieving financial constraints and improving market access and functioning.

**Return migration** is a largely underexploited resource, although this is slowly changing. Return migrants in the Philippines invest financial capital in business start-ups and self-employment. Their potential in human capital development, however, seems to be limited as few of them had acquired more education abroad and in most cases, return migrants were overqualified for their jobs in their host countries. Only a minority considered employment and investment opportunities in the Philippines as a motive for return. About 70% of return migrants reported experiencing difficulties finding a job in the Philippines on their return. It may mean that self-employment or business creation are their only options, which suggests a role for labour market policies.

## **Integrating migration into sectoral strategies will enhance migration's role in development**

The report confirms that each of the various dimensions of migration – emigration, remittances, and return migration – has something to offer the Philippines' economic and social development, but that this potential is not being fully realised. While the Philippines does have a wide range of migration-specific policies and many good practices in migration governance, not all departments are actively involved in the discussions and not all sectoral strategies are fully considering the development potential of migration.

Therefore, greater awareness through data and analysis and a more coherent policy framework across departments and at different levels of government would get the most out of migration. Such a framework should be designed to better integrate migration into development strategies by considering migration in the design, implementation, monitoring and evaluation of relevant sectoral development policies. This would include i) better integrating migration and development into labour market policies, ii) leveraging migration for development in the agricultural sector, iii) enhancing migration-led development by facilitating investment in education, and iv) strengthening the links between migration, investment, financial services and development.



**From:**  
**Interrelations between Public Policies, Migration  
and Development in the Philippines**

**Access the complete publication at:**  
<https://doi.org/10.1787/9789264272286-en>

**Please cite this chapter as:**

OECD/Scalabrini Migration Center (2017), "Executive summary", in *Interrelations between Public Policies, Migration and Development in the Philippines*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264272286-4-en>

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