



DAVAO RESEARCH on Migrants and Remittances

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Introduction

Unlad Kabayan Migrant Services Foundation presents the findings of its research on “Migrants of Davao City: A Baseline Study”. It provides systematic and gender disaggregated data on migrant workers in Davao City, their number nature of their jobs and tenure, the amount of their remittances annually and the changes these have exerted on saving, spending and investment behavior of migrant workers and their families. The study draws attention to the contribution of migrants to the economy of Davao City and explores gender issues related to remittances and economic behaviour.

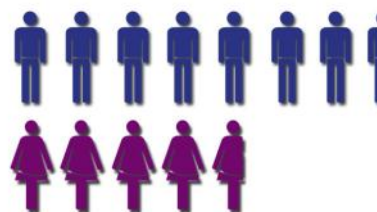
It provides some indicators to help migrants take stock of their remittances and make financial decisions. It can help guide stakeholders, e.g. city government and other public, private and NGO sector in helping migrants to engage in enterprise, to prepare better plans for the use of remittances.

The research was undertaken by a research team led by Unlad Kabayan, the Institute of Strategic and Development Studies (ISDS) of the University of the Philippines. Data collection was done by a research group headed Ms. Rosena D. Sanchez from the Social Research, Training and Development Office of Ateneo de Davao University.

The study is based on a quota sampling of 462 respondents: 204 migrants; 210 families of migrants, 33 participants in Focus Group Discussions (FGD); and 15 key informants. By geographic distribution, the respondents were from: District 1 - 51.1%; District 2 - 33.8%; District 3 - 14.7%. POEA records showed there were 32,196 migrants in Davao City in 2010.

The just concluded research revealed the following:

- ◆ Migrants of Davao City are mostly women, married, and are in their most productive years of their lives. Almost 70% are in the age bracket 15-30 years old.
- ◆ Women migrants tend to be younger than their male counterparts.
- ◆ There are twice as many male college graduates as there are female college graduates. For every female college graduate there are two males.



- ◆ Females are in jobs considered as vulnerable with almost half of them in elementary or non-skilled jobs. In contrast 3/5 of males are in professional and skilled jobs.
- ◆ Where do they work? Five top destinations: [1] Japan; [2] Kingdom of Saudi Arabia; [3] Seafaring vessels; [4] United Arab Emirates; and [5] USA.
- ◆ Male migrants earn much more than female migrants. Four males in every ten females earn below P20,000. In contrast, there is 1 female for every 2 males earning Php20,000-60,000.00.
- ◆ With 32,196 migrants, Php321.9 million flow into Davao City in remittances to families in Davao City every month or Php3.86 billion annually, (a conservative estimate of Php10,000 monthly remittance).
- ◆ Five major expense items: [1] food; [2] education; [3] house repair/rental; [4] health; and [5] utilities.
- ◆ Education expenses: [1] tuition fees; [2] food/snacks; [3] transportation; [4] projects; and [5] school supplies.
- ◆ Remittance recipients were more women, wives and mothers.
- ◆ Majority of migrants were able to save, 62.

Major Findings

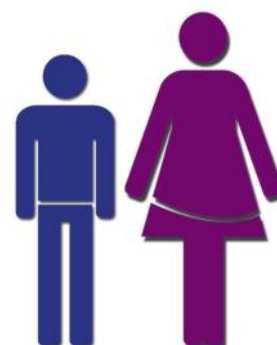
Demographic Profile

Respondents:

Of the 204 migrant respondents, 53.9% were women, and 46% were men.

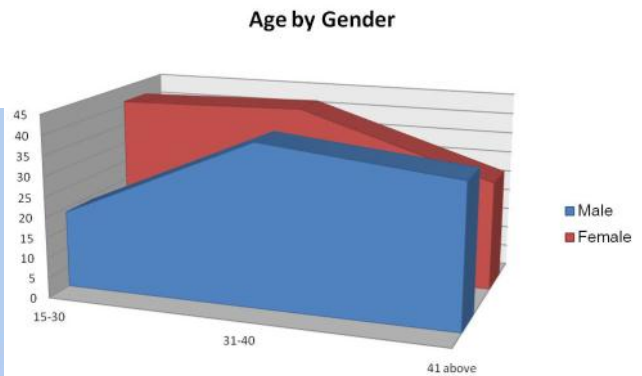
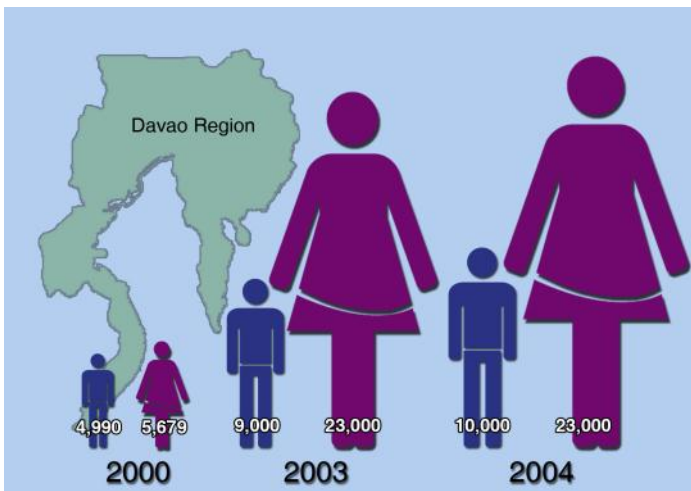
Years of stay in Davao City:

Eight out of ten purposively sampled respondents (N=204, 110 females, 94 males), have been residents of Davao City for more than a decade which shows that they have already settled in the city. About 72% of respondents have lived in the city for more than 20 years.



Age of respondents:

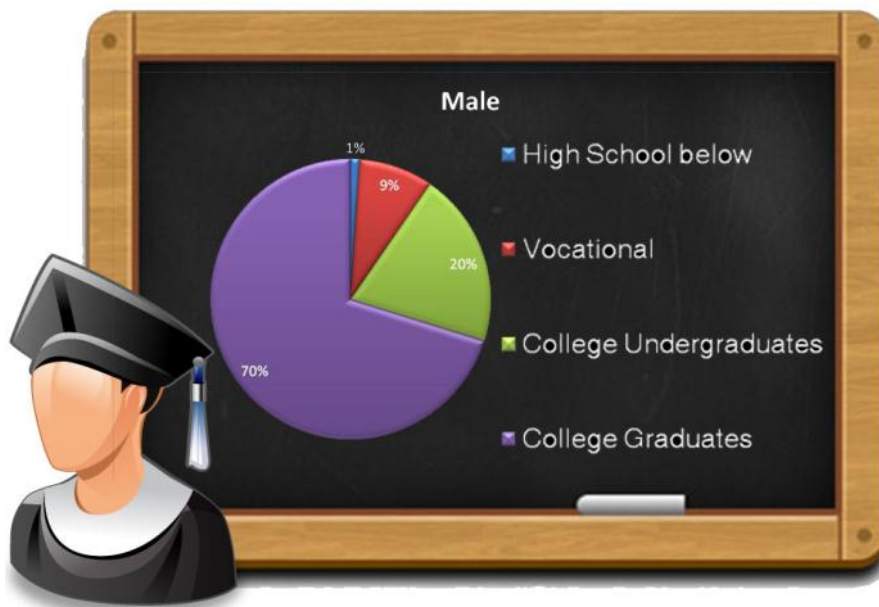
There are more females than males in the age bracket 15-40, 75.5% and 62.8%, respectively. More than 1/3 of males were 40 years old and above.



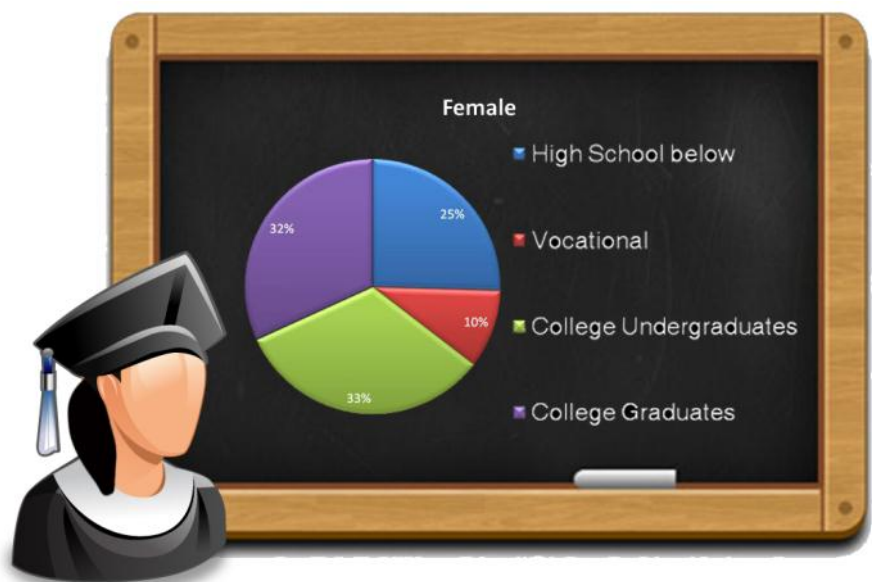
Educational attainment:

Males had higher educational attainment than females. Among male migrants, 70.2% had college degrees in contrast to only 31.8 among females. While male migrants with high school and lower education was a mere 1.1%, among females it was 25.5%.

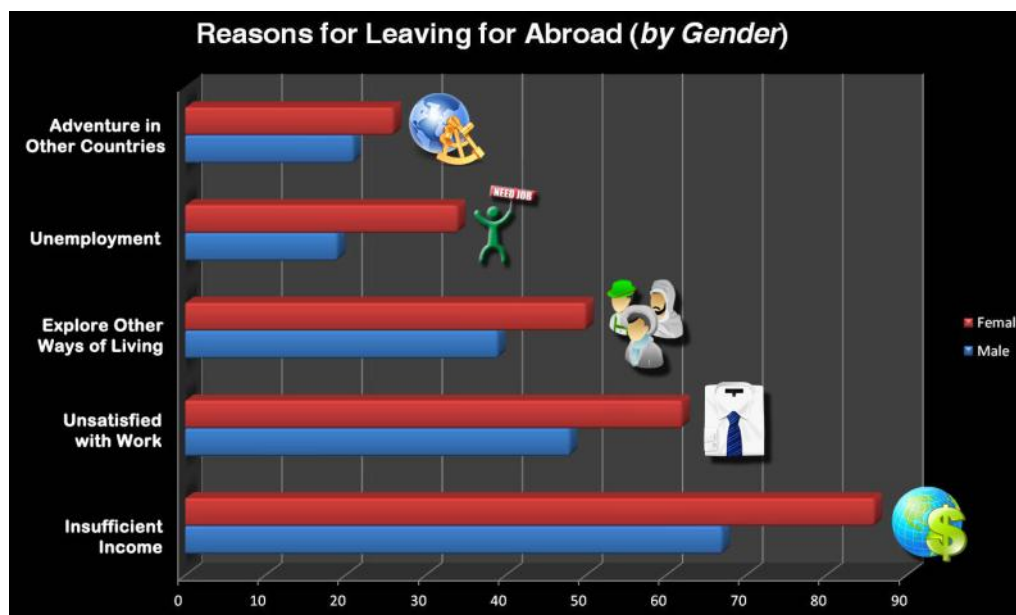
The disparity in educational attainment between males and females who went abroad can be partly attributed to the educational requisites of jobs available to them. Almost



half of females are employed in elementary (non skilled) occupations. In contrast, three fifths of males are employed in professional or associate professional jobs.



Migration Experience

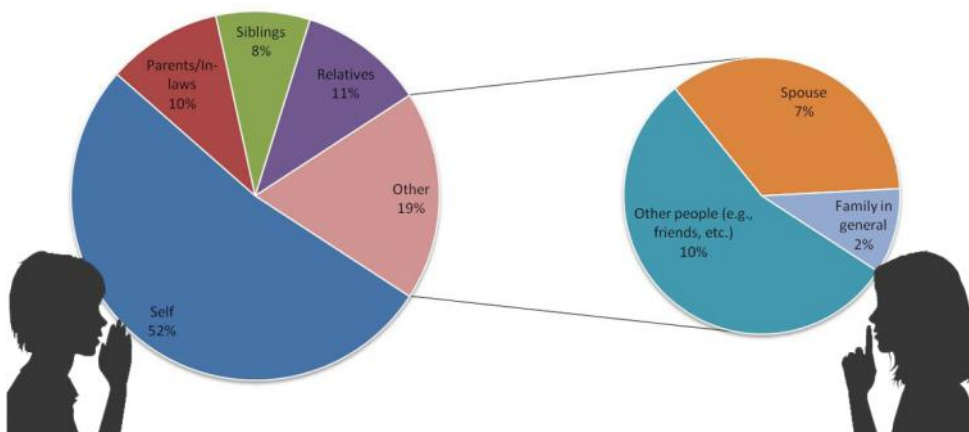


Reasons for leaving abroad:

Insufficient income was the main reason for going overseas to work: 78.2% for females and 71.35

for males. More women than men were unemployed prior to migrating, 31% and 25%, respectively.

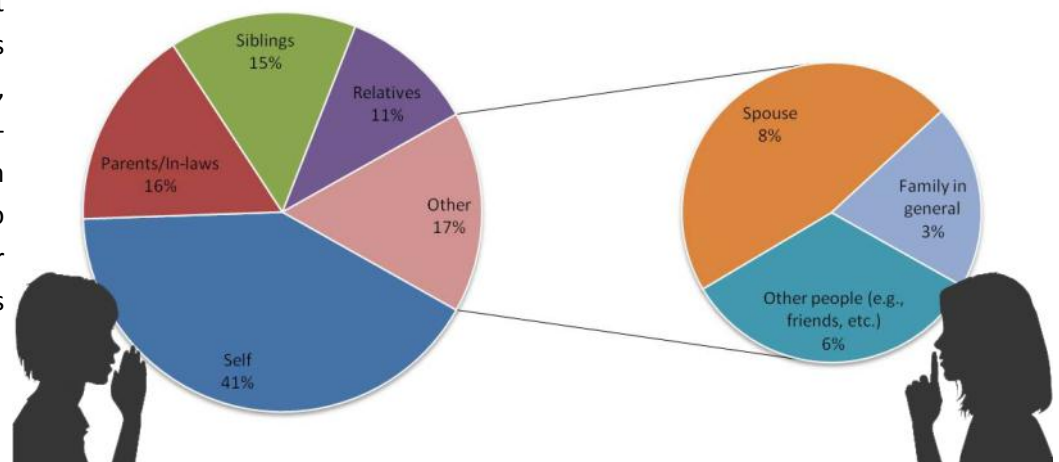
Influence to Work Abroad (Female)



Decision to work abroad:

More than half of female respondents (52%) decided on their own to work overseas, motivated by their individual needs and wishes while lesser number among males, 41%.

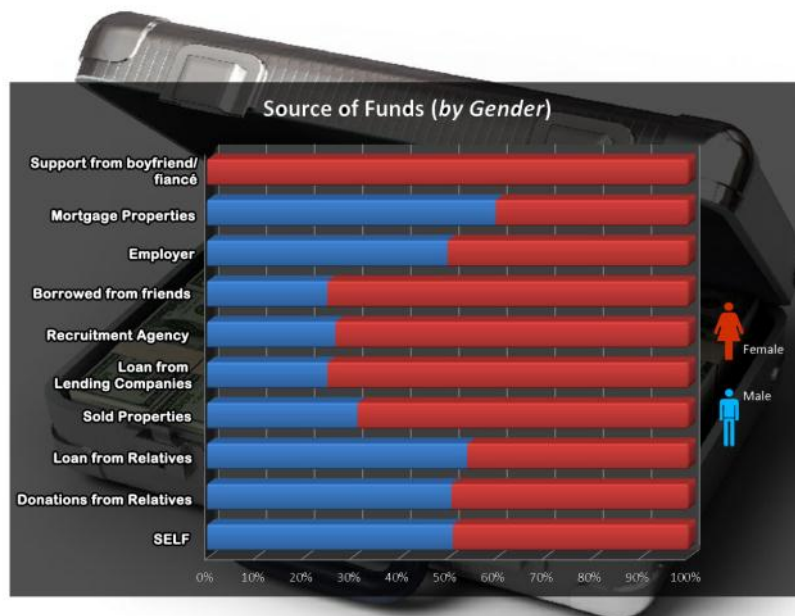
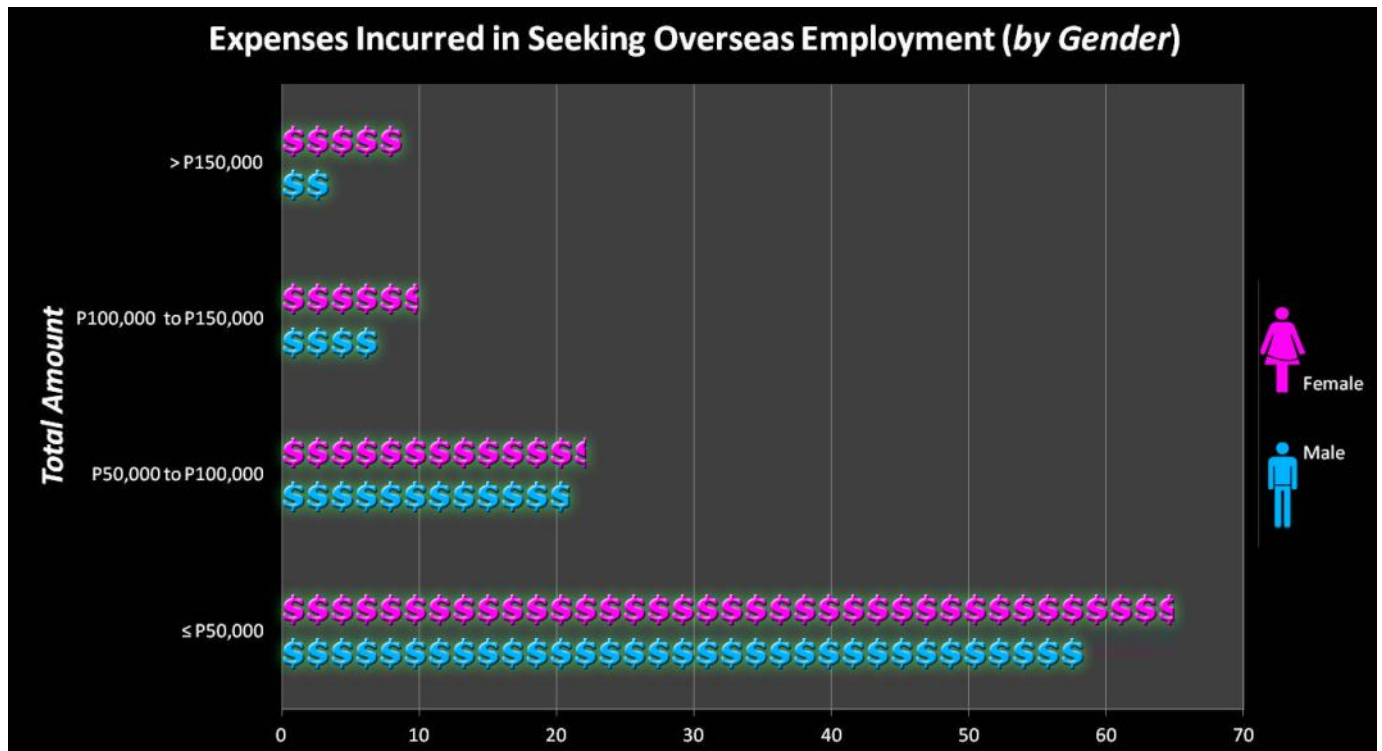
Influence to Work Abroad (Male)



Influence of migrants' spouses was almost the same for females and males, 7% and 8%, respectively. The influence of parents and in-laws in decision to migrate was higher for males than females, is interesting to note.

Amount spent for overseas work:

Majority spent Php50,000 for getting a job abroad, 63%; and a high of more than Php300,000 (1.5%).

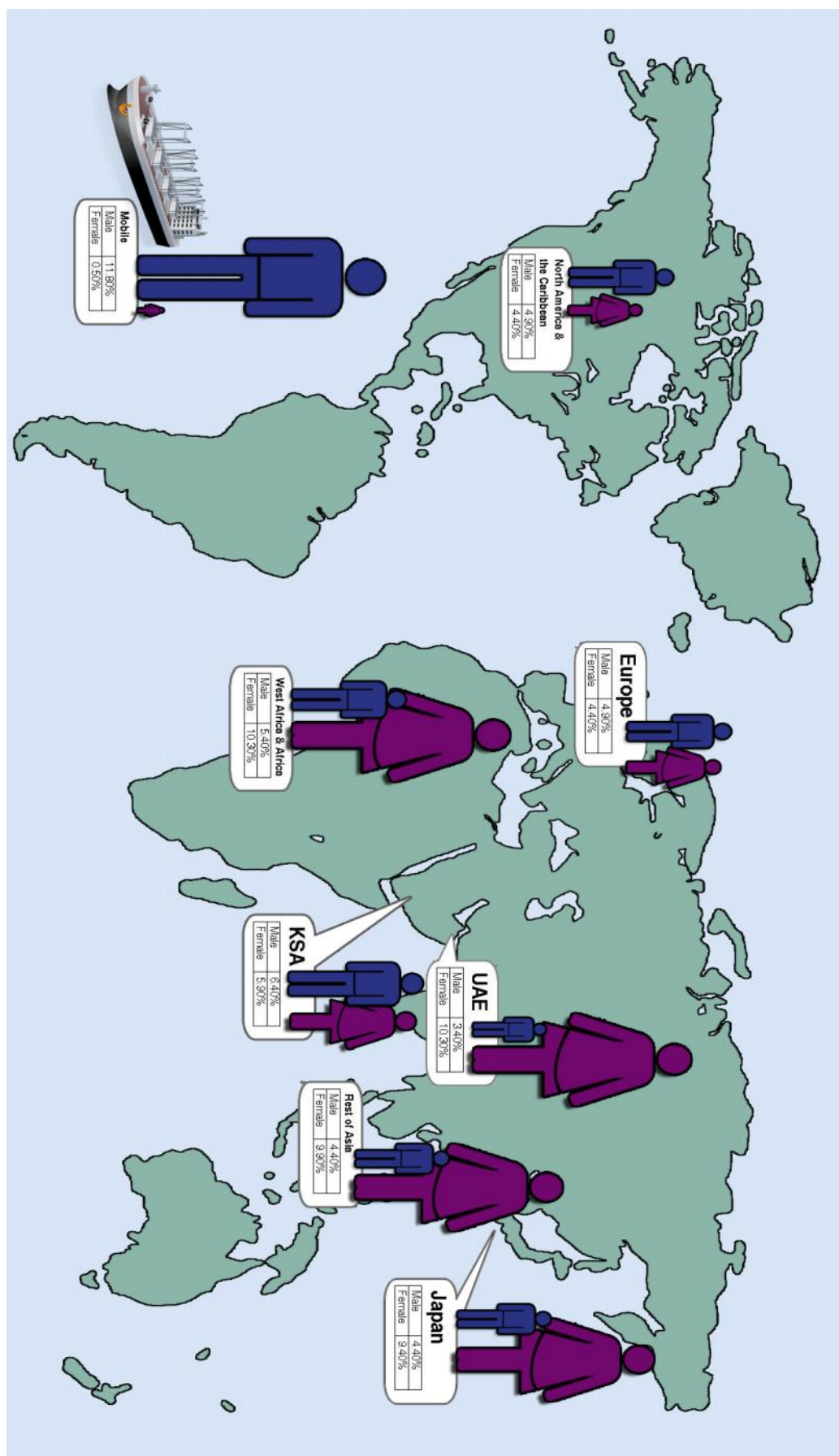


Amount spent for overseas work (con't):

Expenses came from multiple sources: [1] Personal savings, 52% of males and 42% of females; [2] relatives; [3] sale or mortgage of properties; [5] loans from lending agencies; [6] recruitment agencies.

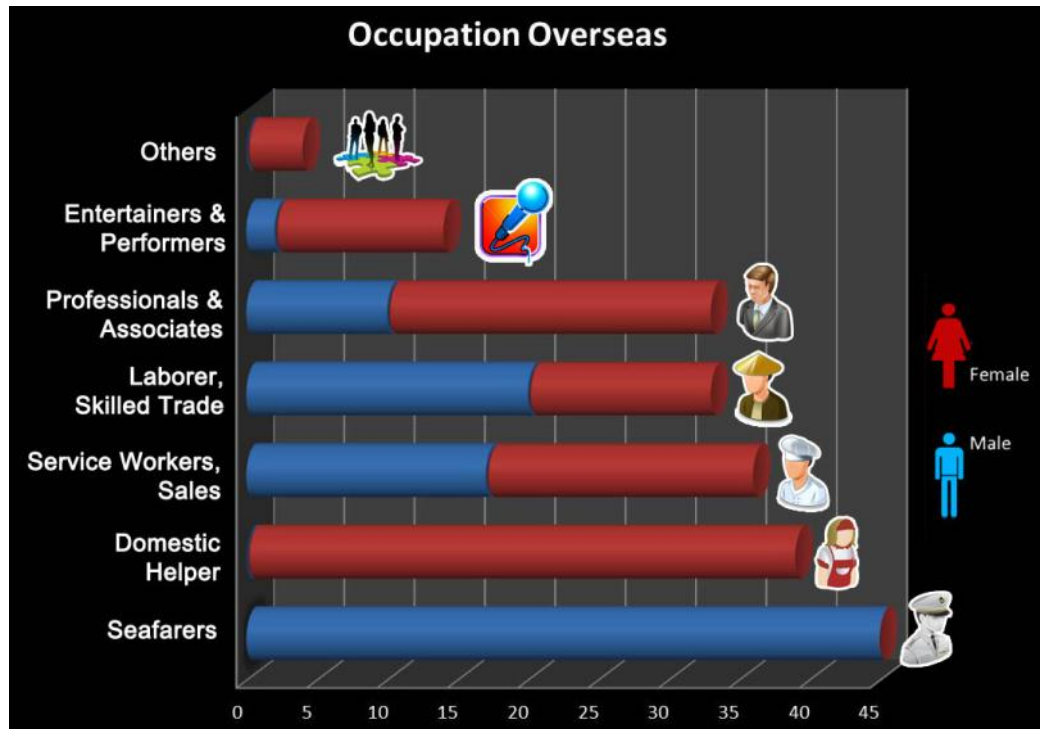
Top five work destinations:

The top five (5) destinations of migrants were: [1] Japan – 16.6%; [2] Kingdom of Saudi Arabia – 13.3%; [3] Seafaring vessels – 10.9%; [4] United Arab Emirates – 8.6%; and [5] USA – 7.6%. Females were mostly domestic workers in the Middle East and Hong Kong while males were mostly in the maritime industry.



Current main occupation overseas:

Majority of females were in elementary jobs, 75.5% (domestic work, sales, entertainment) while males was 39.4%. Most males were professionals and seafarers, 58.5%.



Problems in the workplace:

Almost all of migrant respondents admitted having problems while on-site, mostly work-related. Discrimination in pay was cited by 40.25 of migrants. Female migrants felt their wages were low compared to the amount of work/service rendered. Domestic workers complained of long work hours. Among male migrants, it was lower wages compared to other nationalities performing the same job. Sexual harassment and sexual abuse was reported by 27.2% of female respondents. Other problems were: non-compliance of work contracts, 15.45 among females and 10.6% among male migrants. Male migrants complained of prolonged exposure to extreme heat and cold, 18%.



Income and Remittances

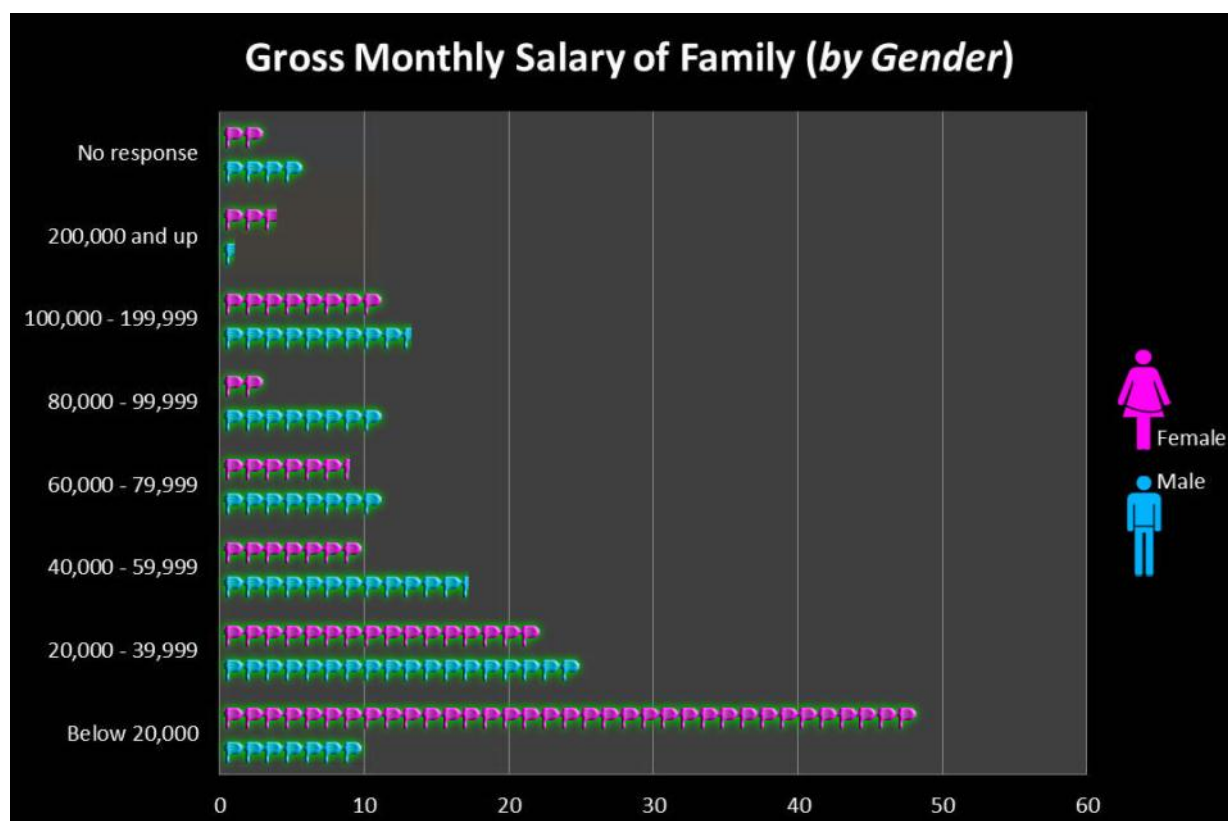
Income:

- a. Huge disparity in gross monthly salary between males and females:
- More than half, 51.8% of females had salary US\$500 and below. Only 19.15 among males.
 - Most males, 31%, had monthly income between US\$501-1,000 while it is only 16.4% among females.



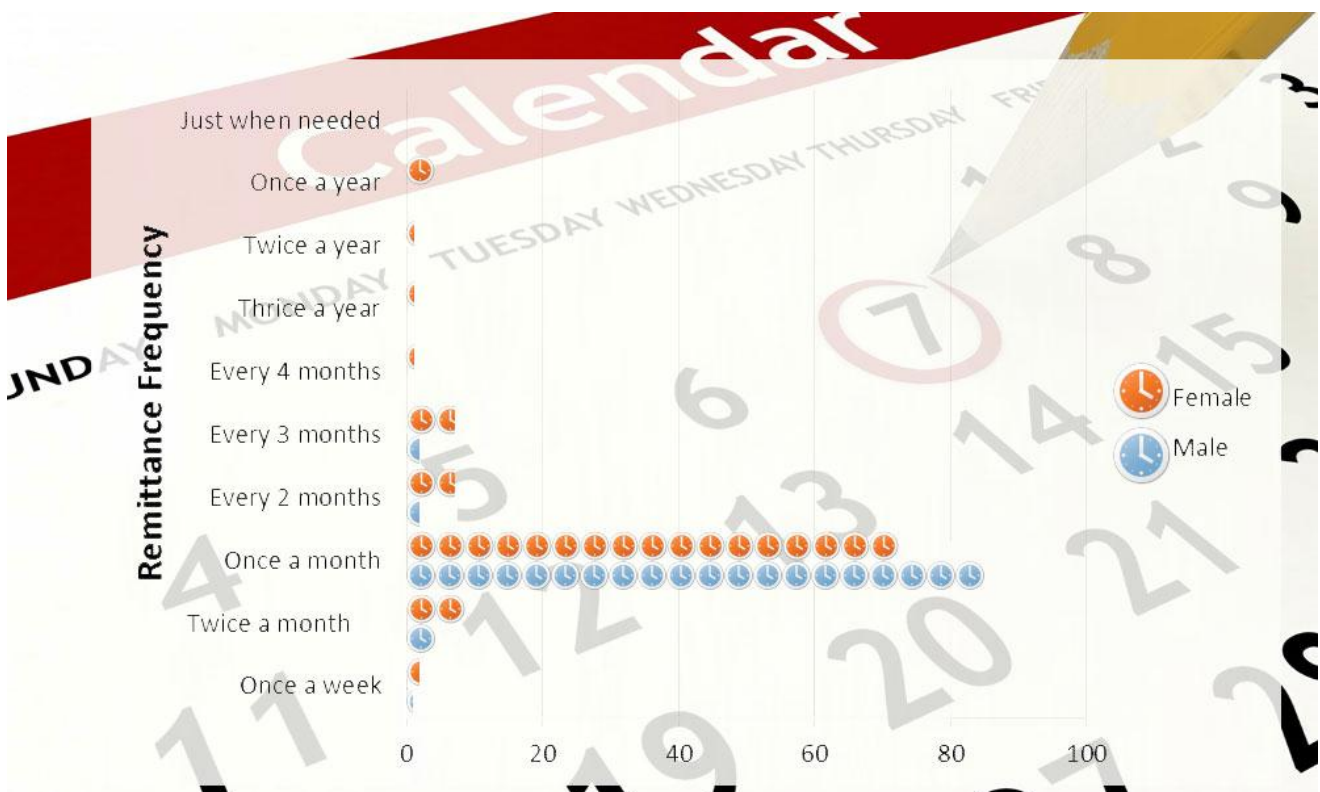
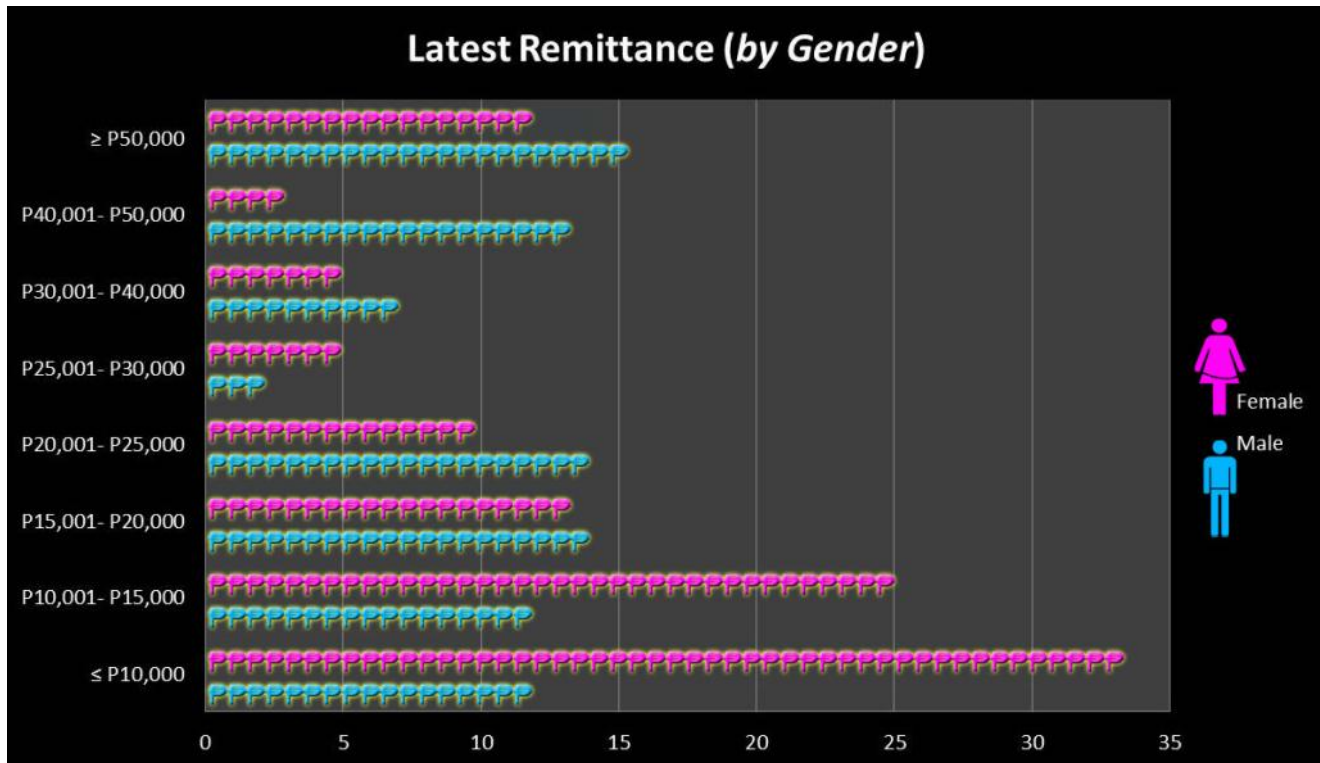
Average exchange rates for various currencies for the period January-December 2008 were sourced from <http://www.oanda.com/currency/average>

- b. Migrants' income from responses of migrant families showed that 44% of females and 11% of males had a salary of PhP20,000 and below. On the other hand, 27% of males had a salary between PhP20,000-39,999 and another 18% between PhP40,000-59,000.

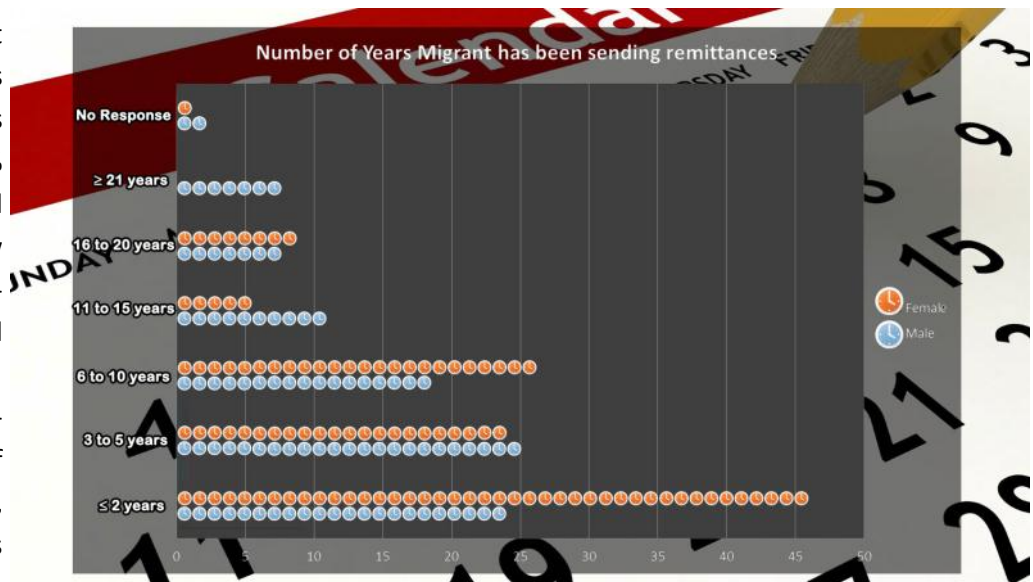


Remittances:

- Majority of migrants, 77% send remittances monthly: 90.4% of males and 65.4% of females. Remittances from female migrants remitted more irregularly than males.
- Male migrants had been sending remittances longer than females: Male migrants sent remittances between 2-30 years or an average of 8.3 years. Female migrants was between 1-19 years or an average of 5.2 years.

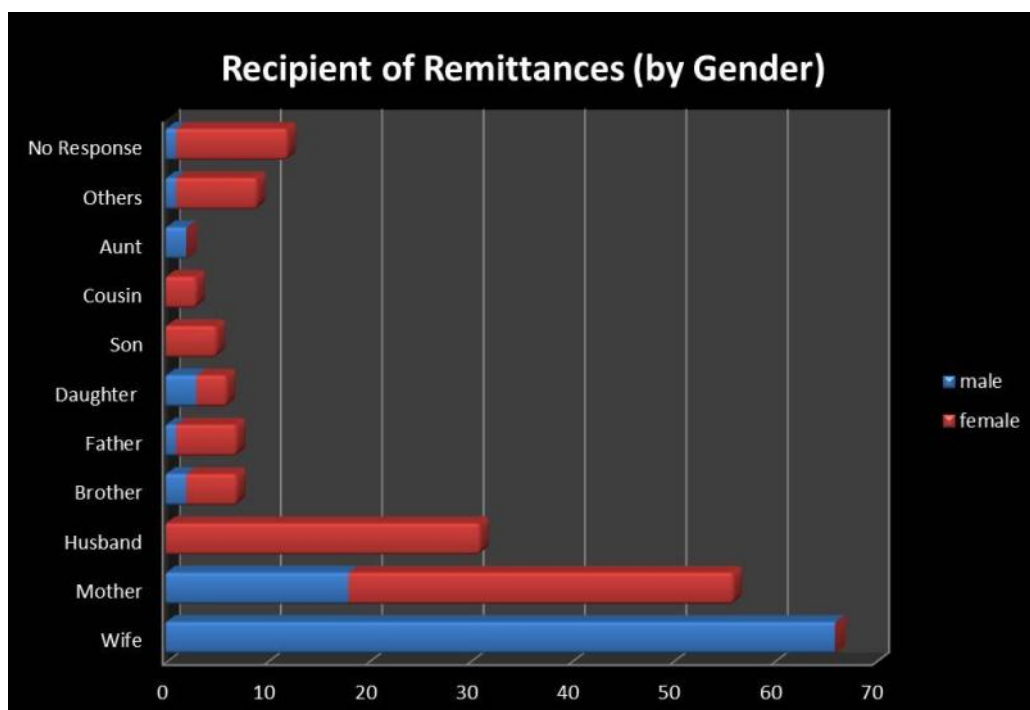
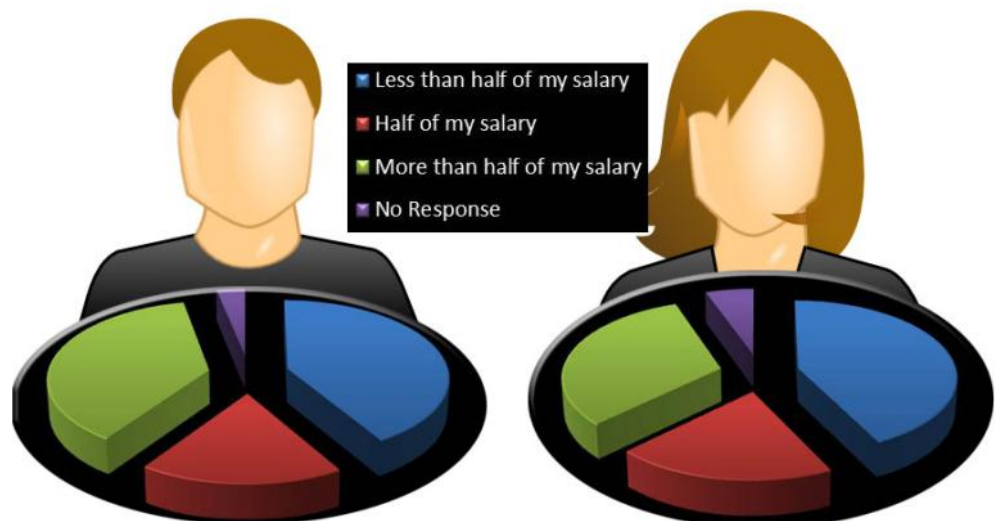


- c. Based on the last remittance, males sent higher amounts than females: 55.4% of males remitted P25,000 and below while 52.7% of females remitted P15,000 and below.
- d. Both sexes were remitting less than half of their salaries, 41.5% among males and 42.7% among females.

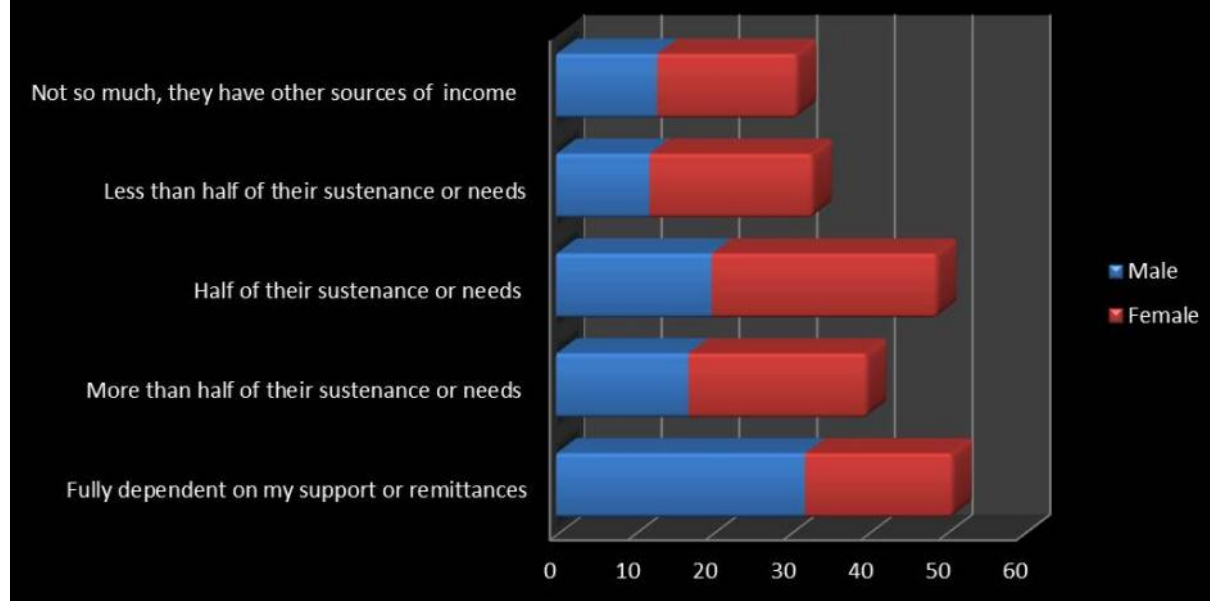


- e. At least, PhP321.9 Million in remittances flow to migrant families in Davao City monthly or PhP3.86 Billion annually. (Assuming a conservative estimate of P10,000.00 monthly remittance, extrapolating it to the total migrant population of 32,196. POEA, 2010).

Percentage of monthly salary sent as remittance

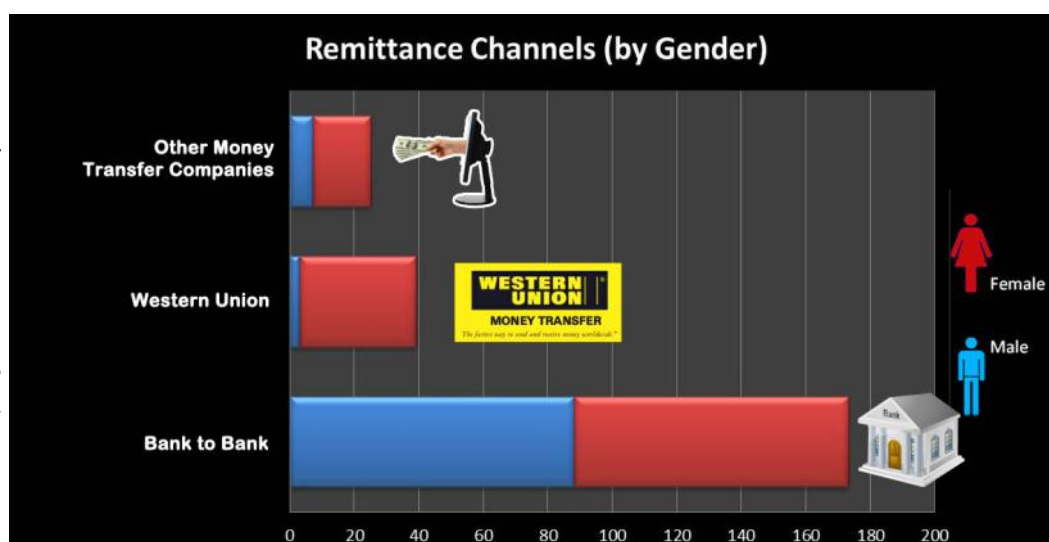


Migrants' perceived extent of dependence by households on their remittances



Remittance recipients:

- Migrants of both sexes sent their remittances to female members of their families, 63.8% compared to only 21.1% males: Female recipients included: [1] wives, 32.4; [2] mothers, 27.5%; [3] daughter and aunt, 3.9%.
- Husbands who received remittances was a mere 15.2%. It must be noted that slightly less than half of female respondents married while 4/5 of males were married.

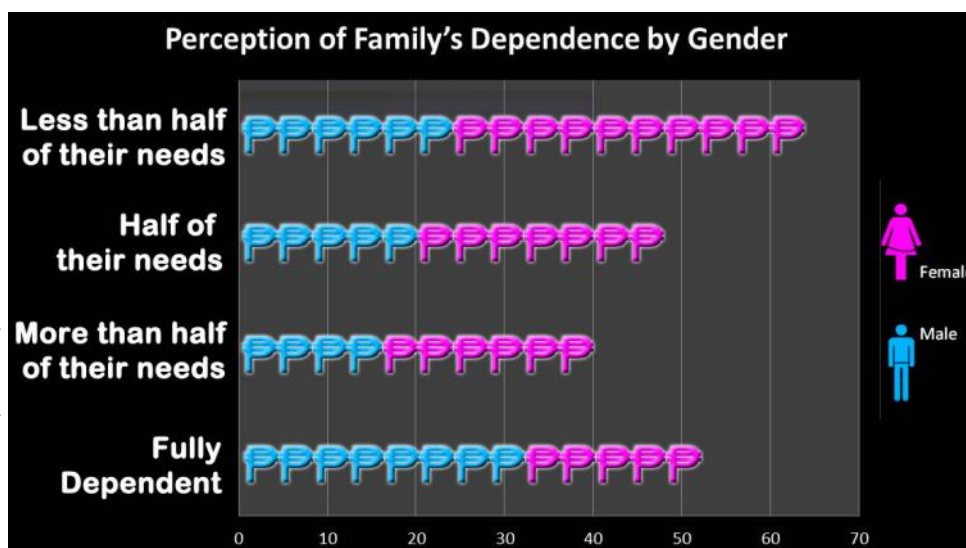


Remittance channels:

- Remittances were sent mostly through banking channels, 84.8%. Other channels were Western Union and transfer companies.
- Trustworthiness, efficiency and accessibility were the major factors migrants considered in the choice of remittance channel.
- Problems cited by migrants in remitting their hard earned income were low exchange rate, delays in transfer and final receipt; complicated forms to be filled in; impolite treatment by staff.

Perception of dependence of migrant families:

- a. Families of male migrants were perceived to be dependent on remittances than the female migrants as indicated by the frequency of remittance transfers and sources of income of families other than remittances.
- b. 95.7% of male migrants remitted monthly to their families as compared to 74.5% of female migrants.
- c. In terms of their perception of their family's dependence to their remittances, the proportion among males who perceived their household as fully dependent upon their remittances is almost twice as much as that of females (34% vs. 17.3%).



Frequency of remittances by Gender¹

Frequency	Male	Female
$x \geq 12$ per year	90(95.7%)	82(74.5%)
$2 < x < 12$ per year	4(4.3%)	16(14.5%)
$x < 2$ per yr	0	12(10.9%)

- d. Those households who are perceived by migrants as not fully dependent upon their remittances have the following top five sources of income: (1) wages/salaries, 43.1%; (2) business income, 29.9%; (3) income from the farm, 12.3%; (4) support from relative/friends, 9.3 %; and (5) house/apartment rental, 3.9%.

In broad strokes, the average incomes of migrant workers in this survey showed US\$1000 per month or PhP 45,000 per month. A combined 59.8% of respondents earned from less than US\$500 to US\$1000 per month. (36.8% earned less than US\$500 and 23% earned less than US\$1000.)

The average monthly remittance of migrants to their families in Davao City among 23.1% of respondents (the least monthly remittance) was PhP 10,000.

There were 32,196 migrant workers in Davao City in 2010 roughly heading the same number of households and families. Extrapolating average income of migrant workers to the migrant population, we would then have a figure of PhP 321.9 million income per month for migrant families or PhP 3.86 billion annually for Davao City migrants alone.

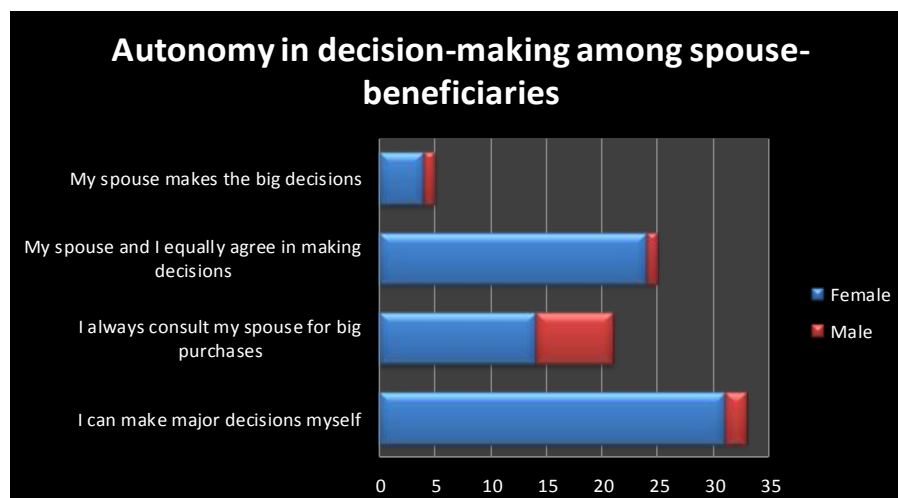
It is granted, not all these income comes to Davao City. Extrapolating average monthly remittances of migrant workers to their families, we have PhP 10,000 x 32,196 migrant families = P321,960,000 per month. Multiply this amount for 12 months and we have an annual income for Davao City from migrant workers of PhP3,863,520, 000.

These are broken down into expenditures of migrant worker families. Survey shows that food is the primary expenditure of 63.2% of migrant respondents and 72.9% of migrant family respondents; education was second according to 18.2% of migrant respondents and 12.9% of family respondents; house repair expenses was third highest among migrant respondents.

Expenses, savings and investments

Expenses of migrant families: (data from FGD)

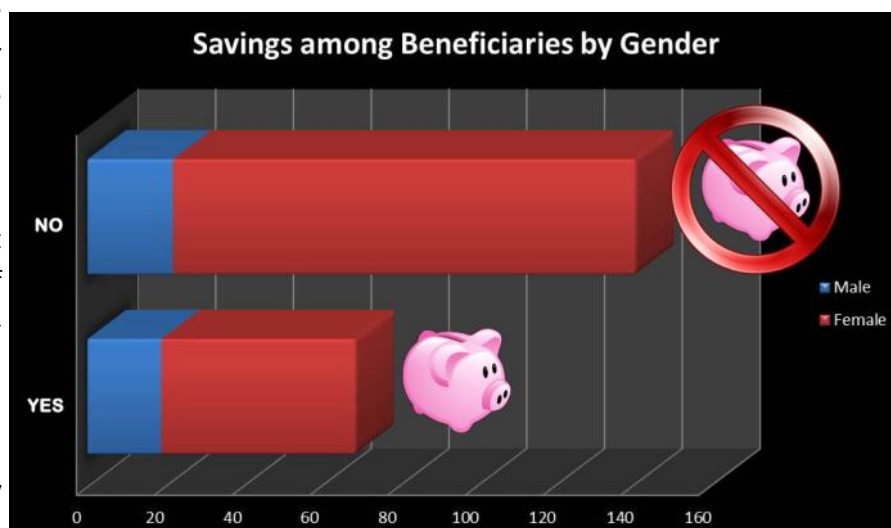
- a. Both migrants and families did not provide specific amounts for total monthly expenses. However, in FGD, both families and migrants cited an average of P12,000 monthly expenses, mainly from remittances. Based on this figure, it can be surmised that for 32,196 migrants of Davao City, average monthly expenses of migrant families would amount to **P386.2 million** or **Php6.635 billion** annually. (FGD)



- b. **Top five (5) expenditure items** of migrants and their families: (1) food; (2) education; (3) house rental/repair; (4) medical expenses; (5) utilities.
- c. **Php296 million** is spent monthly by migrant families for the top five expenditure items.
- d. Other big expenditure items would be household appliances/durables, investment or business capital, communication, and holidays/vacation. Cellphones and loads took a significant portion of expenses. Almost all (99%) of migrants and families communicated with each other through cellphone calls.
- e. Among married migrants, females (42.5%) are able to make independent decisions on big purchases. On the other hand, 63.6% of male migrants consult first their spouse for big purchases. One

Education: (FGD among students)

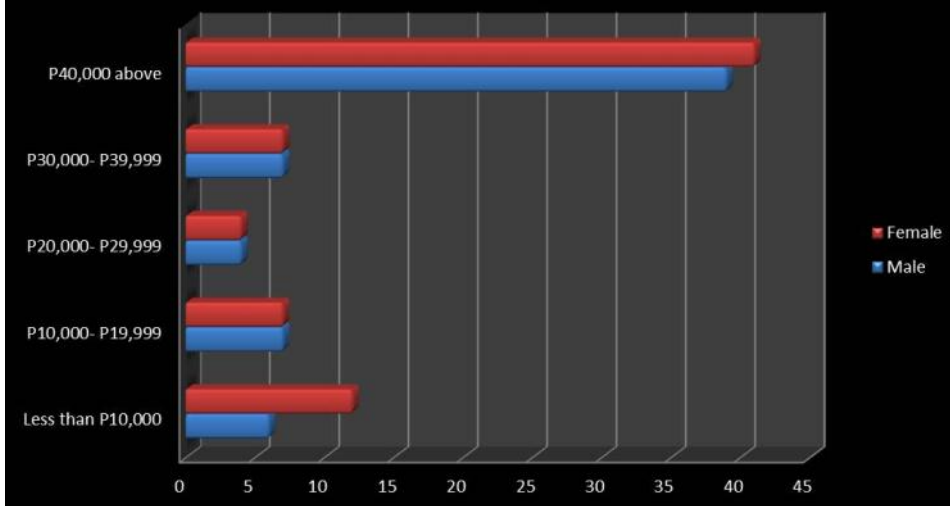
- a. Children of migrants considered "College education as the biggest benefit" from overseas work of mothers. It made education possible and enjoyable as well.
- b. Education expense is broken down into: [1] tuition; [2] food and clothing; [3] field trips/projects; [4] school supplies; [5] transportation; [6] cellphone load.



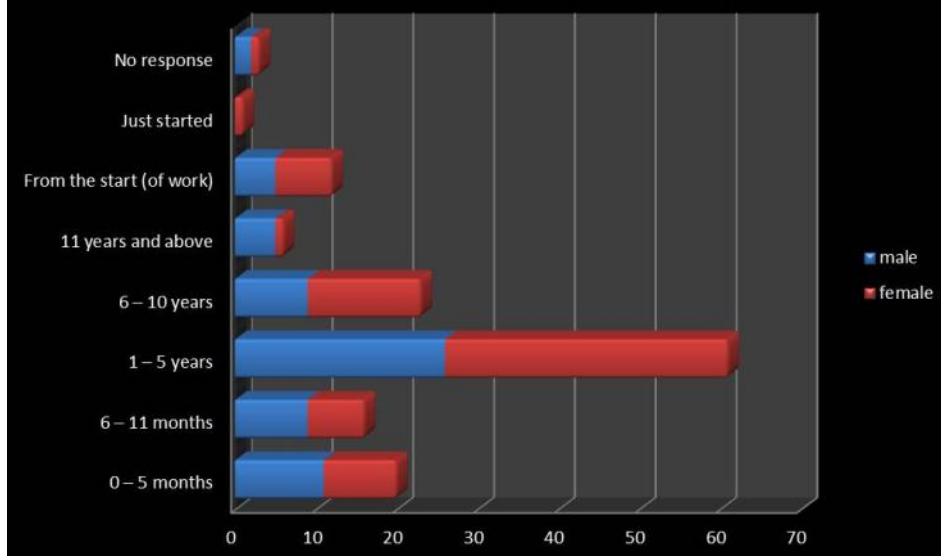
Savings:

- a. 70% of migrants and 69% of migrant families said they had savings, mostly kept in the banks.
- b. Among the respondents it is more likely that the bulk of the savings is kept by the migrants, not by the families.
- c. Compared to almost forty percent of migrants who saved more than P40,000, only ten percent of families did the same.

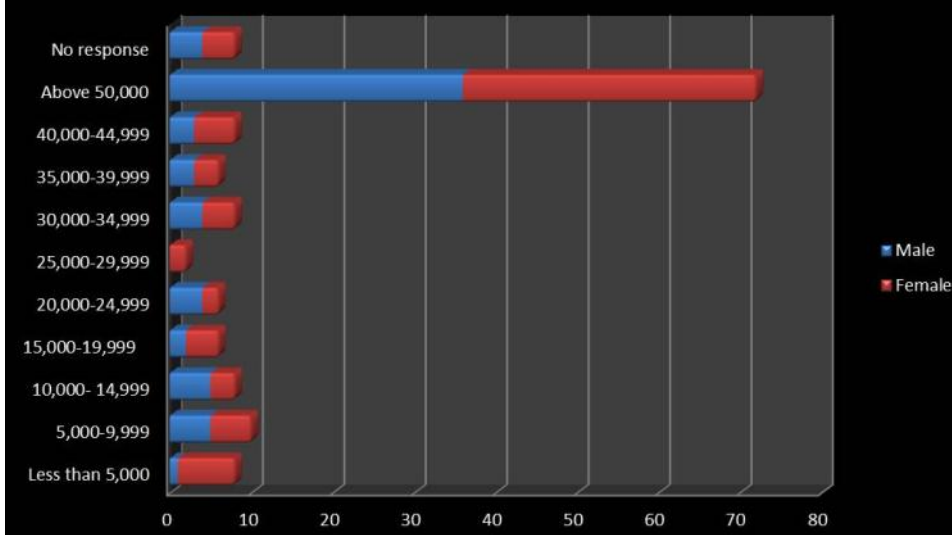
Amount saved from last salary by Gender



How long after working was the migrant able to save



Savings within the past six months

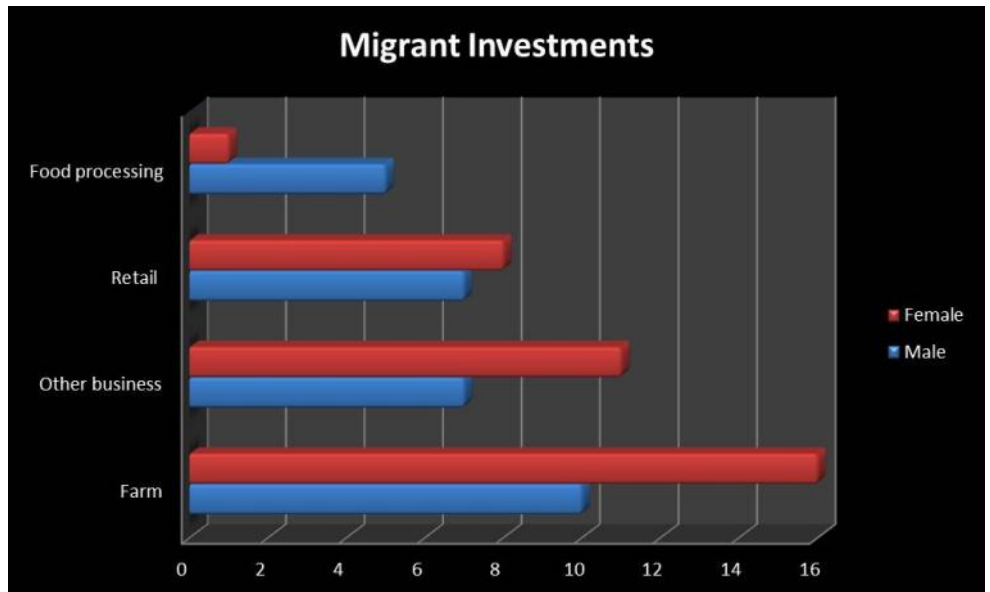


Investments:

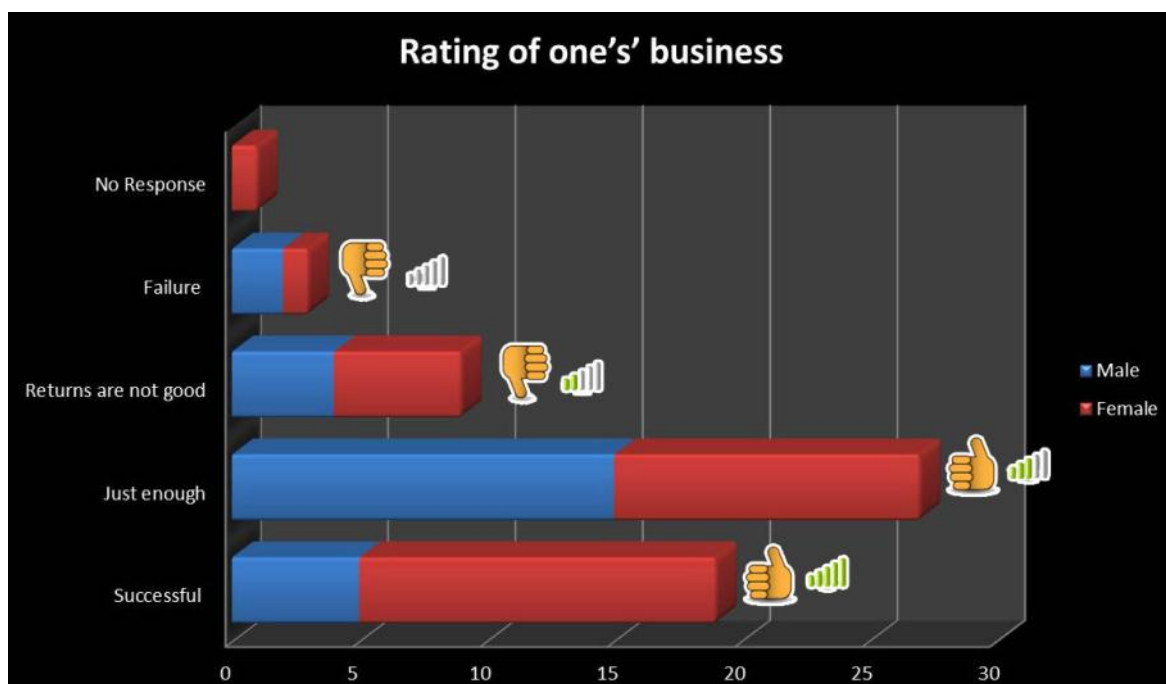
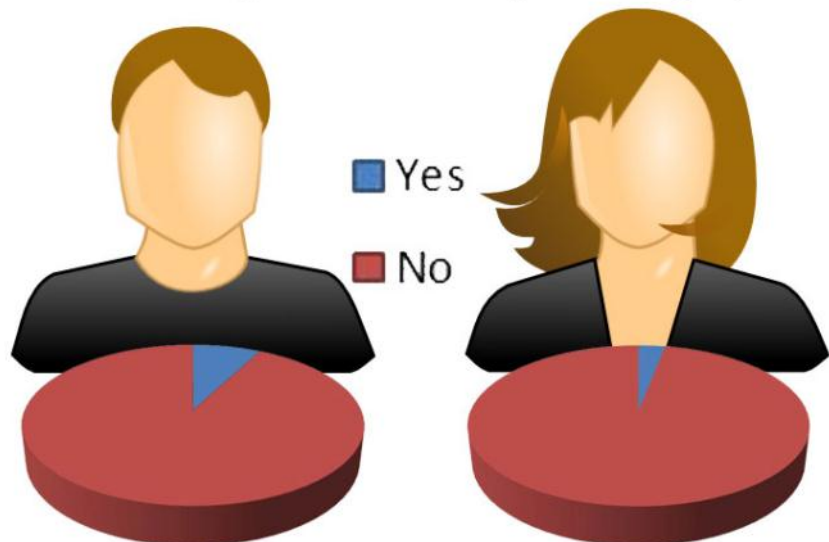
- Only 29% of migrants invested part of their savings. Of those who had investments, the more common investments were: [1] farm or purchase of farm land, 44.1%; [2] other business, 36.5%; [3] retail, mainly sari-sari stores, micro and small enterprises. Migrant families were also engaged in small lending activities.
- Majority of migrants had no experience in business, 53.1%.
- More females, 48.5% investment in farms than males, 38.5%. Food processing was more popular among male migrants.
- Respondents claimed to have invested a total of PhP7.7 million in farms, agri-business and micro-enterprises and PhP1.5 million in lending activities.

Investment/business performance:

- a. Most migrants with investments, 45.8% reported that returns was just enough while 32.25 said that their businesses were successful while 20.4% reported as failure or poor returns.
- b. Reasons for poor performance were: [1] inability to collect debts; [2] lack of trust-worthy managers/staff; [3] lack of capital; [4] lack of experience.



Whether the migrant borrowed for your starting capital



Why Returns are Not Good:

- ◆ Difficult to collect debts
- ◆ No one reliable to manage the business
- ◆ Many of my siblings claim to own the business
- ◆ No close supervision
- ◆ Too many expenses

Reasons for failure of business:

- ◆ Debts were not collected
- ◆ High costs of rent
- ◆ No one to supervise

Willingness to invest:

- a. 82% of migrants are willing to invest. Average amount migrants are willing to invest was a maximum of PhP 5 million and a minimum of PhP10,000.00 and a typical (median and mode) investment of PhP100,000.00.

Recommendations

- 1) Most recommendations focused on improvement of migration policies and programs. Only a small minority, 5%, asked for improvement of the political and economic condition in the country and create local jobs.
- 2) Some business related recommendations:
 - a. Provide business opportunities for OFWs to encourage migrants to invest in the city;
 - b. Establish OFW business associations;
 - c. Fast and easy processing of business permits;
 - d. Improve political and business climate;
- 3) Types of businesses that OFWs would like to engage in
 - ◆ Food service and other food related business
 - ◆ Apartment, boarding house
 - ◆ Agribusiness
 - ◆ General merchandise
 - ◆ Food processing
- 4) Migrant perception about government support
 - ◆ More men agree that national government is concerned with OFWs although the difference is not very significant, 59.6% for males and 56.4% for females.
 - ◆ Both male and female migrants agree that most OFWs can be encouraged to invest more if their business skills are developed.
 - ◆ Most migrants believe that it is safe and profitable for OFWs to invest in the country.
- 5) Awareness about government programs and services
 - ◆ Majority of migrants of both sexes, 78.9% are not aware of about programs and services for OFWs and less about services of NGOs, 88.7%.



**Unlad Kabayan Migrant Services
Foundation, Inc.**



**Global Fund
for Women**