The CBMS: An Investigation of its Usefulness in Understanding the Relationship between International Migration and Poverty in the Philippines

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METHODOLOGY

- Analysis of cross-section CBMS data of 8 selected local government units (LGUs) (126,812 households)
- Panel data analysis using CBMS datasets of LGU-Orion in Bataan (4,299 households in three periods)
- Analysis of additional migration-related data collected in two selected barangays (476 households)
  - Barangay Saging, Mabini, Batangas
  - Barangay Villa Angeles, Orion, Bataan

RESEARCH CONTEXT

- Overseas Filipinos
  - Filipinos: 7th among the top emigration countries in 2013 (World Bank, 2016)
  - 10.2 million Filipinos overseas (~10% of the country’s total population)
  - 2.3 million OFWs as of 2015 (POEA)
- Remittances
  - Filipinos: 3rd largest volume of remittances in 2015 (World Bank, 2016)
  - US$25.8 billion cash remittances in 2015

- What is the impact of international migration on poverty in the Philippines?

KEY FINDINGS

OFW PROFILE (8 LGUs):

- Mostly working as laborers and unskilled worker
- Saudi Arabia and Italy as the most common country of destination

POVERTY SITUATION (8 LGUs):

- Better living conditions among migrant HHs (vs. non-migrant HHs)

Income distribution by migration status of households: 8 LGUs

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Cut-off</th>
<th>Migrant HHs</th>
<th>Non-migrant HHs</th>
<th>All HHs</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Households</td>
<td></td>
<td>12,073</td>
<td>114,739</td>
<td>126,812</td>
</tr>
<tr>
<td>Income Poverty</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Poor</td>
<td>with per capita income</td>
<td>13.3</td>
<td>30.3</td>
<td>28.7</td>
</tr>
<tr>
<td>Income poor (non-remittance income)</td>
<td>&lt; poverty threshold</td>
<td>41.9</td>
<td>30.3</td>
<td>31.4</td>
</tr>
<tr>
<td>Multidimensional Poverty Index (MPI)</td>
<td></td>
<td>0.003</td>
<td>0.013</td>
<td>0.012</td>
</tr>
<tr>
<td>MPI Poor</td>
<td>deprivation score is 0.33 or more</td>
<td>0.6</td>
<td>2.6</td>
<td>2.4</td>
</tr>
<tr>
<td>CBMS Simple Composite Indicator (SCI)</td>
<td></td>
<td>0.61</td>
<td>1.03</td>
<td>0.99</td>
</tr>
<tr>
<td>SCI Poor</td>
<td>deprived in at least 4 basic needs</td>
<td>0.9</td>
<td>4.4</td>
<td>4.0</td>
</tr>
</tbody>
</table>

CHANGES IN POVERTY STATUS (CBMS panel data of Orion, Bataan)

Note: Total number of observations= 3,042; 0-1-0= 439HHs; 0-0-0=2,603HHs

RECOMMENDATIONS

- Enhance the use of CBMS as a tool for understanding international migration and how it affects poverty
- Establish a database for return migrants and design programs that address their needs
- Enhance programs and policies that discourage and prevent illegal migration
- Develop more effective training programs for both the OFWs and his/her family (e.g., financial literacy trainings)

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