

HUMAN DEVELOPMENT REPORT 2009

THE FREEDOM IN MIGRATION

The UNDP tackles the critical role of mobility in human development and how overcoming barriers to movement can lead to growth and progress.





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THE FREEDOM IN MIGRATION

The UNDP tackles the critical role of mobility in human development and how overcoming barriers to movement can lead to growth and progress.

The migration of people across cities, regions, and countries has shaped human development through the expansion of resources, ideas, and cultures, benefiting both the countries of origin and destination in the social and economic fronts. More than this, the growing number of people deciding where to live and work, and being able to act on this decision, signifies a form of expanded freedom valued and celebrated by the United Nations Development Program (UNDP) in its 2009 Human Development Report, **Overcoming Barriers: Human Mobility and Development**.

Every year since 1990, the Human Development Report (HDR) lists the human development index (HDI) of 182 countries. It reflects the three dimensions of human development: living a long and healthy life, being educated, and having a decent standard of living. Driven by this year's theme, the Report, which used 2007 data, highlights the trends and implications of human mobility and its impact on nations' quest for higher development.

Countries are ranked and categorized based on their level of development. An HDI of 0.900 and above falls under the category of very high human development, while 0.800-0.899 denotes high human development, 0.500-0.799 medium development, and 0-0.499 low development.

In the latest rankings, Norway (0.971) tops the list, followed by Australia (0.970), Iceland (0.969), Canada (0.966), and Ireland (0.965), while the bottom five includes Mali (0.371), Central African Republic (0.369), Sierra Leone (0.365), newcomer Afghanistan (0.352), and Niger (0.340). For the first time since 1996, three new countries entered the study's roster, namely, Andorra (0.934), Liechtenstein (0.951), and Afghanistan. From 2006 to 2007, three countries with medium human development, Jamaica, Fiji, Congo (Congo-Brazzaville), and one country with low human development, Chad, experienced a drop in their human development index. In terms of ranking, China made the largest leap, jumping seven places, followed by Colombia and Peru, both jumping five places.

PHILIPPINES: SLOW AND BEHIND

The region of South East Asia (SEA) consists of 12 countries located south of China, east of India, and north of Australia. Majority of the SEA countries still depends on agriculture, but the manufacturing and services sectors are quickly increasing their influence in the region's economic growth. Singapore and Brunei Darussalam, two very industrialized countries, have the highest HDI in South East Asia. They are the region's only two in the list of countries with very high human development (see table 1). Singapore and Brunei regularly swap the No. 5 and 6 spots in the list of the world's wealthiest countries in terms of gross domestic product (GDP) per capita. As of 2007, Singapore's GDP per capita stood at \$49,704 with an HDI of 0.944, while Brunei had a GDP per capita of \$50,200 and HDI of 0.920.

Belonging to the medium human development category, the Philippines, with an index value of 0.751, trails 18 ranks behind Thailand (HDI 0.783). It also lags in GDP

MIDDLE OF THE SEA

Table 1: South East Asia HDI and GDP Per Capita, 2007

	HD Index Value 2007	GDP per capita (PPP \$) 2007
Very High Human Development		
Singapore	0.944	49,704
Brunei Darussalam	0.920	50,200
High Human Development		
Malaysia	0.829	13,518
Medium Human Development		
Thailand	0.783	8,135
Philippines	0.751	3,406
Indonesia	0.734	3,712
Vietnam	0.725	2,600
Laos PDR	0.619	2,165
Cambodia	0.593	1,802
Myanmar	0.586	904
Papua New Guinea	0.541	2,084
Low Human Development		
Timor-Leste	0.489	717

Source: Human Development Report 2009

per capita with \$3,406, as opposed to Thailand’s \$8,135. However, it fares better than the rest of the SEA countries in the medium and low human development category, such as Indonesia and Vietnam. Currently, the Philippines ranks 105th out of 182 countries in the world.

Among the three dimensions measured in the HDI, the measurement for the standard of living pulled down the Philippines’ HDI the most with a GDP Index of 0.589. The latest 2006 poverty figures show that 22.6% of Filipinos live in poverty of under \$1 per day, while more Filipinos are considered living in poverty, 45%, under the \$2-a-day poverty indicator.

The Human Poverty Index (HPI-1), also measured in the Report, reflects the **extent of deprivation** of citizens in having a long and healthy life, acquiring knowledge, and having a decent standard of living. The Philippines’ HPI-1 value is 12.4%, ranking 54th among 135 countries whose index have also been calculated. Noted poverty indicators are the 5.7% probability of not surviving to age 40, the 6.6% adult illiteracy rate of Filipinos aged 15 and above, the 7% deprived of an improved water source, and the 28% underweight children aged 5 and below.

Since 1980, the Philippines’ HDI grew at an average 0.56% from 0.652 to 0.751 in 2007 (see Table 2). Meanwhile, its Asian neighbors have been clocking a faster-paced growth in human development. Papua New Guinea grew at an annual rate of 0.95%, Malaysia 0.81%, Thailand 0.64%, and Singapore 0.68%. Vietnam is growing at an annual rate of 1.16%, more than twice the rate of the Philippines. This explains why many analysts see Vietnam overtaking the Philippines in both economic and the human development front in the next few years.

A separate segment of the HDR details the gender-related development index (GDI), developed by the United Nations. It uses the same indicators in measuring human development achievements but incorporates the degree of gender imbalance in these achievements. When inequality between the two genders is

MOVING FORWARD

Table 2: Philippine HDI, 1980-2007

1980	1985	1990	1995	2000	2005	2006	2007
0.652	0.651	0.697	0.713	0.726	0.744	0.747	0.751

Source: Human Development Report 2009

noted, a penalty for inequality decreases the HDI’s numerical value. This adjusted figure is the GDI. The greater the disparity between a country’s GDI and HDI, the greater the gender disparity. The Philippines’ GDI value is 0.746, or 99.6% of its HDI value – a reflection of close equality in opportunities and achievements for both sexes in the country.

MOVERS ARE WINNERS

Latest statistics show there are about 200 million international migrants in the world, with another 740 million internal migrants, or those who have crossed borders within their own country. With the exemption of displaced and trafficked persons, where movement deteriorates wellbeing, migration can bear significant positive results to individuals and households, particularly in increasing incomes, pump-priming consumption, accessing education, improving health, and heightening sociopolitical awareness.

Differences in countries’ standard of living appear to be the main driving force in human migration. Every year, some five million people leave their homes, families, and friends to discover new and better opportunities in a foreign land. Migration statistics show that majority of international movement happens within countries of the same category of development, from one developing country to another or from one developed country to another, albeit always with a higher HDI. In fact, only 37%, or fewer than 70 million people, have emigrated from a developing country to a developed one. This is because people from developing countries find it more costly, in terms of both transportation

and policy restrictions, to move to a highly developed country. As such, about 40% of international migrants move to a neighboring country, while more than half move within their region.

The Report noted very large average differences between the HDI of migrants and that of non-migrants. In OECD countries, the average HDI of migrants is 24% higher than those who stayed in their respective countries of origin. It also finds that migrants from countries with low HDI gained the most. The beneficial effects include a notable 15-fold increase in income, a doubling in enrolment rate, and a 16-fold reduction in child mortality.

Opportunities and aspiration form the recurring themes in human mobility. The economic and income differential, higher incentives, and improved working conditions attract people to seek better-paying jobs and, at times, to move their family abroad. The promise to break free from societal pressures and to escape from traditional roles they are expected to fulfill also push people to leave and move somewhere where they can be relieved from their own society's demands. To cushion the cultural shock, people with these concerns usually move to places with similar ethnic, linguistic, and religious backgrounds, oftentimes, with better economic opportunities.

In the places of origin, it is largely the households of the absent migrants that feel the impact of migration. They are the direct recipients of remittances, allowing them to be strong consumers and even investors. The Report suggests that international remittances contribute to the improvement of household welfare, nutrition, food, health, and living conditions, particularly for those in developing countries. It also considers remittances' role as insurance in countries like the Philippines, El Salvador, Botswana, and Jamaica, where migrants are observed to increase remittances as a response to weather shocks in their original hometowns. In the Philippines, for example, increased remittances offset about 60% of declines in income due to rainfall shocks.

The positive side of migration directly affects the recipients of remittances back home, but it also affects the local community and the country of origin. In 2007, recorded remittances to developing countries were four times the size of total official development aid. Most of the remitted money, the study finds, is spent on labor-intensive goods and services, such as housing and other construction, thus benefiting the local economy and local employment. Not to mention that the huge volume of remittances contributes to the foreign exchange earnings of the recipient countries. Furthermore, the Report noted such positive multiplier effects as increased incomes, higher consumption, better education, improved health, and improvement at a broader cultural and social level.

One of the most visible contributions of remittances, collectively sent through community groups and hometown associations, is the delivery of public goods, such as the construction of roads and bridges, and installation of drinking water, electricity, and communications lines, among others. However, since a large percentage of the remitted money goes to dependents, policymakers should not magnify the contribution made by collective remittances to communities. Estimating the donated financial and material assistance made by Filipinos in the US over the past 27 years puts the figure at \$44 million, just 0.04% of the country's GDP in 2007. This is one of the reasons why the United Nations, and other migration groups, believes that a country should not depend on human mobility as a national economic strategy. It is an important contributor to a country's economy, but it does not address the critical needs and concerns of the whole nation.

On the sociopolitical aspect, rural women with migrant husbands generally tend to participate more in community decision-making and are more supportive of democratic principles. Recent findings reveal that their active and dynamic interaction with local communities is instrumental in the transfer of fertility norms from migrants to the extended family, neighbors, and friends at places of origin. The Report also presented cases wherein countries with a large number of skilled emi-

grants tend to have more citizens pursuing and finishing higher education. Information on health and better health and sanitation practices are also transmitted through knowledge sharing with a migrant loved one, thus infant and mortality rates tend to be lower.

The impact of international migration on host countries has also been studied to support the 2009 HDR. In one of its commissioned studies, the UNDP found out that immigration increases employment, with no evidence of the crowding out of locals, and that investment also responds vigorously. In fact, in their studies on 14 OECD destination countries and 74 origin countries, it was revealed that population growth due to migration increases real GDP per capita by 1:1, and that increased migration has neutral or marginally positive effects on per capita income.

MIGRATION ISSUES

The emotional cost of migration is deeply felt at the household level – by loved ones left behind and the migrants themselves. The absence of a parent, for example, has social repercussions that cannot be measured, as acknowledged by the Report. Aside from running the risk of losing closer ties with families and friends, migrants face many uncertainties, such as whether or not they will land a good job, adjust well in the new territory, or face the risk of incurring physical harm or death, especially in dangerous occupations. But while it has its drawbacks, mobility, according to the Report, is normal and prevalent even in prosperous societies, especially when people are presented with better opportunities and lifestyle. It used the Philippines as an example wherein migration has become a norm for the young and able.

Unfortunately, there are millions of people whose movement was forced and whose relocation was not an exercise of freedom but, rather, the result of conflict, war, or political repression. In the UNDP Report, the number of international refugees around the world is reported to have reached 14 million, while internally

displaced refugees totaled 26 million. Another kind of movement not associated with migration as an exercise of freedom but of actual loss of freedom is the one caused by human trafficking. Like the case of refugees, human trafficking demands immediate international attention as it deprives the victims of a decent life that every person has the right to pursue and attain.

“NORM” FOR THE YOUNG AND ABLE

Migration is considered a norm in the Philippines, particularly for the young and able, according to the UNDP report. Majority of these migrant Filipinos prefer moving to highly developed countries where they have relatives to help them settle down, or where there is high demand for their skills. As of 2007, the stock estimate for Filipinos working and residing abroad, either on a permanent, temporary, or irregular status, tallied 8.73 million. Majority are residing and working in the United States (2.8 million Filipinos), Saudi Arabia (1.1 million), and United Arab Emirates (529,114), countries with very high to high human development. Close to half of Filipino emigrants (47%) are working temporarily, while some 42% have become permanent residents.

PROGRESS BEYOND BORDERS

Table 3: Stock Estimate of Overseas Filipinos in Top 10 Destinations As of December 2008

Country	Permanent	Temporary	Irregular	TOTAL
USA	2,517,833	128,910	155,843	2,802,586
Saudi Arabia	350	1,046,051	20,000	1,066,401
UAE	703	493,411	35,000	529,114
Canada	410,626	49,309	3,000	462,935
Australia	221,892	19,455	9,000	250,347
Malaysia	26,002	90,965	128,000	244,967
UK	90,654	102,381	10,000	203,035
Japan	133,528	38,329	30,700	202,557
Qatar	15	189,943	5,600	195,558
Singapore	29,850	70,616	56,000	156,466

Source: Commission on Filipinos Overseas

Filipino emigrants, particularly overseas Filipino workers (OFWs), have been contributing to the Philippine economy since the 1970s, increasing their remittances from just \$103 million in 1975 to over \$10 billion in 2005 and every year after that. In 2007, OFW remittances coursed through banks and financial institutions reached \$16.3 billion, nearly 12% of the country's GDP. These remittances eased many Filipino families through the economic turbulence and natural disasters that be-fell the country.

A paper entitled “The Remittance Driven Economy,” written by economists from the University of the Philippines, stated that a poor Filipino family has a 70% chance of crossing over to being non-poor when they have a family member working or living abroad. But just like the Human Development Report, the UP economists advised the Philippine government against relying too much on a remittance-driven economy because it is “inherently limited and self-undermining.” Similar to inflows of foreign aid, remittances cannot remove the structural constraints to economic growth, social change, and better governance seen to be present in countries with low human development.

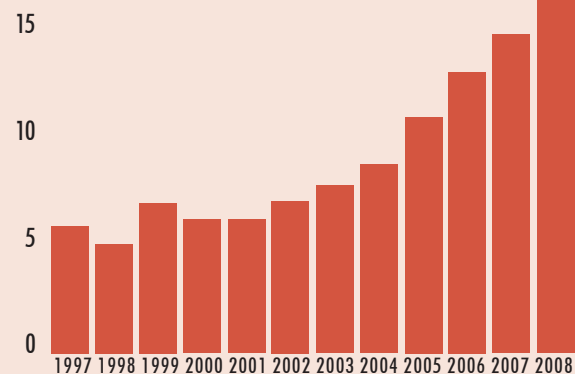
In addition, the skills of returning OFWs will rarely be used domestically if industries have not matured, infrastructure has not improved, and if demand for skilled work has not picked up. For this reason, the economists urge governments in “countries of origin” to boost their infrastructure and community building, pursue an investment-friendly environment to attract business activity, and to establish a strong domestic economy for returning citizens. Moreover, governments are urged to create policies that would address underlying structural problems, such as low pay, inadequate financing, and weak institutions.

HIGHLIGHTED FINDINGS

In conclusion, the UNDP study stressed the significance of mobility in human development, and disproved some common fears about migration. It highlighted the following:

THE SAVING GRACE

OFW Remittances (in thousand dollars)



Source: Bangko Sentral ng Pilipinas

- Mobility is a freedom, and movement is the exercise of that freedom. It is a natural expression of people's desire to choose how and where to lead their lives and act upon it.
- The patterns on human movement are consistent with the idea that people move to enhance their opportunities, but their movement is often restricted by policies and the lack of resources.
- There is no evidence that migration causes significant adverse economic, labor market, or fiscal impacts to host communities and countries.
- The effects of skills flows are less detrimental for origin communities than is often assumed. Where graduate unemployment is high, as it often is in poor countries, the opportunity cost of departure may not be large.
- Migration-driven processes of social and cultural change can have significant impact on entrepreneurship, community norms, and political transformations.
- There is evidence of gains in such areas as social diversity and capacity for innovation.

- With migration, people may gain in some and lose in other dimensions of freedom, but the losses, the Report argues, can be alleviated and even offset by better policies.

SUPPORTING MIGRATION

In order to maximize the developmental gains of migration, the 2009 Report enumerates six core strategies aimed at addressing barriers to movement and improving the treatment of movers in communities and workplace.

1. Liberalizing and simplifying regular channels that allow people with low skills to seek work abroad

The paper also proposes expanding schemes available for seasonal employment in the agriculture and tourism sectors, as well as to create provisions for repeat visits for seasonal workers. It also raises the idea of designing and implementing basic wage guarantees and health and safety standards for these temporary and seasonal workers.

2. Ensuring basic rights of migrants

These basic rights pertain to the right to change employers and to apply for an extension of stay and, eventually, for permanent residency. It provides for full rights in the workplace (such as equal pay for equal work, collective organizations, etc.) and would allow the transfer of accumulated social security benefits.

3. Reducing the transaction costs associated with migration

Transaction costs in acquiring and processing papers and meeting administrative requirements are relatively higher for unskilled people, and those in short-term contracts, than skilled people. The result is the proliferation of irregular movement and smuggling. As such, the Report suggests that both the origin and destination countries simplify procedures for migrants and reduce document costs. It urges governments to work together to improve and regulate intermediation services.

4. Improving the outcomes for migrants and destination communities

One of the biggest concerns on international migration is that immigrants do not get key basic services in the communities they join. Governments and local authorities are called upon to ensure that migrant children have equal access to education, and even make language training available for both children and adults to support their catch-up and integration process. Other serious issues that local authorities need to address are discrimination, social tensions, and violence involving immigrants.

5. Enabling benefits from internal mobility

It has been reported that one-third of governments in the world maintain *de facto* barriers to internal movement, or restrict the right to move as evidenced by reduced basic service provisions and entitlements for those not registered in the local area. The key recommendation is to ensure equity of basic services and equal treatment for temporary and seasonal workers and their families.

6. Making mobility an integral part of national development strategies

Migration is a vital strategy for struggling households and families seeking economic liberty and improved living standards. But while it works on the micro, per family, level, governments should recognize that migration is not a substitute for broader development efforts. However, it can be integrated in national development policy to address local problems and to pursue real growth and progress.

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