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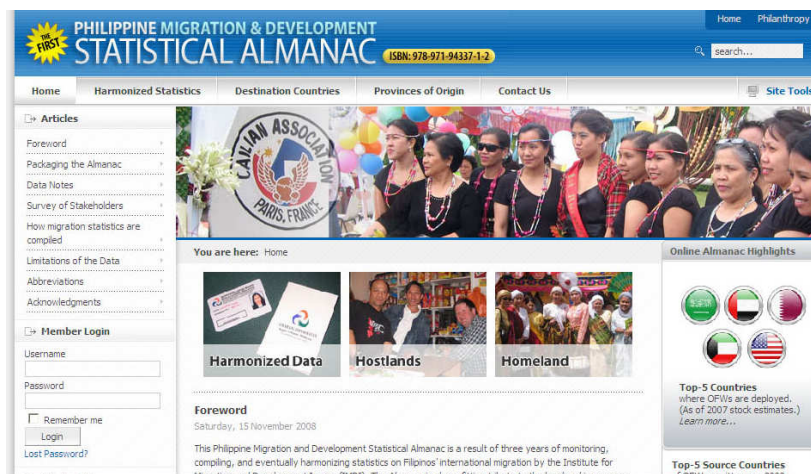
Remittances still can't replace agri incomes

A policy brief on migrants' remittances and agriculture

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Data in this policy brief can be found in the *Philippine Migration and Development Statistical Almanac*. See the Almanac at <http://almanac.ofwphilanthropy.org>



FILIPINOS in the countryside feel the lack of support unto agriculture. No matter how hard our rural farmers work in the fields, some are of the observation that incomes from agriculture are not enough to meet farming families' daily needs.

While most of the Filipino rural poor eke out their living in agriculture, the route out of poverty for many of today's rural poor leads out of agriculture altogether (Arsenio Balisacan, 2008 — "*Poverty Reduction: What We Know and What We Don't*"). To gain incomes, as some economists think, non-farming activities and migration, especially overseas migration, are the important pathways out of poverty.

It is obvious that remittance incomes from Filipinos abroad are a big lift to rural areas. But have these remittances replaced incomes from agriculture in our provinces?

(Data here come from the 2000 Family Income and Expenditures Survey since this is the only dataset that has data per province (succeeding editions of the triennial FIES do not have data per province, but per region)

Crops or dollars?

If the unit of analysis is the province, and the data to look at are incomes coming from wages in agricultural activities, from agriculture-related entrepreneurial activities, and from cash, gifts and other incomes received from abroad (i.e. remittances), monies from abroad have yet to replace incomes from agriculture-related activities.

Only eight out of 74 provinces had more numbers of families with remittances from abroad as their primary source of income compared to the number of families receiving agriculture-related sources of livelihood (both wages and entrepreneurial income). These are the provinces of Zambales, Batangas, Cavite, Laguna, Rizal, Bataan, Bulacan, and Pampanga.

Noticeably, these eight provinces are among the top 15 provinces with the most number of temporary and permanent migrants nationwide. In these eight provinces, migrant families' estimated remittance incomes belong to the top 15 provinces.

Pampanga had the highest number of families (47,343) with remittance as the main source of income among the eight provinces mentioned. Bataan, meanwhile, had the lowest number (17,584).

Rizal, for its part, had the highest percentage share of families remittance (75 percent) compared to agriculture (25 percent) as a source of income. Bataan, for its part, had the smallest difference between the number of families receiving remittances and those receiving incomes from agriculture-related activities (50-50).

Yet there were more provinces (89 percent) that had more families who depend on agriculture for livelihood [see *Figure 1*]. Among these provinces, Masbate had the highest percentage gap between agriculture (99 percent) and remittances (1 percent) as the main source of income. There were 190,379 households (out of 334,105) who depend on agriculture in Masbate, while there were only 1,843 households that depend on remittances.

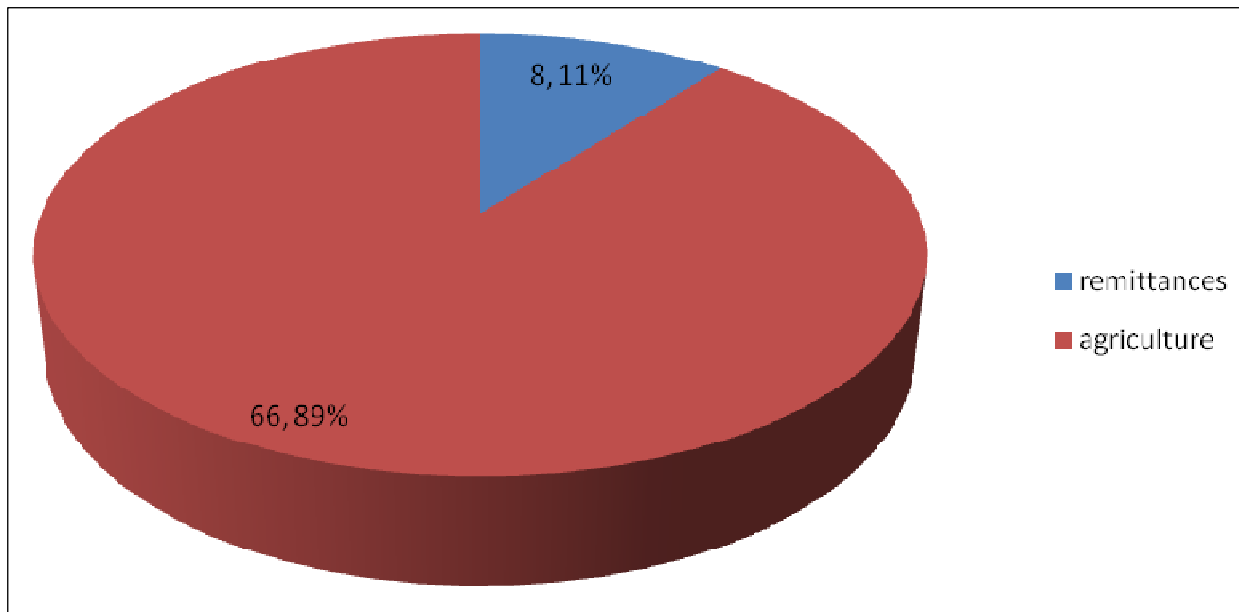


Figure 1: Families relying on remittances vs. agriculture-related incomes through wages and salaries and entrepreneurial incomes (by province)

Dollars versus agri-related wages and salaries

There were 31 provinces that had more families having overseas remittances as the main source of income, compared to the number of families receiving wages and salaries from agriculture. These provinces include: Batanes, Ifugao, Siquijor, Romblon, Guimaras, Kalinga, Quirino, Agusan Del Norte, Surigao del Norte, Misamis Oriental, Abra, Aklan, Zamboanga Del Norte, Benguet, Nueva Vizcaya, Bohol, La Union, Bataan, Ilocos Norte, Zambales, Tarlac, Bulacan, Ilocos Sur, Cebu, Rizal, Cavite, Batangas, Laguna, Pampanga, Iloilo and Pangasinan.

The first 15 provinces mentioned have lesser numbers of overseas Filipinos (both temporary and permanent) compared to the next 16 (especially the provinces coming from Central Luzon and Southern Tagalog).

Pangasinan leads the 31 provinces whose migrant families number more than families receiving salaries and wages from agriculture, having 64,094 migrant families compared to 17,969 families receiving wages from agriculture.

However, 43 other provinces still had more families receiving incomes from agriculture-related wages and salaries than the number of families receiving remittances form abroad [see *Figure 2*].

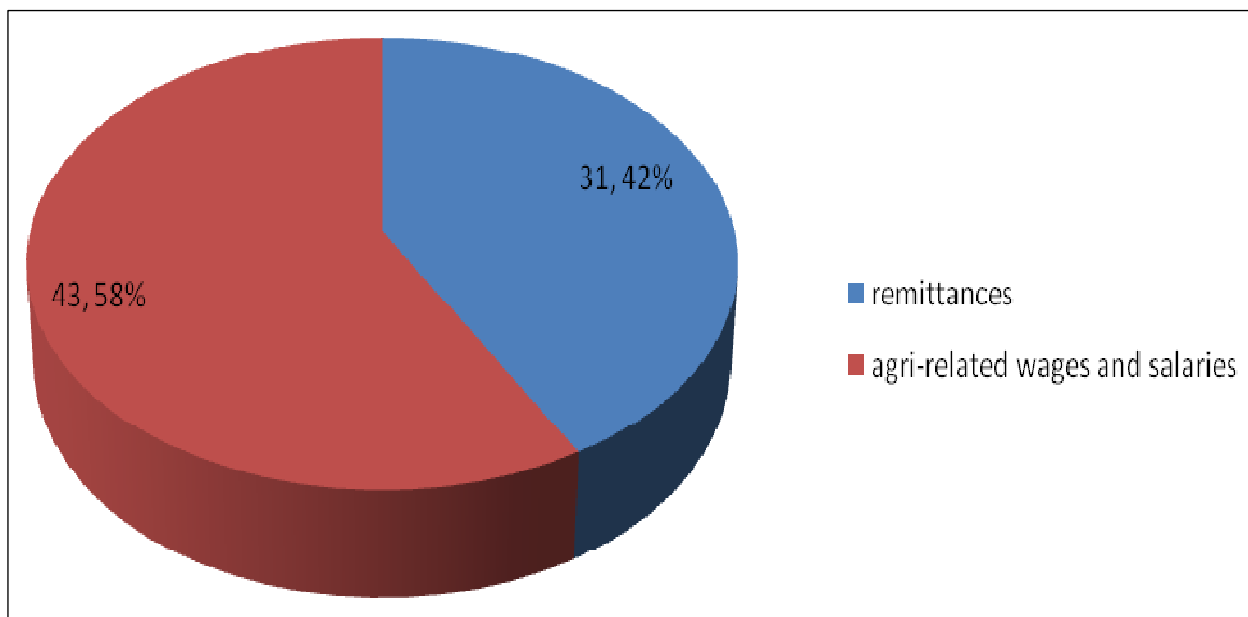


Figure 2: Families relying on remittances vs. agriculture-related wages and salaries (by province)

Dollars versus agri-related entrepreneurial incomes

Only 11 provinces had more families with remittances as the main source of income compared to the number of households with incomes from agriculture-related entrepreneurial activities (85 percent). Rizal, Zambales, Laguna, Cavite, Bataan, Bulacan, Pampanga, Tarlac, Batangas, Ilocos Sur and Iloilo belong to this group.

Among these 11 provinces, Iloilo had 54,679 migrant families while 41,434 Ilonggo families primarily depend on agriculture-related entrepreneurial activities as income source [see *Figure 3*].

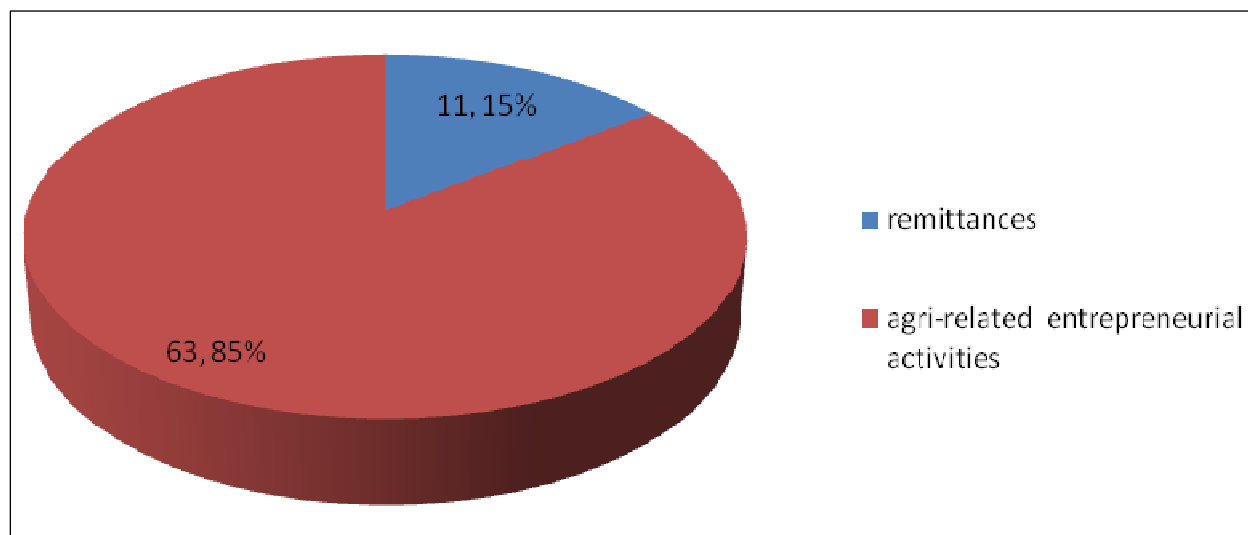


Figure 3: Families relying on remittances vs. agriculture-related entrepreneurial activities (by province)

Added dough for agriculture?

Come to think of it migrants' remittances may not yet replace Filipinos' dependency to agriculture. This development can give our rural development policy makers a sigh of relief. Yet we should not be complacent in not doing anything for one of the country's major economic heroes: our farmers.

We will also not await the day that remittances will soon outstrip agriculture and become the overwhelming major source of income of rural Philippines. But what can be executed, if done well and strategically, is that remittances are directed at supporting the agriculture sector and even in setting up agriculture-related enterprises (while benefiting also overseas Filipinos and their families). Groups such as farmers' cooperatives and agricultural entrepreneurs can even target overseas townmates and provincemates as buyers of their products.

Developing the agricultural sector is key to poverty reduction in the Philippines, and overseas Filipinos' remittances can perhaps provide supplementary help.

Then again, if the prevailing environment for the country's agriculture sector remains problematic (e.g. ownership of land, lack of programmatic and financial support for farmers, imported vegetables and fruits outstripping locally-produced counterparts), it will easily challenge the dream to make the dollars provide added dough for the Filipino rural poor.

Table 1: Families receiving incomes from agriculture (wages and salaries and entrepreneurial income) versus from remittances from abroad

Provinces	Families receiving incomes from agriculture-related activities			Families receiving cash, gifts and other incomes from abroad
	Agriculture-related wages and salaries	Agriculture-related entrepreneurial activities	Total number of families receiving incomes from agriculture-related activities	
Ilocos Norte	6,239	24,166	30,405	23,142
Ilocos Sur	7,991	25,972	33,963	27,501
La Union	5,445	27,567	33,012	16,989
Pangasinan	17,969	65,556	83,525	64,094
Batanes	52	1,069	1,121	81
Cagayan	24,637	76,817	101,454	10,844
Isabela	36,721	79,463	116,184	14,915
Nueva Vizcaya	7,692	18,787	26,479	11,351
Quirino	866	13,009	13,875	2,388
Aurora	5,624	6,655	12,279	2,542
Bataan	6,647	10,698	17,345	17,584
Bulacan	10,598	12,153	22,751	25,080
Nueva Ecija	37,940	77,414	115,354	21,530
Pampanga	11,830	15,995	27,825	47,343
Tarlac	14,109	24,482	38,591	25,078
Zambales	5,947	8,502	14,449	24,575
Batangas	14,553	25,495	40,048	41,081
Cavite	8,779	9,583	18,362	37,951
Laguna	25,007	9,019	34,026	43,016
Marinduque	2,756	7,268	10,024	2,229
Occidental Mindoro	8,344	30,600	38,944	1,835
Oriental Mindoro	17,826	38,565	56,391	7,966
Palawan	15,502	48,469	63,971	3,579
Quezon	29,368	73,338	102,706	13,822
Rizal	5,983	6,589	12,572	37,763
Romblon	1,564	18,049	19,613	1,796
Albay	21,563	23,090	44,653	6,075
Camarines Norte	7,637	21,103	28,740	3,004
Camarines Sur	43,608	82,246	125,854	12,177
Catanduanes	5,133	10,989	16,122	1,116
Masbate	29,708	160,671	190,379	1,843
Sorsogon	12,250	31,445	43,695	6,104
Aklan	3,771	16,867	20,638	7,806
Antique	9,950	20,320	30,270	9,845
Capiz	11,870	34,613	46,483	8,987
Guimaras	2,018	6,883	8,901	2,198
Iloilo	28,233	41,434	69,667	54,679
Negros Occidental	111,359	77,692	189,051	24,264
Bohol	10,700	60,234	70,934	16,306
Cebu	23,016	54,559	77,575	33,780

Table 1: Families receiving incomes from agriculture (wages and salaries and entrepreneurial income) versus from remittances from abroad — continued

Provinces	Families receiving incomes from agriculture-related activities			Families receiving cash, gifts and other incomes from abroad
	Agriculture-related wages and salaries	Agriculture-related entrepreneurial activities	Total number of families receiving incomes from agriculture-related activities	
Negros Oriental	29,260	55,390	84,650	7,981
Siquijor	672	3,694	4,366	1,750
Biliran	1,576	10,063	11,639	1,255
Eastern Samar	4,895	24,481	29,376	3,089
Leyte	41,950	71,577	113,527	12,742
Northern Samar	5,197	37,304	42,501	1,915
Southern Leyte	5,794	21,457	27,251	4,863
Western Samar	5,391	57,203	62,594	3,435
Zamboanga Del Norte	4,561	56,203	60,764	7,858
Zamboanga del Sur	23,569	133,998	157,567	14,197
Bukidnon	45,402	65,841	111,243	3,804
Camiguin	748	2,639	3,387	449
Lanao del Norte	12,800	35,708	48,508	10,785
Misamis Occidental	8,366	30,262	38,628	3,582
Misamis Oriental	6,993	25,342	32,335	7,053
Davao del Norte	55,621	76,523	132,144	3,737
Davao del Sur	31,831	74,793	106,624	12,804
Davao Oriental	11,746	30,331	42,077	3,750
North Cotabato	19,282	80,647	99,929	5,858
South Cotabato	28,167	38,996	67,163	13,469
Sultan Kudarat	24,375	44,113	68,488	1,779
Basilan	10,632	26,915	37,547	1,759
Maguindanao	8,101	85,539	93,640	6,181
Sulu	210	79,034	79,244	172
Agusan Del Norte	3,352	10,917	14,269	3,455
Agusan del Sur	14,214	52,464	66,678	449
Surigao del Norte	3,033	27,109	30,142	4,322
Surigao del Sur	10,761	29,713	40,474	1,847
Abra	1,120	10,790	11,910	7,107
Apayao	1,817	10,566	12,383	668
Benguet	2,577	20,306	22,883	11,183
Ifugao	1,236	14,816	16,052	1,516
Kalinga	2,002	14,345	16,347	2,386
Mt. Province	2,029	10,879	12,908	1,942

Source: 2000 Family Income and Expenditures Survey, National Statistics Office

See the *Philippine Migration and Development Statistical Almanac* (<http://almanac.ofwphilanthropy.org>)