Remittances, Entrepreneurship and Local Development in the Philippines: A Tale of Two Communities

Celia Reyes, Anne Bernadette Mandap, Marsmath Baris, Joel Bancolita, Jasmintha Quilitis, Erica Paula Sioson, Novee Lor Leyso and Steffie Joi Calubayan

1. Introduction
The Community-based Monitoring System (CBMS) was originally conceived to be more than “an organized way of collecting household level information at the local level” (Reyes, et.al., 2007). The system seeks to “integrate the use of data in local level planning and program implementation” as well as to “to promote evidence-based decision-making” (Reyes, et.al., 2007). Presently, it is being used in the Philippines for poverty diagnosis and monitoring, local planning and budgeting, program design, targeting and impact assessment, and in localizing the millennium development goals (MDGs).

As of January 15, 2013, the CBMS is being implemented in 67 provinces, 32 of which have province wide implementation. This covers 794 municipalities and 63 cities, covering 21,804 barangays. Collaborating with the CBMS Network Coordinating Team, national development partners, as well as local partners, local government units (LGUs) are leading in carrying out CBMS work in their respective localities.

The project “Remittances, Entrepreneurship and Local Development in the Philippines: A Tale of Two Communities”, in collaboration with the Asian Development Bank (ADB) and the Commission on Filipinos Overseas (CFO), aims to examine how overseas remittances contribute to local development in the country. In particular, the technical collaboration aims to determine the nature and extent of impacts of overseas remittances to improvements in development conditions at the local level. It aims to provide empirical evidence at the micro level on the relationship between overseas remittances and entrepreneurship development. Further, the study aims to examine how entrepreneurship development among communities brought about by overseas remittances affect human development outcomes.

2. Philippines and Migration
The literature on Filipino migration shows that between the 1970s and 1980s migration was generally undertaken by few people and was more permanent in nature (Paul, 2011). Further, it suggests that migration of Filipinos abroad were in waves: first, in 1903, reached its peak in the 1920s and 1930s (Young, 1982; Tolentino, 1996). The second wave was from 1945 to the 1960s (Tolentino, 1996) and the third which is considered to be more “massive” (Tolentino, 1996), and which is continuing up to the present began in the 1980s.

The export of Filipino labor became an official government policy in the 1980s (Semyonov & Gordzeisky, 2004). According to Battistella (1999), Philippine labor export policy “began with

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1 Members of the CBMS Network Coordinating Team
the well-known intent of participating in the construction projects in the Middle East in the early 1970s” (p.230). In 1974, it found its way to the Labor Code of the Philippines via President Ferdinand Marcos’ PD442 “which was clearly aimed at promoting overseas employment and implicitly at expanding the market for overseas Filipinos as well as ensuring the best possible terms and conditions of employment for them” (Battistella, 1999). Docot (2009) adds that the labor export policy was formulated “as a measure to combat deflation and to increase dollar remittances in the country” (p.5).

Asis (2006, cited in Paul, 2011) argued that a culture of migration has developed in the Philippines “spurred by the Philippines’ continuing economic difficulties, the institutionalization of the migration industry, the large volume of remittances sent back by Filipinos each year and the substantial Filipino diaspora spread throughout the world” (Paul, 2011, p.1846).

Docot (2011) notes that “Three decades later, after the institutionalization of labor exports from the Philippines what started as an interim strategy for debt payment and response to inflation has become a permanent and legitimized government program” (p.5). The Philippines is presently one of the top exporters of labor. Paul (2011) cites an October 2005 survey where 33 percent of adults surveyed expressed want to migrate abroad, work and live there (Asis, 2006, cited in Paul, 2011). Asis (2006, cited in Paul, 2011) argues that a “culture of migration” has been created in the country, “spurred by the Philippines’ continuing economic difficulties, the institutionalization of the migration industry, the large volume of remittances sent back by Filipinos each year, and the substantial Filipino diaspora spread throughout the world that can provide migration assistance to relatives and friends in the Philippines who seek to leave the country as well” (p.1846). Add to this the continuous heralding of overseas workers by the government through tagging of various heroic names:

They have been called “modern-day heroes” (de Guzman, 2003) by the Aquino administration, “citizens of the world” by the former Chair of the Commission of Filipinos Overseas, Dante Ang (2005), “economic saviors” by Estrada (1999), and “overseas Filipino investors” by Arroyo (2001). To give credence to the contributions of Filipino overseas migrants to the country’s economy, to recognize their status as somewhat accomplished citizens, and to laud their crucial roles in international diplomacy, they have been called the “new aristocrats” (Guevarra, 2006) and the new “ambassadors of goodwill” (Guevarra, 2003). (Docot, 2009, p.6).

Amid increasing structural impediments and economic crises, the recent years saw a continuous increase in Filipino migration. Currently, the Commission on Filipinos Overseas reports a stock estimate of Filipinos worldwide in 2011 to be at 10,455,788. According to the Philippine Overseas Employment Agency, the number of deployed OFWs in 2011 reached 1,687,831, most popular destinations of which include Saudi Arabia, the United Arab Emirates, Singapore and Hong Kong. Of the 437,720 deployed landbased new hires in 2011, household service workers constitute a big number of the new hires in 2011 (142,689). By occupational group, service workers constitute majority of the deployed new hires in 2011 (201,512)

<p>| Table __. Number of deployed Overseas Filipino Workers, by type, 2007-2011 | 2 | P a g e |</p>
<table>
<thead>
<tr>
<th>Type</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,077,623</td>
<td>1,236,013</td>
<td>1,422,586</td>
<td>1,470,826</td>
<td>1,687,831</td>
</tr>
<tr>
<td>Landbased Workers</td>
<td>811,070</td>
<td>974,399</td>
<td>1,092,162</td>
<td>1,123,676</td>
<td>1,318,727</td>
</tr>
<tr>
<td>New Hires</td>
<td>331,260</td>
<td>376,973</td>
<td>349,715</td>
<td>341,966</td>
<td>437,720</td>
</tr>
<tr>
<td>Seabased Workers</td>
<td>266,553</td>
<td>261,614</td>
<td>330,424</td>
<td>347,150</td>
<td>369,104</td>
</tr>
</tbody>
</table>

Note: Data on workers with special exit clearance and employment-based immigration were included in the 2007 to 2009 deployment report.


### Table ___. Number of deployed Overseas Filipino Workers, by top ten destinations, new hires and rehires, 2007-2011

<table>
<thead>
<tr>
<th>Destination</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Destinations-Total</td>
<td>811,070</td>
<td>974,399</td>
<td>1,092,162</td>
<td>1,123,676</td>
<td>1,318,727</td>
</tr>
<tr>
<td>1. Saudi Arabia</td>
<td>238,419</td>
<td>275,933</td>
<td>291,419</td>
<td>293,049</td>
<td>316,736</td>
</tr>
<tr>
<td>2. United Arab Emirates</td>
<td>120,657</td>
<td>193,810</td>
<td>196,815</td>
<td>201,214</td>
<td>235,775</td>
</tr>
<tr>
<td>3. Singapore</td>
<td>49,431</td>
<td>41,678</td>
<td>54,421</td>
<td>70,251</td>
<td>146,613</td>
</tr>
<tr>
<td>4. Hong Kong</td>
<td>59,169</td>
<td>78,345</td>
<td>100,142</td>
<td>101,340</td>
<td>129,575</td>
</tr>
<tr>
<td>5. Qatar</td>
<td>56,277</td>
<td>84,342</td>
<td>89,290</td>
<td>87,813</td>
<td>100,530</td>
</tr>
<tr>
<td>6. Kuwait</td>
<td>37,080</td>
<td>38,903</td>
<td>45,900</td>
<td>53,010</td>
<td>65,603</td>
</tr>
<tr>
<td>7. Taiwan</td>
<td>37,136</td>
<td>38,546</td>
<td>33,751</td>
<td>36,866</td>
<td>41,896</td>
</tr>
<tr>
<td>8. Italy</td>
<td>17,855</td>
<td>22,623</td>
<td>23,159</td>
<td>25,595</td>
<td>31,704</td>
</tr>
<tr>
<td>9. Bahrain</td>
<td>9,898</td>
<td>13,079</td>
<td>15,001</td>
<td>15,434</td>
<td>18,230</td>
</tr>
<tr>
<td>10. Malaysia</td>
<td>9,725</td>
<td>6,034</td>
<td>7,256</td>
<td>9,802</td>
<td>16,797</td>
</tr>
<tr>
<td>Others</td>
<td>175,423</td>
<td>181,106</td>
<td>235,008</td>
<td>229,302</td>
<td>215,268</td>
</tr>
</tbody>
</table>


### 3. Methodology

#### 3.1. Coverage of the Study

The project sites for the project was chosen based on the following considerations: (a) had completed at least 2 rounds of the CBMS census; (b) had a long history of out-migration and had been traditionally a migrant sending area and a regular recipient of remittances; (c) had local industries that are distinct from the other site to be chosen; (d) had a significant number of OFWs that can be covered for the study, and (d) willingness of LGU/local partner to provide permission to undertake the study in the identified project sites.

The data collection was conducted in nine barangays in two municipalities in the Philippines. In the municipality of Carmona, province of Cavite, respondents were taken from the urban barangays of Lantic, Maduya, Mabuhay and Milagrosa. In the municipality of Mabini, province of Batangas, respondents were taken from the urban barangay of Solo, and the rural barangays of Gasang, Pulong Balibaguhan, San Francisco and Talaga Proper. Seventy-six households were interviewed, 37 from Carmona and 39 from Mabini. Majority of respondents were males (60.53%), this is the case for both Carmona (64.86%) and Mabini (56.41%).
### Table __. Number of households and respondents, by sex and urbanity

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Proportion</td>
</tr>
<tr>
<td>Total</td>
<td>76</td>
<td>100</td>
</tr>
<tr>
<td>Rural</td>
<td>14</td>
<td>18.42</td>
</tr>
<tr>
<td>Urban</td>
<td>62</td>
<td>81.58</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

### Table __. Number of households and respondents, by sex and municipality

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Proportion</td>
</tr>
<tr>
<td>Total</td>
<td>76</td>
<td>100</td>
</tr>
<tr>
<td>Carmona</td>
<td>37</td>
<td>48.68</td>
</tr>
<tr>
<td>Mabini</td>
<td>39</td>
<td>51.32</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

3.2. Survey Instrument

The CBMS Household Profile Questionnaire (HPQ) was administered to the sample households to gather data on the socioeconomic conditions of the households and information on remittances received by the households. In addition, a rider questionnaire, the Remittance and Entrepreneurship module, was developed and used to obtain information on the businesses that have been supported by remittances. The questionnaires are in Annex A.

3.3. Sampling and Population

The survey utilized a purposive sampling method. The 2009 CBMS results from Mabini, Batangas and the 2011 CBMS results from Carmona, Cavite were used to determine the households with overseas Filipino workers (OFWs) and with business. An initial list containing the names of all households with OFW members was prepared. A household listing operation was then planned to be done by the Team to determine who among the listed households with OFW members have businesses, however, upon field visit, it was found out that most OFW houses, in particular in Mabini, were unoccupied and that only caretakers were left. It was then suggested that the household listing operation be undertaken by barangay officials from the four barangays in Carmona and two barangays in Mabini. The listing operation yielded 132 possible respondents from Carmona and 58 from Mabini. Still, upon starting the field operations survey, it was found out that some of the listed households do not qualify.

Of the 132 households listed, 108 were visited. About 70 percent were interviewed and were eventually included in the sample. About 18 percent of the households visited were unavailable for the interview and around 7 percent refused to be interviewed. During the initial household listing operation conducted in Mabini, the Team was informed that most households now prefer not to be interviewed as past incidents of kidnapping were now blamed on surveys and interviews conducted in the past by various peoples and organizations.

### Table __. Response rate, all sites

<table>
<thead>
<tr>
<th></th>
<th>Magnitude</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>108</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Seventy-six households that were initially identified as having OFW members were surveyed. However, of the surveyed 76 households, only 55 households reported using a certain proportion of remittance either as part of start-up capital or as support to finance the continued operation of business. While 69 households of the 76 reported having an existing business, only 48 of these households reported using a portion of the remittance they received for their business. Of the 55 households that used a portion of their remittance for their business, only 48 households or 63 percent of the total number of households covered have existing business; 7 households (9.21%) have no more existing business at the time of the survey. Of the 48 households that used remittance for the business, 25 households are from Carmona and 23 are from Mabini. While of the 21 households that did not use remittance for their business, 11 are from Carmona and 10 are from Mabini.

<table>
<thead>
<tr>
<th>Source: CBMS Survey, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviews</td>
</tr>
<tr>
<td>Ineligible</td>
</tr>
<tr>
<td>Nobody home</td>
</tr>
<tr>
<td>Refused</td>
</tr>
<tr>
<td>Respondent is busy/unavailable to be interviewed</td>
</tr>
</tbody>
</table>

Table __. Summary of household characteristics

<table>
<thead>
<tr>
<th>Total</th>
<th>Used Remittance</th>
<th>Did not use remittance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Currently has business</td>
<td>Has no current business</td>
</tr>
<tr>
<td>Magnitude</td>
<td>76</td>
<td>48</td>
</tr>
<tr>
<td>Proportion</td>
<td>100</td>
<td>63.16</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

4. Presentation of Data

4.1. Profile of All Households

4.1.1. Demography

The 76 covered households consist of 477 individuals. Average household size is 7 with a maximum of 16 members in a household. The 48 households which used remittance for their business account for 290 members, while the 7 households which used the remittance for starting their business but currently have no business account for 65 individuals. The 21 households which did not use the remittance for their business account for 122 individuals. The surveyed population from Carmona, Cavite is 221, while for Mabini, Batangas, it is 256.

Table __. Summary of characteristics of all households

<table>
<thead>
<tr>
<th>Total</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>30.9</td>
<td>20.1</td>
<td>0</td>
<td>96</td>
</tr>
<tr>
<td>Household size</td>
<td>7.0</td>
<td>2.7</td>
<td>3</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

The mean age is 31 and table below shows that majority of the population are below 35 years old, representing around 60 percent of the entire surveyed population, suggesting a young population. Members below 35 years old account for 62 percent of the surveyed population in Carmona and
58 percent in Mabini. The proportions of working age population in Carmona and Mabini do not differ much with 70 percent of population in Carmona and 69 percent in Mabini aged above 15 years old.

![Distribution of members, by age groups, by site (%)](image)

Source: CBMS Survey, 2013

About 52 percent of the sample are single while 43 percent are married. Majority of the members are Roman Catholic (95.3%). In terms of highest educational attainment, around 23 percent are college graduates, 18 percent are high school graduates and 16 percent are in tertiary level. Majority of the sample are literate (97.2%). Only 13 percent are involved with an organization. Of those with organizations, 24 percent are in religious organizations, 20 percent are in women’s organizations, another 20 percent are in women’s organization, 14 percent are in labor organizations and 12 percent are in cooperatives groups.

Among those with business, majority of the members of households which used remittance for business are college graduates (25.6%), while majority of the members of households which did not use remittance have at least a year in elementary school (23.7%). Among those households which used remittance but currently have no business, majority of the members are secondary school graduates (24.1%). This pattern is discernible if the cases of Carmona and Mabini is looked at separately. Majority of those members of organization in Carmona are members of women’s organizations while in Mabini, majority of members of organization are members of religious organizations.

Further, majority of the members of households in Carmona which used remittance for the business are members of women’s organization (38.9%) while those members of households which did not use remittance for their business are usually members of religious organizations.
While in Mabini, majority of the members of households which used remittance for the business are members of religious organizations (40%) while those who did not use the remittance for their businesses are usually members of labor organizations (75%).

Table __. Distribution of members, by civil status, religion, education, organization, by site

<table>
<thead>
<tr>
<th>Variables</th>
<th>Categories</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Proportion</td>
<td>Magnitude</td>
<td>Proportion</td>
</tr>
<tr>
<td>Total</td>
<td>477</td>
<td>100</td>
<td>221</td>
<td>100</td>
</tr>
<tr>
<td>Civil Status</td>
<td>Single</td>
<td>243</td>
<td>51.5</td>
<td>123</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>200</td>
<td>42.4</td>
<td>77</td>
</tr>
<tr>
<td></td>
<td>Widow/er</td>
<td>13</td>
<td>2.8</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Divorced/Separated</td>
<td>8</td>
<td>1.7</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Common Law/Live-in</td>
<td>8</td>
<td>1.7</td>
<td>7</td>
</tr>
<tr>
<td>Religion</td>
<td>Roman Catholic</td>
<td>450</td>
<td>95.3</td>
<td>203</td>
</tr>
<tr>
<td></td>
<td>Iglesia ni Cristo</td>
<td>7</td>
<td>1.5</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Born-again</td>
<td>15</td>
<td>3.2</td>
<td>8</td>
</tr>
<tr>
<td>Education</td>
<td>Total</td>
<td>445</td>
<td>100</td>
<td>209</td>
</tr>
<tr>
<td></td>
<td>No Grade</td>
<td>19</td>
<td>4.3</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Day Care/Preparatory</td>
<td>20</td>
<td>4.5</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Grade School Level</td>
<td>60</td>
<td>13.5</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>Grade School Graduate</td>
<td>26</td>
<td>5.8</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>High School Level</td>
<td>32</td>
<td>7.2</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>High School Graduate</td>
<td>81</td>
<td>18.2</td>
<td>36</td>
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<tr>
<td></td>
<td>Post Secondary Level</td>
<td>4</td>
<td>0.9</td>
<td>2</td>
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<tr>
<td></td>
<td>Post Secondary Graduate</td>
<td>29</td>
<td>6.5</td>
<td>17</td>
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<tr>
<td></td>
<td>College Level</td>
<td>73</td>
<td>16.4</td>
<td>37</td>
</tr>
<tr>
<td></td>
<td>College Graduate</td>
<td>101</td>
<td>22.7</td>
<td>53</td>
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<tr>
<td>Literacy</td>
<td>Yes</td>
<td>388</td>
<td>97.2</td>
<td>183</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>11</td>
<td>2.8</td>
<td>2</td>
</tr>
<tr>
<td>Organization</td>
<td>Yes</td>
<td>50</td>
<td>12.5</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>349</td>
<td>87.5</td>
<td>158</td>
</tr>
<tr>
<td>Organization Type</td>
<td>Religious</td>
<td>12</td>
<td>24</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Cultural</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Political</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Women's</td>
<td>10</td>
<td>20</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Labor</td>
<td>7</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Cooperatives</td>
<td>6</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Senior Citizens</td>
<td>10</td>
<td>20</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Others (Specified)</td>
<td>3</td>
<td>6</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

4.1.2. Employment
There are a total of 360 individuals in the sample who are above 15 years old, representing almost 76 percent of the sample. Majority of the members aged 15 years old and above are females (56.11%) while males represent 44 percent. Among those aged 15 years old and above, 232 are employed (48.64%). Around 88 percent of the working population in all sites are above 35 years old.

<table>
<thead>
<tr>
<th>Age Groups</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aged 15 years old and above</td>
<td>360</td>
<td>163</td>
<td>197</td>
</tr>
<tr>
<td>Total number of members with job</td>
<td>232</td>
<td>106</td>
<td>126</td>
</tr>
<tr>
<td>15-24</td>
<td>27</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>25-34</td>
<td>65</td>
<td>26</td>
<td>39</td>
</tr>
<tr>
<td>35-44</td>
<td>60</td>
<td>29</td>
<td>31</td>
</tr>
<tr>
<td>45-54</td>
<td>46</td>
<td>29</td>
<td>17</td>
</tr>
<tr>
<td>55-64</td>
<td>24</td>
<td>7</td>
<td>17</td>
</tr>
<tr>
<td>65 and over</td>
<td>10</td>
<td>2</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

Of the 232 employed members, 22 percent work as service workers and shop and market sales workers while 16 percent work as labourers and unskilled workers. Around 16 percent work as officials of government and special-interest organizations, corporate executives, managers, managing proprietors and supervisors. About 10 percent work as technician and associate professionals and about 9 percent work as plant and machine operators and assemblers. Among those households with existing business, 27 percent work as service workers, and almost 15 percent work as labourers and unskilled workers. On the other hand, majority of the employed members of households with failed businesses work as labourers.

This scenario is reflected in Carmona, where majority of employed members work as service workers and shop and market sales workers (25.5%). This is the case for households which used remittance for the business and for households which did not. In Mabini, majority of the employed members work as labourers and unskilled workers (27.0%), followed by shop and service workers (19.1%). There are more employed members as farmers, forestry workers and fishermen among the households which did not use the remittance for their business (24.0%) than among those who did use (5.5%). Among those households which used remittance to start a business but currently have no existing business, majority of employed members also work as farmers, forestry workers and fishermen (21.4%)
Figure __. Distribution of members by occupation, by site (%)

Table __. Distribution of members by occupation, by site

<table>
<thead>
<tr>
<th>Occupation</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Magnitude</td>
<td>Magnitude</td>
</tr>
<tr>
<td>Total</td>
<td>232</td>
<td>106</td>
<td>126</td>
</tr>
<tr>
<td>Service Workers and Shop and Market Sales Workers</td>
<td>51</td>
<td>27</td>
<td>24</td>
</tr>
<tr>
<td>Laborers and Unskilled Workers</td>
<td>38</td>
<td>4</td>
<td>34</td>
</tr>
<tr>
<td>Officials of Government and Special-Interest Organizations, Corporate Executives, Managers, Managing Proprietors and Supervisors</td>
<td>36</td>
<td>25</td>
<td>11</td>
</tr>
<tr>
<td>Technician and Associate Professionals</td>
<td>22</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>Plant and Machine Operators and</td>
<td>20</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Assemblers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>Farmers, Forestry Workers and Fishermen</td>
<td>16</td>
<td>6.9</td>
<td>0</td>
</tr>
<tr>
<td>Trades and Related Workers</td>
<td>15</td>
<td>6.5</td>
<td>8</td>
</tr>
<tr>
<td>Physical, Mathematical and Engineering Science Professionals</td>
<td>13</td>
<td>5.6</td>
<td>7</td>
</tr>
<tr>
<td>Clerks</td>
<td>13</td>
<td>5.6</td>
<td>9</td>
</tr>
<tr>
<td>Special Occupations</td>
<td>8</td>
<td>3.5</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

About 21 percent of the employed persons work in the sector categorized as activities of households as employers, undifferentiated goods and services while almost 16 percent work in the wholesale and retail trade sector. Around 13 percent work in the manufacturing sector while around 10 percent work in the transportation and storage sector. A little over 9 percent work in the accommodation and food service sector while almost 9 percent work in the agriculture, forestry and fishing sectors. Among the households with existing business, almost 20 percent work in the wholesale and retail trade sector. Almost 20 percent of the employed person from households with existing business and majority (48.28%) of the employed persons from households with failed business work in the sector categorized as activities of households as employers, undifferentiated goods and services. Among the households which did not use the remittance for their business, majority of the employed members work in the transportation sector (13.7%).

In Carmona, almost 23 percent of the employed population work in wholesale and retail trade while around 22 percent work in the manufacturing sector. Majority of the employed persons from households which used remittance for their business are employed in the wholesale and retail trade sector (26.6%) and in the manufacturing sector (24.1%). While among those households which did not use remittance for their business, majority are employed in the accommodation and food services sector (19.2%), construction (15.4%) and in manufacturing (15.4%).

On the other hand, in Mabini, about 33 percent work in the sector categorized as activities of households as employers, undifferentiated goods and services while 16 percent work in the agriculture, forestry and fishing sectors. Among the households which used remittance, majority are in activities of households as employers (35.6%) and in accommodation and food services (16.4%). For households which did not use remittance for their business, majority are employed in the agriculture, forestry and fishing sectors (24%).
Table __. Distribution of members, by sector of employment, by site

<table>
<thead>
<tr>
<th>Sector</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Proportion</td>
<td>Magnitude</td>
</tr>
<tr>
<td>Total</td>
<td>232</td>
<td>100.0</td>
<td>106</td>
</tr>
<tr>
<td>Activities of Households as Employers; Undifferentiated Goods-and-Services</td>
<td>48</td>
<td>20.7</td>
<td>6</td>
</tr>
<tr>
<td>Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles</td>
<td>36</td>
<td>15.5</td>
<td>24</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>29</td>
<td>12.5</td>
<td>23</td>
</tr>
<tr>
<td>Transportation and Storage</td>
<td>23</td>
<td>9.9</td>
<td>8</td>
</tr>
<tr>
<td>Accommodation and Food Service Activities</td>
<td>21</td>
<td>9.1</td>
<td>9</td>
</tr>
<tr>
<td>Agriculture, Forestry and Fishing</td>
<td>20</td>
<td>8.6</td>
<td>0</td>
</tr>
<tr>
<td>Construction</td>
<td>9</td>
<td>3.9</td>
<td>8</td>
</tr>
<tr>
<td>Information and Communication</td>
<td>8</td>
<td>3.5</td>
<td>5</td>
</tr>
<tr>
<td>Public Administration and Defense; Compulsory Social Security</td>
<td>7</td>
<td>3.0</td>
<td>3</td>
</tr>
<tr>
<td>Other Service Activities</td>
<td>6</td>
<td>2.6</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013
Wage earners and salaried workers comprise majority of the employed persons in all sites (67.7%). Among the wage and salaried workers, almost 35 percent are employed in private households and about 50 percent are employed in private establishments. Around 20 percent are unpaid family workers. Majority of employed persons from households with existing business are wage and salaried workers (68.42); and this is also the case with the employed persons from households with failed business where majority are wage and salaried workers (79.31%). Among the households that did not use the remittance for their business, around 59 percent are wage and salaried workers while almost 30 percent are unpaid family workers.

This is also the case with Mabini and Carmona. Comparing the two however, there are more wage and salaried workers employed in private establishments (69%) in Carmona than in Mabini (53.5%).

<table>
<thead>
<tr>
<th>Human Health &amp; Social Work</th>
<th>5</th>
<th>2.2</th>
<th>3</th>
<th>2.8</th>
<th>2</th>
<th>1.6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional, Scientific and Technical Activities</td>
<td>4</td>
<td>1.7</td>
<td>4</td>
<td>3.8</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Arts, Entertainment and Recreation</td>
<td>4</td>
<td>1.7</td>
<td>2</td>
<td>1.9</td>
<td>2</td>
<td>1.6</td>
</tr>
<tr>
<td>Water Supply; Sewerage, Waste Management and Remediation Activities</td>
<td>3</td>
<td>1.3</td>
<td>2</td>
<td>1.9</td>
<td>1</td>
<td>0.8</td>
</tr>
<tr>
<td>Electricity, Gas, Steam and Air Conditioning Supply</td>
<td>2</td>
<td>0.9</td>
<td>1</td>
<td>0.9</td>
<td>1</td>
<td>0.8</td>
</tr>
<tr>
<td>Financial and Insurance Activities</td>
<td>2</td>
<td>0.9</td>
<td>1</td>
<td>0.9</td>
<td>1</td>
<td>0.8</td>
</tr>
<tr>
<td>Education</td>
<td>2</td>
<td>0.9</td>
<td>0</td>
<td>0.0</td>
<td>2</td>
<td>1.6</td>
</tr>
<tr>
<td>Mining and Quarrying</td>
<td>1</td>
<td>0.4</td>
<td>1</td>
<td>0.9</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Real Estate Activities</td>
<td>1</td>
<td>0.4</td>
<td>1</td>
<td>0.9</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Activities of Extra-Territorial Organizations and Bodies</td>
<td>1</td>
<td>0.4</td>
<td>1</td>
<td>0.9</td>
<td>0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

<table>
<thead>
<tr>
<th>Table __. Employed persons, by class of worker, by site</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All sites</strong></td>
</tr>
<tr>
<td><strong>Magnitude</strong></td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Wage and Salaried Workers</td>
</tr>
<tr>
<td>Private household</td>
</tr>
<tr>
<td>Private establishment</td>
</tr>
<tr>
<td>Government</td>
</tr>
<tr>
<td>With pay (family owned business)</td>
</tr>
<tr>
<td>Own Account</td>
</tr>
<tr>
<td>Self-employed</td>
</tr>
<tr>
<td>Employer</td>
</tr>
<tr>
<td>Unpaid Family Workers</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013
4.1.3. Overseas Filipino Workers

Eight households, or around 11 percent of the 76 households have OFWs who have returned to the household at the time of the survey. Almost 26 percent of the surveyed population above five years old in all sites are OFWs. In terms of proportion there are more OFWs among the households that used remittance for their business (28.52%) than among households that did not use remittance for their business (18.4%).

![Figure __. Distribution of employed persons as OFW, by site (%)](source)

<table>
<thead>
<tr>
<th></th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Proportion</td>
<td>Magnitude</td>
</tr>
<tr>
<td>Total</td>
<td>431</td>
<td>100.0</td>
<td>196</td>
</tr>
<tr>
<td>Yes</td>
<td>110</td>
<td>25.5</td>
<td>38</td>
</tr>
<tr>
<td>No</td>
<td>321</td>
<td>74.5</td>
<td>156</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

Majority of the households have members that have been OFWs for almost 10 years. It can be noted that among the households that used remittance for their business, more members have been OFWs for 16 to 20 years (29.2%) than among OFWs from households that did not use remittance for their business. This is also mirrored in the cases of Carmona and Mabini. Majority of households in Carmona that used remittance for the business have members that were either OFWs for almost 20 years or OFWs for less than five years. In Mabini, majority of households which used remittance for the business have members who have been OFWs for over 10 years (73.91%).
Half of the OFW population in the sample population are based in Italy. This could be because more than 70 percent of covered OFWs from Mabini are working in Italy and from the tables above, there are more OFWs from Mabini than from Carmona. Italy remains to be one of the top destinations for OFWs from Mabini. Looking at the results for Carmona, majority of the OFWs are based in Saudi Arabia (26.3%).
Majority of the employed OFWs work as labourers and unskilled workers (28%). Almost 97 percent of these OFWs working as labourers and unskilled workers are based in Italy (96.15%) and came from Mabini (96%). As mentioned earlier, there were more OFWs covered in Mabini and most of those OFWs from Mabini are based in Italy and working as domestic helpers or houseworkers. Following closely are OFWs working as sales and service shop workers (20.4%). About 19 percent of OFWs from Carmona and around 26% of OFWs from Mabini work as sales and service shop workers. Almost 50 percent of these OFWs are working in Italy.
Fourteen percent work as technicians and associate professionals, majority of which came from Carmona. Majority of these OFWs working as technicians and associate professionals work in West Asian countries (46.15%). Around 12 percent work as plant and machine operators and assemblers. Majority of these OFWs are based in Saudi Arabia (27.27%).

There were more OFWs working as labourers and unskilled workers from households that used remittance for their businesses (24.2%) than from households which did not use the remittance for their businesses (21.1%) though the difference in proportion is not that great. In Carmona, majority of households that used the remittance for the business have OFWs working as technicians and associate professionals (25.9%), as service shop workers (18.5%), as physical, mathematical and engineering science professionals (14.8%) and as plant and machine operators and assemblers (14.8%). This is in contrast with the occupations OFWs from households that used remittance for business in Mabini where 40 percent of those OFWs from said households are labourers and unskilled workers.

Given that majority of the surveyed OFWs work as domestic helper, it is not surprising to note that almost 40 percent of the employed OFWs are employed in the sector categorized as activities of households as employers. A little over 17 percent are working in the transportation sector. Looking at the breakdown, almost 34 percent of the OFWS from households that used remittance for the business are in this sector, while 21 percent of the OFWs from the households that did not use remittance for the business are in this sector.

This scenario is mirrored in Mabini, where OFWs in the sector categorized as activities of households as employers comprise almost 52 percent of the OFWs. In Carmona however, this is not the case, where majority of the OFWs are employed in the manufacturing sector (24.3%).

Figure __. Distribution of employed OFW members, by occupation, by site (%)
Table __. Distribution of employed OFW members, by occupation, by site

<table>
<thead>
<tr>
<th>Occupation</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magnitude</td>
<td>Proportion</td>
<td>Magnitude</td>
<td>Proportion</td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>100.0</td>
<td>37</td>
</tr>
<tr>
<td>Laborers and Unskilled Workers</td>
<td>26</td>
<td>28.0</td>
<td>2</td>
</tr>
<tr>
<td>Service Workers and Shop and Market Sales Workers</td>
<td>19</td>
<td>20.4</td>
<td>8</td>
</tr>
<tr>
<td>Technician and Associate Professionals</td>
<td>13</td>
<td>14.0</td>
<td>5</td>
</tr>
<tr>
<td>Plant and Machine Operators and Assemblers</td>
<td>11</td>
<td>11.8</td>
<td>5</td>
</tr>
<tr>
<td>Physical, Mathematical and Engineering Science Professionals</td>
<td>7</td>
<td>7.5</td>
<td>5</td>
</tr>
<tr>
<td>Officials of Government and Special-Interest Organizations, Corporate Executives, Managers, Managing Proprietors and Supervisors</td>
<td>5</td>
<td>5.4</td>
<td>4</td>
</tr>
<tr>
<td>Special Occupations</td>
<td>5</td>
<td>5.4</td>
<td>1</td>
</tr>
<tr>
<td>Clerks</td>
<td>3</td>
<td>3.2</td>
<td>3</td>
</tr>
<tr>
<td>Trades and Related Workers</td>
<td>3</td>
<td>3.2</td>
<td>2</td>
</tr>
<tr>
<td>Farmers, Forestry Workers and Fishermen</td>
<td>1</td>
<td>1.1</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

Figure __. Distribution of employed OFW members, by sector of employment, by site (%)
### Table __. Distribution of employed OFW members, by sector of employment, by site

<table>
<thead>
<tr>
<th>Sector</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Proportion</td>
<td>Magnitude</td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>100.0</td>
<td>37</td>
</tr>
<tr>
<td>Activities of Households as Employers; Undifferentiated Goods-and-Services</td>
<td>33</td>
<td>35.5</td>
<td>4</td>
</tr>
<tr>
<td>Transportation and Storage</td>
<td>16</td>
<td>17.2</td>
<td>6</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>12</td>
<td>12.9</td>
<td>9</td>
</tr>
<tr>
<td>Accomodation and Food Service</td>
<td>11</td>
<td>11.8</td>
<td>3</td>
</tr>
<tr>
<td>Construction</td>
<td>6</td>
<td>6.5</td>
<td>5</td>
</tr>
<tr>
<td>Human Health &amp; Social Work Activities</td>
<td>4</td>
<td>4.3</td>
<td>3</td>
</tr>
<tr>
<td>Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles</td>
<td>2</td>
<td>2.2</td>
<td>2</td>
</tr>
<tr>
<td>Agriculture, Forestry and Fishing</td>
<td>1</td>
<td>1.1</td>
<td>0</td>
</tr>
<tr>
<td>Mining and Quarrying</td>
<td>1</td>
<td>1.1</td>
<td>1</td>
</tr>
<tr>
<td>Electricity, Gas, Steam and Air Conditioning Supply</td>
<td>1</td>
<td>1.1</td>
<td>0</td>
</tr>
<tr>
<td>Water Supply; Sewerage, Waste Management and Remediation Activities</td>
<td>1</td>
<td>1.1</td>
<td>1</td>
</tr>
<tr>
<td>Public Administration and Defense; Compulsory Social Security</td>
<td>1</td>
<td>1.1</td>
<td>1</td>
</tr>
<tr>
<td>Education</td>
<td>1</td>
<td>1.1</td>
<td>0</td>
</tr>
<tr>
<td>Arts, Entertainment and Recreation</td>
<td>1</td>
<td>1.1</td>
<td>1</td>
</tr>
<tr>
<td>Other Service Activities</td>
<td>1</td>
<td>1.1</td>
<td>0</td>
</tr>
<tr>
<td>Activities of Extra-Territorial Organizations and Bodies</td>
<td>1</td>
<td>1.1</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

4.1.4. Business

A total of 69 households have an existing business at the time of the survey. Of the 69, there are 48 households with existing business that used the remittance they received from their OFW members for the business. Twenty-five of these households are in Carmona and 23 are in Mabini. Of the 48 businesses, around 98 percent are managed by relatives or members of the household. About 96 percent have been started by the business manager themselves while four percent have been inherited from the family. All businesses are unincorporated and have sole proprietors. Almost 67 percent are home-based businesses. Around 96 percent of the businesses are single establishments.

As for the 21 businesses that did not use remittance, all businesses are managed by relatives or members of the household. Almost 86 percent of the businesses were started by the business manager, around 91 percent have sole proprietors and almost 86 percent are home-based businesses. Almost 91 percent are single establishments.
Among the businesses that used the remittance, majority are in retail trade (33.4%), in apartment rental activities (14.58%) and in fishing and livestock (10.42%). Majority of the businesses that did not use remittance are also in retail trade (23.8%), though comparing to businesses that used remittance, all these retail trade stores are sari-sari stores. From this, it can be said that businesses that did not use remittance were not able to put up bigger ventures, i.e., wholesale trading instead of sari-sari stores. About 19 percent are in food services and 14 percent have computer shops.

### Table ___. Distribution of businesses, by business type, by site

<table>
<thead>
<tr>
<th>Business</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>100.0</td>
<td>Magnitude</td>
</tr>
<tr>
<td>Total number of businesses</td>
<td>69</td>
<td>100.0</td>
<td>36</td>
</tr>
<tr>
<td>Business manager</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relatives or members of the household</td>
<td>18 26.09</td>
<td>12 33.33</td>
<td>6 18.18</td>
</tr>
<tr>
<td>Others</td>
<td>8 11.59</td>
<td>0 0.0</td>
<td>8 24.24</td>
</tr>
<tr>
<td>How ownership was acquired</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Started by the business manager</td>
<td>8 11.59</td>
<td>0 0.0</td>
<td>6 18.18</td>
</tr>
<tr>
<td>Bought business successfully from others</td>
<td>5 7.25</td>
<td>3 8.33</td>
<td>2 6.06</td>
</tr>
<tr>
<td>Inherited from the family</td>
<td>3 4.3</td>
<td>1 2.78</td>
<td>3 9.09</td>
</tr>
<tr>
<td>Legal ownership</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single proprietorship</td>
<td>67 97.1</td>
<td>36 100.0</td>
<td>31 93.9</td>
</tr>
<tr>
<td>Partnership</td>
<td>2 2.9</td>
<td>0 0.0</td>
<td>2 6.1</td>
</tr>
<tr>
<td>Home-based business</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Yes</td>
<td>50 72.5</td>
<td>29 80.6</td>
<td>21 63.6</td>
</tr>
<tr>
<td>No</td>
<td>19 27.5</td>
<td>7 19.4</td>
<td>12 36.4</td>
</tr>
<tr>
<td>Economic ownership</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single establishment</td>
<td>65 94.2</td>
<td>35 97.2</td>
<td>30 90.9</td>
</tr>
<tr>
<td>Branch only</td>
<td>3 4.3</td>
<td>1 2.8</td>
<td>2 6.1</td>
</tr>
<tr>
<td>Ancillary unit other than main office</td>
<td>1 1.4</td>
<td>0 0.0</td>
<td>1 3.0</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013
Comparing the two sites, majority of the households covered in Carmona are in retail trade, particularly sari-sari stores (33.33%). This is also the case among businesses that used remittance (36%) and among those that did not (27.3%) in Carmona. It can be noticed however that households that used remittance for businesses were able to put up more diverse types of businesses such as lending (4%) and manufacturing businesses (4%).

This can also be said for the covered businesses from Mabini where majority of the businesses that did not use remittance are in fishing and livestock (30%) and in small-time retail trade (20%).

Majority of the businesses have been existing for 4 to 6 years (27.08%). Three quarters of the businesses have been existing for almost ten years. Almost 15 percent of the businesses have not reached a year and majority of these households are sari-sari stores. This is also reflected in both Carmona and Mabini.

<table>
<thead>
<tr>
<th>Years business is in operation</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>69</td>
<td>100.0</td>
<td>36</td>
</tr>
<tr>
<td>0 years</td>
<td>9</td>
<td>13.0</td>
<td>4</td>
</tr>
<tr>
<td>1-3 years</td>
<td>16</td>
<td>23.2</td>
<td>8</td>
</tr>
<tr>
<td>4-6 years</td>
<td>16</td>
<td>23.2</td>
<td>8</td>
</tr>
<tr>
<td>7-9 years</td>
<td>8</td>
<td>11.6</td>
<td>5</td>
</tr>
<tr>
<td>10-12 years</td>
<td>9</td>
<td>13.0</td>
<td>6</td>
</tr>
<tr>
<td>13-15 years</td>
<td>2</td>
<td>2.9</td>
<td>0</td>
</tr>
<tr>
<td>16-19 years</td>
<td>2</td>
<td>2.9</td>
<td>2</td>
</tr>
<tr>
<td>20-21 years</td>
<td>2</td>
<td>2.9</td>
<td>1</td>
</tr>
<tr>
<td>22-24 years</td>
<td>2</td>
<td>2.9</td>
<td>1</td>
</tr>
<tr>
<td>28-30 years</td>
<td>1</td>
<td>1.5</td>
<td>0</td>
</tr>
<tr>
<td>32-35 years</td>
<td>1</td>
<td>1.5</td>
<td>0</td>
</tr>
<tr>
<td>40 years and above</td>
<td>1</td>
<td>1.5</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

Around 79 percent of the households put up a business for additional income (79.17%). A little over 35 percent said they put up a business to prepare for the retirement of the OFW member.
Another 35 percent said they put up a business to improve their financial condition, while 27 percent said they wanted to experience good life. Majority of the businesses in both Carmona and Mabini put up businesses for additional income. Another oft-cited reason why households put up businesses is to prepare for the retirement of their OFW members (43.5% in Mabini and 28% in Carmona).

Table __. Distribution of business by reasons of putting up a business, by site (%)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Mabini</th>
<th>Carmona</th>
<th>All sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other reasons</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does not want to be an employee in the country</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has difficulty finding job in the country</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To utilize knowledge and skills from abroad</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In preparation for retirement of OFW member</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For additional income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To improve status in society</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To help society</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To continue family tradition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To experience good life</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To improve financial condition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dream to put up a business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To be a boss</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

Only about 19 percent of the businesses tried to expand their businesses within the last two years. Among the ways by which they expanded their businesses include adding new equipment or space (44.44%) and seeking new sources of capital (44.44%). On the other hand, there were more households who said they will try to expand their businesses in the next 2 years. Among the ways by which they will expand include seeking new sources of capital (66.67%), adding new equipments or spaces (53.33%) and looking for new local markets (23.33%).

There were more businesses in Carmona (24%) which tried to expand in the last two years than in Mabini (13%). Though more than half of the businesses in both sites stated that plan to expand their businesses in the next two years, there were still more businesses in Carmona than in Mabini who stated this. In both sites, an oft-cited way of expanding the business is to look for new sources of capital (66.7%).

Table __. Distribution of businesses, by ways of expanding business, by site

<table>
<thead>
<tr>
<th>Ways of expanding business</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seek new sources of capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add new equipment or space</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Look for new local markets</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Majority of the businesses did not expand in the last two years (81.25%). Reasons why they did expand include having no capital (30.77%), contentment with present status of business (17.95%), and lack of growth of market (12.82%). Almost 40 percent of households expressed not wanting to expand in the next two years. Almost 40 percent expressed contentment with the present status of their business, 22 percent expressed having no capital, another 22 percent said expanding in the next two years involves high risk and another 22 percent said the market is not growing.

Table ___. Distribution of households by reasons of not expanding business

<table>
<thead>
<tr>
<th>Reason</th>
<th>Magnitude</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of households with business</td>
<td>48</td>
<td>100</td>
</tr>
<tr>
<td>Did not try to expand within the last 2 years</td>
<td>39</td>
<td>81.25</td>
</tr>
<tr>
<td>Market not growing</td>
<td>5</td>
<td>12.82</td>
</tr>
<tr>
<td>Does not want to lose control of business</td>
<td>2</td>
<td>5.13</td>
</tr>
<tr>
<td>High tax</td>
<td>1</td>
<td>2.56</td>
</tr>
<tr>
<td>No capital</td>
<td>12</td>
<td>30.77</td>
</tr>
<tr>
<td>High risk</td>
<td>5</td>
<td>12.82</td>
</tr>
<tr>
<td>Contented with the present status of business</td>
<td>7</td>
<td>17.95</td>
</tr>
<tr>
<td>Still recovering</td>
<td>2</td>
<td>5.13</td>
</tr>
<tr>
<td>Others</td>
<td>14</td>
<td>35.9</td>
</tr>
<tr>
<td>Will not expand in the next 2 years</td>
<td>18</td>
<td>37.5</td>
</tr>
<tr>
<td>Market not growing</td>
<td>4</td>
<td>22.22</td>
</tr>
</tbody>
</table>
Does not want to lose control of business & 3 & 16.67 \\
High tax & 1 & 5.56 \\
No capital & 4 & 22.22 \\
High risk & 4 & 22.22 \\
Contented with the present status of business & 7 & 38.89 \\
Still recovering & 0 & 0.0 \\
Others & 4 & 22.22 \\

Source: CBMS Survey, 2013

Around 25 percent of the businesses introduced new products in the last two years and among those that introduced new products, 33 percent of these businesses developed these products within the business. Among those that introduced new products in the last two years, 67 percent planned to introduce new products in the next two years.

Almost 13 percent introduced new marketing strategies, 83 percent of which were developed within the business. Fifty percent of the business which introduced new marketing strategies in the last two years plans to introduce new marketing strategies in the next two years.

| Table ___. Distribution of households by innovations introduced, by site |
|--------------------------------------------------|--|--|--|--|---|---|
|                                  | All sites | Carmona | Mabini |
|                                  | Magnitude | Proportion | Magnitude | Proportion | Magnitude | Proportion |
| Introduced innovations in the last 2 years |           |           |           |           |           |           |
| New products                      | 16        | 23.2      | 8        | 22.2      | 8        | 24.2      |
| New services                      | 3         | 4.4       | 1        | 2.8       | 2        | 6.1       |
| New processes                     | 3         | 4.4       | 2        | 5.6       | 1        | 3.0       |
| New marketing strategies          | 6         | 8.7       | 3        | 8.3       | 3        | 9.1       |
| Developed these innovations within the business |           |           |           |           |           |           |
| New products                      | 4         | 25.0      | 4        | 50.0      | 0        | 0.0       |
| New services                      | 2         | 66.7      | 0        | 0.0       | 2        | 100.0     |
| New processes                     | 1         | 33.3      | 0        | 0.0       | 1        | 100.0     |
| New marketing strategies          | 5         | 83.3      | 2        | 66.7      | 3        | 100.0     |
| Will introduce innovations in the next 2 years |           |           |           |           |           |           |
| New products                      | 10        | 62.5      | 5        | 62.5      | 5        | 62.5      |
| New services                      | 2         | 66.7      | 0        | 0.0       | 2        | 100.0     |
| New processes                     | 2         | 66.7      | 1        | 50.0      | 1        | 100.0     |
| New marketing strategies          | 3         | 50.0      | 1        | 33.3      | 2        | 66.7      |

Source: CBMS Survey, 2013

Majority of the businesses felt that their businesses are in the growth stage. Around 21 percent stated their businesses are in the survival stage while another 21 percent felt that their businesses are in the mature stage. About 19 percent reported that their businesses are in the early start-up stage.
Table __. Distribution of businesses, by business development stage, by site

<table>
<thead>
<tr>
<th>Business development stage</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Proportion</td>
<td>Magnitude</td>
</tr>
<tr>
<td>Total</td>
<td>69</td>
<td>100.0</td>
<td>36</td>
</tr>
<tr>
<td>Early start-up stage</td>
<td>12</td>
<td>17.4</td>
<td>4</td>
</tr>
<tr>
<td>Late-stage start-up</td>
<td>3</td>
<td>4.4</td>
<td>3</td>
</tr>
<tr>
<td>Survival stage</td>
<td>19</td>
<td>27.5</td>
<td>12</td>
</tr>
<tr>
<td>Growth stage</td>
<td>17</td>
<td>24.6</td>
<td>9</td>
</tr>
<tr>
<td>Mature Stage</td>
<td>14</td>
<td>20.3</td>
<td>6</td>
</tr>
<tr>
<td>Others</td>
<td>4</td>
<td>5.8</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

Table __. Specific characteristics, by site

<table>
<thead>
<tr>
<th></th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Proportion</td>
<td>Magnitude</td>
</tr>
<tr>
<td>With studying members</td>
<td>58</td>
<td>76.3</td>
<td>31</td>
</tr>
<tr>
<td>Currently with OFW and studying members</td>
<td>51</td>
<td>67.1</td>
<td>27</td>
</tr>
<tr>
<td>With studying members and business</td>
<td>51</td>
<td>67.1</td>
<td>30</td>
</tr>
<tr>
<td>With studying members and used remittance for business</td>
<td>37</td>
<td>48.7</td>
<td>21</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

5. OFWs and Local Development: Channels of Impacts of Remittance

Remittance flows “now surpass official development aid receipts in many developing countries (Ratha, 2003, cited in Chimhowu, et.al., 2003), though in total “the annual value of global remittances is second only to foreign direct investment as a source of external funding (Ratha 2005, cited in Skeldon, 2008). In the Philippines, according to the Bangko Sentral ng Pilipinas, OFW remittance flows grew by 7.96 percent; 6.85 percent for landbased OFWs and 11.53 percent for seabased OFWs. Preliminary tabulations for January 2013 alone have reached USD1,680,994,000. By 2012, total OFW remittances have reached USD21,391,333,000. Remittances from landbased workers constitute a big part of the total remittances.
Though the literature seems to agree that remittance flows from migrant workers to their countries of origin “constitute the largest source of external finance for developing countries after foreign direct investment (FDI)” (Giuliano and Ruiz-Arranz, 2009, p.144), it seems that there is disagreement on the impacts of remittances. There has been a lot of work discussing the growth of remittance flows particularly because the sheer magnitude of remittance flows is hard to ignore. However, there seems to be a dearth of studies when it comes to assessing the impacts of remittances not just on the recipients but on the bigger community.

This section will look at the possible impacts of remittances on local development. First this section will look at remittances and how it affects consumption. Further, this section will look at how remittances affect the socio-economic conditions of the recipient households. This section will also look at how remittances used for entrepreneurial activities can benefit the community and assist in local development through tax, employment and skill generation.

5.1. Consumption and socio-economic development
Much of the literature on the impact of remittances looks at how remittances are spent and how remittances can alter consumption. The literature suggests that remittances are spent mostly for daily expenses such as food and health care. Further, the literature suggests that remittances are spent “on building or improving housing, buying land or cattle, and buying consumer goods such
as washing machines and televisions” (Meyers, 1998). The data collected seems to agree to this. When asked as to which items they spend their received remittances on, around 82 percent of the households said they spend it on food, around 58 percent on education and 43 percent on other expenditure items which were mainly health care-related expenditures. The data was only reflective of the expenses for the last year and a lesser proportion of those who spent for houses, land and appliances could probably mean that expenses for these things were made in the earlier years of receiving remittance, as also suggested by the big houses OFW households already have, especially in Mabini.

Some studies focus on how remittances are also used to pay for debts incurred by OFWs such as placement fees, travel expenses among others. Comparing the two communities, some 30 percent of households in Mabini used a portion of the remittance to pay for debts incurred by the OFW. It would seem, based on case studies that OFWs from Mabini, who were mostly working in Italy, have already established some method of migrating to Italy. And it would seem that other members are also looking forward to the opportunity to move to Italy. Among the 51 percent of Mabini non-OFW members who also want to be OFWs, 37 percent want to work in Italy. In Mabini’s case, as was depicted in the case studies conducted in the community, if there are more than one OFW in a household, most, if not all, of these OFWs tend to work in the same country, and usually, in the same job sector. In Mabini, some households have as much as 8 members working as domestic helpers in Italy. In Carmona on the other hand, most households, if they have more than one OFW member, seem to tend to work in different locations. The data shows, further, that the maximum number of OFW members in one household working in the same country is two and that the maximum number of OFW a household has is four.

Figure ___. Distribution of households by expenditure items, by site

Source: CBMS Survey, 2013
### Table __. Distribution of households by expenditure items, by site

<table>
<thead>
<tr>
<th>Used remittance for:</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Proportion</td>
<td>Magnitude</td>
</tr>
<tr>
<td>Total</td>
<td>76</td>
<td>100.0</td>
<td>37</td>
</tr>
<tr>
<td>Food</td>
<td>62</td>
<td>81.6</td>
<td>28</td>
</tr>
<tr>
<td>OFW debt</td>
<td>14</td>
<td>18.4</td>
<td>2</td>
</tr>
<tr>
<td>Other debt</td>
<td>6</td>
<td>7.9</td>
<td>4</td>
</tr>
<tr>
<td>House</td>
<td>22</td>
<td>29.0</td>
<td>9</td>
</tr>
<tr>
<td>Lot</td>
<td>13</td>
<td>17.1</td>
<td>4</td>
</tr>
<tr>
<td>Vehicle</td>
<td>17</td>
<td>22.4</td>
<td>9</td>
</tr>
<tr>
<td>Education</td>
<td>44</td>
<td>57.9</td>
<td>25</td>
</tr>
<tr>
<td>Appliances</td>
<td>15</td>
<td>19.7</td>
<td>8</td>
</tr>
<tr>
<td>Business</td>
<td>30</td>
<td>39.5</td>
<td>14</td>
</tr>
<tr>
<td>Savings</td>
<td>17</td>
<td>22.4</td>
<td>12</td>
</tr>
<tr>
<td>Other</td>
<td>33</td>
<td>43.4</td>
<td>17</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

### Table __. Average percentage of remittance spent on various items, by site

<table>
<thead>
<tr>
<th>Used remittance for:</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Std. Dev</td>
<td>Mean</td>
</tr>
<tr>
<td>Food</td>
<td>33.2</td>
<td>21.1</td>
<td>29.0</td>
</tr>
<tr>
<td>OFW debt</td>
<td>6.8</td>
<td>18.6</td>
<td>1.2</td>
</tr>
<tr>
<td>Other debt</td>
<td>1.2</td>
<td>5.6</td>
<td>2.2</td>
</tr>
<tr>
<td>House</td>
<td>10.3</td>
<td>23.3</td>
<td>6.1</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013
Some studies suggest that the way recipients usually use remittance is wasteful, “focusing only on short-term consumption needs” (Meyers, 1998). However, some suggest that remittances can act as safety net and as buffers in times of crisis, reducing the vulnerability of households to slide down to poverty.

Looking at the lowest income quintile, around 3 percent of the households which are not income poor have remittances constituting more than 50 percent of their total household income. Without remittances, these households will be considered income poor. What the remittances have contributed to, it seems, is the development of the socio-economic conditions of the households.

The CBMS has 13 core indicators which captures the different dimensions of poverty. These include indicators related to health, nutrition, housing, water and sanitation, education, income, employment, peace and order. The indicators consist of the following:

**Health**
1. Proportion of children under 5 years old who died
2. Proportion of women who died due to pregnancy-related causes

**Nutrition**
3. Proportion of children aged 0-5 years old who are malnourished

**Housing**
4. Proportion of households living in makeshift housing
5. Proportion of households who are informal settlers

**Water and Sanitation**
6. Proportion of households without access to safe water supply
7. Proportion of households without access to sanitary toilet facilities

**Education**
8. Proportion of children 6-16 years old who are not attending school

**Income**
9. Proportion of households with income below poverty threshold
10. Proportion of households with income below food threshold
11. Proportion of households who experienced food shortage

**Employment**
12. Proportion of persons in the labor force who are unemployed

**Peace and Order**
13. Proportion of persons who are victims of crimes
Overall, for households covered in Mabini, tabulations showed that at least for the core indicators, conditions have improved from 2009 to 2013. The proportion of households below the poverty threshold declined from 23 percent in 2009 to 7 percent in 2003 as well as the proportion of households that are food poor, from 8 percent in 2009 down to 5 percent in 2013.

The proportion of persons in the labor force who are unemployed also decreased from 18 percent in 2009 to 7 percent in 2013. Further, the proportion of households with access to safe water increased from 2009 to 2013.

Table __. Core indicators for Mabini, all households, 2009 and 2013

<table>
<thead>
<tr>
<th>Core Indicators</th>
<th>2009</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of children under 5 years old who died</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Proportion of women who died due to pregnancy-related causes</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Nutrition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of children aged 0-5 years old who are malnourished</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Housing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of households living in makeshift housing</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Proportion of households who are informal settlers</td>
<td>2.6</td>
<td>0</td>
</tr>
<tr>
<td>Water and Sanitation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of households without access to safe water supply</td>
<td>12.8</td>
<td>10.3</td>
</tr>
<tr>
<td>Proportion of households without access to sanitary toilet facilities</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of children 6-16 years old who are not attending school</td>
<td>2.8</td>
<td>5.1</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of households with income below poverty threshold</td>
<td>23.1</td>
<td>7.7</td>
</tr>
<tr>
<td>Proportion of households with income below food threshold</td>
<td>7.7</td>
<td>5.1</td>
</tr>
<tr>
<td>Proportion of households who experienced food shortage</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of persons in the labor force who are unemployed</td>
<td>17.9</td>
<td>7.4</td>
</tr>
<tr>
<td>Peace and Order</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of persons who are victims of crimes</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2009 & 2013

One noticeable change from 2011 to 2013 in Carmona is the increase in the proportion of persons in the labor force who are unemployed, from 2 percent in 2011 to 10 percent in 2013. However, interestingly, the proportion of households who are income poor decreased from 3 percent in 2011 to none in 2013. Further, consistently from 2011, there are no food poor households in Carmona. However, the proportion of persons who are victims of crime rose from 1 percent to 3 percent in 2011 to 2013.

Table __. Core indicators for Carmona, all households, 2011 and 2013

<table>
<thead>
<tr>
<th>Core Indicators</th>
<th>2011</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
If we look at the results of the CBMS core indicators, it seems that remittances may have some impact on the development of the socio-economic standing of the households, preventing households to slide down to poverty in times of crisis. Further, in both sites, the proportion of income poor households have been reduced, though, as in the case of Carmona, the proportion of unemployed persons have increased. Some studies suggest that remittances can spur dependency, since in some cases remittances received are more than the monthly wages of other working household members. This will be discussed in the succeeding sections.

5.2. Taxes and Employment Generation
As many as two-fifths of the businesses needed to use remittances to continue the business. About 65 percent needed to use remittance to get started. Almost 70 percent of all businesses used remittance either as start-up capital or as sustenance for the business. When asked as to why they used remittance for the business

Majority of the households with business used remittance for their business as additional support for household expenses (64.58%). Interestingly, around 31 percent used remittance for the business in preparation for the retirement of the OFW member. Around 30 percent of the businesses reported using the remittance because the income from business is bigger that if the remittance is put in financial markets. This is reflected in both sites.

<table>
<thead>
<tr>
<th>Reasons</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
</table>

Table __. Distribution of households by why they used remittance for business

Proportion of children under 5 years old who died | 0 | 0 |
Proportion of women who died due to pregnancy-related causes | 0 | 0 |
Proportion of children aged 0-5 years old who are malnourished | 0 | - |
Proportion of households living in makeshift housing | 0 | 0 |
Proportion of households who are informal settlers | 0 | 0 |
Proportion of households without access to safe water supply | 0 | 0 |
Proportion of households without access to sanitary toilet facilities | 0 | 0 |
Proportion of children 6-16 years old who are not attending school | 0 | 4.44 |
Proportion of households with income below poverty threshold | 2.7 | 0 |
Proportion of households with income below food threshold | 0 | 0 |
Proportion of households who experienced food shortage | 0 | 0 |
Proportion of persons in the labor force who are unemployed | 2.3 | 10.1 |
Proportion of persons who are victims of crimes | 1.1 | 2.7 |

Source: CBMS Survey, 2011 & 2013
| Source: CBMS Survey, 2013 |

Around 55 percent of the covered businesses that used remittance either as start-up capital or as sustenance have business permits for the year, 25 percent of which are in Carmona and 30 percent are in Mabini. Some businesses which did not have business permits have barangay permits. Generally, the respondents said that getting a business permit for the first time was easy, however renewal of permits tend to be harder since there would have to be necessary paperwork that would have to be accomplished first.

Figure __. Proportion of businesses with business permit, by site

Source: CBMS Survey, 2013

Table __. Distribution of businesses with business permit, by site

<table>
<thead>
<tr>
<th>With business permit</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Proportion</td>
<td>Magnitude</td>
</tr>
<tr>
<td>Total</td>
<td>69</td>
<td>100.0</td>
<td>36</td>
</tr>
<tr>
<td>With permit</td>
<td>38</td>
<td>55.1</td>
<td>17</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

Majority of the businesses that used remittance had total sales of not more than PhP3 Million (75%). Almost 17 percent of the businesses that had sales of not more than PhP3 Million were apartment rentals, fishing and livestock businesses (13.89%), sari-sari stores (13.89%). About 10
percent of the businesses reported total sales amounting to not more than PhP20 Million. The biggest reported sales amounted to PhP120 Million by a manufacturing business in Carmona.

There were more businesses which have total sales of more than PhP3 Million in Carmona (28%) than in Mabini (21.73%). As for profit, one household reported a deficit. Majority, however, reported profit amounting to not more than PhP300000 (70.83%). Around 10 percent reported profit amounting to more than PhP1 Million but not more than PhP2 Million. More than half of the businesses which used remittance have profit amounting to less than PhP100000 (58.69%). Around 26 percent of these businesses are sari-sari stores.

<table>
<thead>
<tr>
<th>Wage</th>
<th>All businesses that used remittance</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Proportion</td>
<td>Magnitude</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>100.0</td>
<td>25</td>
</tr>
<tr>
<td>No sales</td>
<td>2</td>
<td>4.2</td>
<td>1</td>
</tr>
<tr>
<td>1-10000</td>
<td>3</td>
<td>6.3</td>
<td>1</td>
</tr>
<tr>
<td>10001-50000</td>
<td>7</td>
<td>14.6</td>
<td>4</td>
</tr>
<tr>
<td>50001-100000</td>
<td>6</td>
<td>12.5</td>
<td>1</td>
</tr>
<tr>
<td>100001-300000</td>
<td>18</td>
<td>37.5</td>
<td>11</td>
</tr>
<tr>
<td>300001-500000</td>
<td>2</td>
<td>4.2</td>
<td>0</td>
</tr>
<tr>
<td>500001-700000</td>
<td>2</td>
<td>4.2</td>
<td>1</td>
</tr>
<tr>
<td>700001-900000</td>
<td>1</td>
<td>2.1</td>
<td>1</td>
</tr>
<tr>
<td>1000001-2000000</td>
<td>5</td>
<td>10.4</td>
<td>3</td>
</tr>
<tr>
<td>2000001-3000000</td>
<td>1</td>
<td>2.1</td>
<td>1</td>
</tr>
<tr>
<td>100000001-12000000</td>
<td>1</td>
<td>2.1</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

In terms of employment generation, it seems that businesses in Carmona seemed to have generated more employment than Mabini. Even when broken down by sex, businesses in Carmona still seem to generate more employment opportunities than Mabini. Further, businesses that used remittance in all sites seem to generate more employment than businesses that did not use remittance. This could be alluded to the more diverse (in terms of business type) and relatively bigger (in terms of business capital), businesses households that used remittance had put up. Specifically, businesses in Carmona that used remittance seemed to have employed more persons than businesses that used remittances in Mabini, which can be because of the type of businesses present in Carmona. It can be recalled that there are manufacturing businesses in Carmona, which have generated the most number of employees. Though in general, in both sites, most businesses employ only one person (which is usually the business manager or the owner and in most cases act as unpaid family workers).

Businesses in Carmona account for about 74 percent of the total employed persons. More than half of these employed persons are employed by manufacturing businesses in Carmona. Usually, small businesses such as sari-sari stores and apartment rentals account for at least one employed person, the business owner.
Majority of the businesses have at least one female employee, however comparing the total number of male and female employees, there are more households which employed male employees. All the 48 businesses included in the sample employed a total of 236 employees, around 55 percent of which are male employees and 45 percent are females.

**Figure __. Number of persons employed by all businesses, by sex, by site**

![Bar chart showing number of persons employed by all businesses, by sex, by site](image)

Source: CBMS Survey, 2013

<table>
<thead>
<tr>
<th></th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Magnitude</strong></td>
<td>236</td>
<td>180</td>
<td>56</td>
</tr>
<tr>
<td><strong>Proportion</strong></td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Male employees</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number</strong></td>
<td>129</td>
<td>99</td>
<td>30</td>
</tr>
<tr>
<td><strong>Proportion</strong></td>
<td>54.7</td>
<td>55.0</td>
<td>53.6</td>
</tr>
<tr>
<td><strong>Female employees</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number</strong></td>
<td>107</td>
<td>81</td>
<td>26</td>
</tr>
<tr>
<td><strong>Proportion</strong></td>
<td>45.3</td>
<td>45.0</td>
<td>46.4</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

Fifty-eight percent of the employed persons are employed in businesses classified as manufacturing businesses. These manufacturing businesses employed a total of 137 persons, 83 are males and 54 are females. Retail trade businesses have also employed around 11 percent of the total employed persons. Majority of those employed by retail trade businesses are females, accounting for 8 percent of the total number of employed persons. Among the males, 6 percent are in buy and sell ad 5 percent are in events organizing and party needs. More females are employed by businesses such as apartment rental, food services and retail trade; while more males are employed by businesses such as buy and sell, events organizing, welding and transport.
### Table __. Number of employees employed by all businesses, by type of business, by site

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Magnitude</th>
<th>Proportion</th>
<th>Male employees</th>
<th>Magnitude</th>
<th>Proportion</th>
<th>Female employees</th>
<th>Magnitude</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>236</td>
<td>100.00</td>
<td>129</td>
<td>100</td>
<td>100</td>
<td>107</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Apartment Rental</td>
<td>13</td>
<td>5.51</td>
<td>5</td>
<td>3.88</td>
<td>8</td>
<td>7.48</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bakery</td>
<td>2</td>
<td>0.85</td>
<td>1</td>
<td>0.78</td>
<td>1</td>
<td>0.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beauty Parlor</td>
<td>2</td>
<td>0.85</td>
<td>2</td>
<td>1.55</td>
<td>0</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buy and Sell</td>
<td>8</td>
<td>3.39</td>
<td>8</td>
<td>6.20</td>
<td>0</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer Shop</td>
<td>4</td>
<td>1.69</td>
<td>2</td>
<td>1.55</td>
<td>2</td>
<td>1.87</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consignment</td>
<td>2</td>
<td>0.85</td>
<td>1</td>
<td>0.78</td>
<td>1</td>
<td>0.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Events Organizing and</td>
<td>10</td>
<td>4.24</td>
<td>7</td>
<td>5.43</td>
<td>3</td>
<td>2.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fishing and Livestock</td>
<td>6</td>
<td>2.54</td>
<td>3</td>
<td>2.33</td>
<td>3</td>
<td>2.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Services</td>
<td>12</td>
<td>5.08</td>
<td>1</td>
<td>0.78</td>
<td>11</td>
<td>10.28</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lending</td>
<td>1</td>
<td>0.42</td>
<td>0</td>
<td>0.00</td>
<td>1</td>
<td>0.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>137</td>
<td>58.05</td>
<td>83</td>
<td>64.34</td>
<td>54</td>
<td>50.47</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Photobooth</td>
<td>1</td>
<td>0.42</td>
<td>0</td>
<td>0.00</td>
<td>1</td>
<td>0.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail Trade (grocery/</td>
<td>4</td>
<td>1.69</td>
<td>1</td>
<td>0.78</td>
<td>3</td>
<td>2.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail Trade (sari-sari</td>
<td>21</td>
<td>8.90</td>
<td>5</td>
<td>3.88</td>
<td>16</td>
<td>14.95</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013
Majority of the households have employed high school graduates (33.33%) and college graduates (33.33%). Almost 19 percent of those employed have at least a year of high school education.

Around 71 percent of the businesses reported providing no wage to employees. This is because majority of the businesses have no other employees aside from the business managers, who are usually unpaid. Around 77 percent of the businesses have unpaid family workers, and most of these are the business managers or business owners. About 13 percent of the businesses pay their employees daily wages amounting to not less than PhP300, while about 6 percent reported paying all their employees daily a total amount of more than PhP1000 but not more than PhP3000. About 4 percent reported spending more than PhP10000 to pay all their employees’ daily wages.

More businesses in Carmona reported having more unpaid family workers (84%) than in Mabini (69.57%). This could account for the high percentage of businesses paying zero wages to employed members. Most of the businesses which have unpaid family workers are in fishing and livestock (31.25%, total unpaid workers N=16) and in retail trade (18.75%).

Table __. Distribution of businesses that used remittance, by daily wages of all employees, by site

<table>
<thead>
<tr>
<th>Wage</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Proportion</td>
<td>Magnitude</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>100.0</td>
<td>25</td>
</tr>
<tr>
<td>No wages</td>
<td>34</td>
<td>70.8</td>
<td>21</td>
</tr>
<tr>
<td>1-300</td>
<td>6</td>
<td>12.5</td>
<td>1</td>
</tr>
<tr>
<td>301-1000</td>
<td>1</td>
<td>2.1</td>
<td>0</td>
</tr>
<tr>
<td>1001-3000</td>
<td>3</td>
<td>6.3</td>
<td>1</td>
</tr>
<tr>
<td>7001-9000</td>
<td>1</td>
<td>2.1</td>
<td>1</td>
</tr>
<tr>
<td>9001-10000</td>
<td>1</td>
<td>2.1</td>
<td>0</td>
</tr>
<tr>
<td>10001-20000</td>
<td>2</td>
<td>4.2</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

Table __. Distribution of businesses that used remittance by profit, by site

<table>
<thead>
<tr>
<th>Profit</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Proportion</td>
<td>Magnitude</td>
</tr>
<tr>
<td>Total</td>
<td>46</td>
<td>100.0</td>
<td>25</td>
</tr>
<tr>
<td>Negative</td>
<td>1</td>
<td>2.2</td>
<td>0</td>
</tr>
<tr>
<td>Zero</td>
<td>4</td>
<td>8.7</td>
<td>3</td>
</tr>
<tr>
<td>1-10000</td>
<td>6</td>
<td>13.0</td>
<td>2</td>
</tr>
<tr>
<td>10001-3000</td>
<td>5</td>
<td>10.9</td>
<td>3</td>
</tr>
<tr>
<td>30001-50000</td>
<td>8</td>
<td>17.4</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013
5.3. Skills

Only four households reported using skills learned from abroad for their business operation. These businesses comprise around 6 percent of the total number of businesses (N=69). These four households also used remittance for their businesses which comprise about 8 percent of the total number of households that used remittance for their businesses (N=48). Among the reported skills learned by OFW members abroad include computer operation, debarring and production of rubber products.

In terms of the households’ perceptions on the importance of skills learned abroad, around 13 percent of the total number of businesses that used remittance stated that skills learned from abroad are important for the success of the business, while only 8 percent stated that such skills are important to be able to put up a business.

Looking at the two sites, it seems that there is not much difference among the businesses in Carmona and in Mabini when it comes to perception on the importance of skills learned abroad. Further, it can be said that most respondents feel that such skills are not as important when it comes to putting up a business, compared to capital for example, or good location. However, more respondents felt that for the overall success of the business, such skills are important.

Table __. Business perception on the importance of skills learned from abroad for the success of the business

<table>
<thead>
<tr>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Proportion</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>100.0</td>
</tr>
<tr>
<td>Yes</td>
<td>6</td>
<td>12.5</td>
</tr>
<tr>
<td>No</td>
<td>42</td>
<td>87.5</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

Table __. Business perception on the importance of skills learned from abroad to be able to put up a business

<table>
<thead>
<tr>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Proportion</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>100.0</td>
</tr>
<tr>
<td>Yes</td>
<td>4</td>
<td>8.3</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013
6. OFWs and Dependency

How the remittances are spent usually depend on the recipients. Based on the survey, if the OFW is married, recipients are usually spouses and children, and if the OFW is single, the recipients are usually the parents. In most cases a fixed amount is sent on a regular basis, usually every month and if a month is missed, it is because the OFW member will most likely be coming back to the household soon. Based on the surveyed population, in most cases, for example, if the OFW member is coming back by December to celebrate the Christmas holidays, the remittance sent before December is either decreased or not sent at all, which the OFW member usually makes up for the goods he or she brings back home. Based on case studies conducted, the way the remittances are usually spent is similar to the way any other income is spent. In the survey conducted, in most cases, recipients had a hard time separating purchases made from the remittances from purchases made from any other income.

The literature on the impact of remittance, while it sees remittances as having the potential to be a source of local development, also looks at how remittances can breed dependency and encourage out-migration. Intuitively, it seems that there is difficulty in distinguishing purchases from remittance from purchases made from any other income because remittances constitute majority of the household income, not simply as an additional income since, in some cases, remittances sent monthly tended to be bigger than monthly wages of other working members, that is if there are other working members.

This section will first look at the profile of the remaining members. Majority are aged 0 to 14 years old and among the school-aged children, 94 percent are studying. Around 60 percent are single, 94 percent are Christians, and 97 percent are literate. Only 14 percent are affiliated with an organization and among those having an organization, majority in Carmona are involved with a women’s organization while those in Mabini are in Senior Citizen’s organizations. Cooperative membership is rather similar for the two sites. A relatively small percentage of the surveyed population are college graduates. The figures do not differ much between the two sites.
Figure __. Distribution of members, by age, by site (%)

Table __. Distribution of members, by age, by site

<table>
<thead>
<tr>
<th>Age</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Proportion</td>
<td>Magnitude</td>
</tr>
<tr>
<td>Total</td>
<td>325</td>
<td>100.0</td>
<td>158</td>
</tr>
<tr>
<td>0-14</td>
<td>103</td>
<td>31.7</td>
<td>53</td>
</tr>
<tr>
<td>15-24</td>
<td>61</td>
<td>18.8</td>
<td>33</td>
</tr>
<tr>
<td>25-34</td>
<td>56</td>
<td>17.2</td>
<td>25</td>
</tr>
<tr>
<td>35-44</td>
<td>34</td>
<td>10.5</td>
<td>16</td>
</tr>
<tr>
<td>45-54</td>
<td>28</td>
<td>8.6</td>
<td>17</td>
</tr>
<tr>
<td>55-64</td>
<td>18</td>
<td>5.5</td>
<td>5</td>
</tr>
<tr>
<td>65 and over</td>
<td>25</td>
<td>7.7</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013
### Table ___. Distribution of members, by civil status, education, religion

<table>
<thead>
<tr>
<th>Variables</th>
<th>Categories</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Magnitude</td>
<td>Proportion</td>
<td>Magnitude</td>
<td>Proportion</td>
</tr>
<tr>
<td>Total</td>
<td>325</td>
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<td>158</td>
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</tr>
<tr>
<td>Civil Status</td>
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<td>190</td>
<td>59.2</td>
<td>99</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>112</td>
<td>34.9</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>Widow/er</td>
<td>9</td>
<td>2.8</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Divorced/Separated</td>
<td>3</td>
<td>0.9</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Common</td>
<td>7</td>
<td>2.2</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Law/Live-in</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Religion</td>
<td>Roman Catholic</td>
<td>302</td>
<td>94.1</td>
<td>143</td>
</tr>
<tr>
<td></td>
<td>Iglesia ni Cristo</td>
<td>6</td>
<td>1.9</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Born-again</td>
<td>13</td>
<td>4.1</td>
<td>7</td>
</tr>
<tr>
<td>Education</td>
<td>Total</td>
<td>298</td>
<td>100.0</td>
<td>148</td>
</tr>
<tr>
<td></td>
<td>No Grade</td>
<td>17</td>
<td>5.7</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Day</td>
<td>17</td>
<td>5.7</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Care/Preparatory Grade School Level</td>
<td>53</td>
<td>17.8</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Grade School Graduate High School Level</td>
<td>21</td>
<td>7.1</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>High School Graduate Post Secondary Level</td>
<td>24</td>
<td>8.1</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>High School Graduate Post Secondary Graduate College Level</td>
<td>50</td>
<td>16.8</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>College Graduate Post Secondary Level</td>
<td>1</td>
<td>0.3</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>College Graduate Post Secondary Graduate</td>
<td>15</td>
<td>5.0</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>College Graduate</td>
<td>52</td>
<td>17.5</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>College Graduate</td>
<td>48</td>
<td>16.1</td>
<td>26</td>
</tr>
<tr>
<td>Literacy</td>
<td>Yes</td>
<td>251</td>
<td>96.9</td>
<td>126</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>8</td>
<td>3.1</td>
<td>1</td>
</tr>
<tr>
<td>Organization</td>
<td>Yes</td>
<td>38</td>
<td>14.7</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>221</td>
<td>85.3</td>
<td>103</td>
</tr>
<tr>
<td>Organization Type</td>
<td>Religious</td>
<td>8</td>
<td>21.1</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Cultural</td>
<td>1</td>
<td>2.6</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Women's</td>
<td>9</td>
<td>23.7</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Labor</td>
<td>3</td>
<td>7.9</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Cooperatives</td>
<td>5</td>
<td>13.2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Senior Citizens</td>
<td>9</td>
<td>23.7</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Others (Specified)</td>
<td>3</td>
<td>7.9</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013
Around 41 percent of the remaining members are part of the labor force. And among those in the labor force, 87 percent are with jobs with about 52 percent coming from Mabini. Among these employed members, majority are employed in their own businesses, either as the business manager, or as a paid or unpaid family worker (62.93%). Among the unpaid family workers which constitute 35 percent of the non-OFW members, around 54 percent are in Carmona.

**Figure __. Labor force participation, by site**

![Labor force participation chart](image)

Source: CBMS Survey, 2013

<table>
<thead>
<tr>
<th>Table __. Distribution of members, by class of worker, by site</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>116</td>
<td>100.0</td>
<td>56</td>
</tr>
<tr>
<td>Wage and Salaried Workers</td>
<td>54</td>
<td>46.6</td>
<td>28</td>
</tr>
<tr>
<td>Private household</td>
<td>14</td>
<td>25.9</td>
<td>4</td>
</tr>
<tr>
<td>Private establishment</td>
<td>24</td>
<td>44.4</td>
<td>17</td>
</tr>
<tr>
<td>Government</td>
<td>5</td>
<td>9.3</td>
<td>1</td>
</tr>
<tr>
<td>With pay (family owned business)</td>
<td>11</td>
<td>20.4</td>
<td>6</td>
</tr>
<tr>
<td><strong>Own Account</strong></td>
<td>21</td>
<td>18.1</td>
<td>6</td>
</tr>
<tr>
<td>Self-employed</td>
<td>18</td>
<td>85.7</td>
<td>6</td>
</tr>
<tr>
<td>Employer</td>
<td>3</td>
<td>14.3</td>
<td>0</td>
</tr>
<tr>
<td>Unpaid Family Workers</td>
<td>41</td>
<td>35.3</td>
<td>22</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

Among the employed non-OFW members, 24 percent works as service workers and shop and market sales worker, reflective of the discussion on the class of worker above. It seems that Carmona (32.1%) employs more members as service workers than Mabini since majority of the non-OFW members in Mabini work as farmers, forestry workers and fishermen (25%).
As can be expected majority of the non-OFW members in both sites are in the whole and retail trade (25%) with majority coming from Carmona (35.7%). Around 15 percent of the employed non-OFW members in Mabini are employed in the construction sector, probably spurred by OFW investment on big houses. While more persons in Carmona are employed in sectors such as manufacturing since Carmona is very near the urban center Manila.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td>With jobs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor force</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Workers and Shop and Market Sales Workers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Officials of Government and Special-Interest Organizations, Corporate Executives, Managers, Managing Proprietors and Supervisors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farmers, Forestry Workers and Fishermen</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trades and Related Workers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laborers and Unskilled Workers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technician and Associate Professionals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clerks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and Machine Operators and Assemblers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical, Mathematical and Engineering Science Professionals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Occupations</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

Table ___. Distribution of members, by sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>All sites</th>
<th>Carmona</th>
<th>Mabini</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture, Forestry and Fishing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities of Households as Employers; Undifferentiated Goods-and-Services Manufacturing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accomodation and Food Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information and Communication</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation and Storage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Service Activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Administration and Defense; Compulsory Social Security</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013
<table>
<thead>
<tr>
<th>Industry</th>
<th>Households</th>
<th>Share of Remittances to Total Income</th>
<th>Share of Remittances to Business Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>3</td>
<td>2.6%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Water Supply; Sewerage, Waste Management and Remediation Activities</td>
<td>2</td>
<td>1.7%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Financial and Insurance Activities</td>
<td>2</td>
<td>1.7%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Arts, Entertainment and Recreation</td>
<td>2</td>
<td>1.7%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Professional, Scientific and Technical Activities</td>
<td>2</td>
<td>1.7%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Electricity, Gas, Steam and Air Conditioning Supply</td>
<td>1</td>
<td>0.9%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Real Estate Activities</td>
<td>1</td>
<td>0.9%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Human Health &amp; Social Work Activities</td>
<td>1</td>
<td>0.9%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Source: CBMS Survey, 2013

Looking at the share of remittances to total incomes, around 37 percent of all covered households reported that more than 50 percent of their computed total income is from remittances. Among the households which used a portion of the remittance for the business either as start-up capital or as support for the continued operation of the business, 15 percent have no remittance contributing to total household income.

Among these households, only 5 households have used the remittance only for start-up capital and 2 have no OFWs at the time of the survey. Around 38 percent of the households which used remittance for business have OFW remittance contributing less than 30 percent to their total household income. Some 13 percent of these households have OFW remittances contributing up to 70 percent to their total household income.

Surprisingly, among the households that did not use remittance for the business, some 19 percent have OFW remittances contributing as much as 90 percent to their total household income. It can be inferred that one reason why remittances were not used for the business was because remittances were not enough to manage consumption expenses.

Comparing the two communities, there were more households in Carmona which OFW remittance constitute more than 50 percent of the total household income (43.24%) than in Mabini (30.77%).

7. Econometric analysis

After describing the characteristics of entrepreneurs and OFW households in the two sites, one objective of the study is to ascertain the determinants of OFWs investing in business as well as when do households of OFWs invest in business? This section will provide characteristics of OFWs as well as their household members that are significant to investment in business (Section 7.1) as well as the attributes related to investment rates of households with OFWs (Section 7.2).
7.1 Characteristics of OFWs investing in business

7.1.1 Odds ratios and the logit model

Suppose the probability of OFWs investing in business can be represented by \( P(Y = 1) = \pi \) where

\[
Y = \begin{cases} 
1, & \text{established business} \\
0, & \text{otherwise}
\end{cases}
\]

From this, the odds of investing in business is defined as

\[
\theta = \frac{\pi}{1 - \pi}
\]

Now, if \( Y \) can be characterized by values of some set of explanatory variables \( X \), i.e. \( P(Y = 1) = \pi(X) \), the odds ratio \( \phi(\cdot) \) given two events \( \{X = x_a\} \) and \( \{X = x_b\} \) is

\[
\phi(x_a, x_b) = \frac{\pi(X | X = x_a)}{1 - \pi(X | X = x_a)} \left( \frac{\pi(X | X = x_b)}{1 - \pi(X | X = x_b)} \right)^{-1}
\]

Since, \( Y \sim \text{Be}(\pi) \) which is a member of the exponential family, under Generalized Linear Models (GLMs), modeling \( Y \) in terms of \( X \) can be done through the logit link, i.e.

\[
\text{logit}(Y | X) = \log \left( \frac{\pi(X)}{1 - \pi(X)} \right) = \beta_0 + \sum_{j=1}^{p} \beta_j X_j
\]

and given the model, the odds ratio \( \phi(\cdot) \) given two events \( \{X = x_a\} \) and \( \{X = x_b\} \) can be expressed by

\[
\phi(x_a, x_b) = \exp\{\text{logit}(Y | X = x_a) - \text{logit}(Y | X = x_b)\}
\]

For instance, given a univariable model dichotomous variable \( X \),

\[
\phi(1,0) = \exp(\hat{\beta})
\]

while for a univariable model with continuous variable \( Z \), the odds of \( \{Z = z + c\} \) compared to \( \{Z = z\} \) is

\[
\phi(z + c, z) = \exp(c\hat{\beta})
\]

\( ^2 \) OFW households utilized earnings from abroad to finance or establish a business
This is under the assumption that the model is a main effects model. For more detailed discussion, see (see Hosmer and Lemeshow (2004).

7.1.2 Model: Odds of OFWs investing in business

Specification

The dataset contains \( n = 120 \) OFWs with individual and household characteristics in Table __. These pertain to dimensions describing the household, OFW, usage of remittance and skills. There are characteristics that are likely to be time-invariant particularly those of OFWs and included in the model. It must be noted that however that, although the many of the characteristics here are post-investment attributes, the main objective here is to attempt to identify possible factors that could have hindered or facilitated investment of OFWs in businesses since prior-to-investment characteristics can be very difficult if not impossible to attain.

Table __. Initial set of variables for the logit model

<table>
<thead>
<tr>
<th>( j )</th>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Household characteristics</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>site</td>
<td>1 - Carmona; 0 - Mabini</td>
</tr>
<tr>
<td>2</td>
<td>ofwinc_prop</td>
<td>Share of income from OFW remittance</td>
</tr>
<tr>
<td>3</td>
<td>hsize</td>
<td>household size</td>
</tr>
<tr>
<td>4</td>
<td>hgsick</td>
<td>household members got sick</td>
</tr>
<tr>
<td>5</td>
<td>nsch</td>
<td>Number of members currently attending school including college</td>
</tr>
<tr>
<td>6</td>
<td>depratio</td>
<td>Ratio of number of members below 15 and 65 and above to number of members 15-64</td>
</tr>
<tr>
<td>7</td>
<td>nwjob</td>
<td>Number of members with job</td>
</tr>
<tr>
<td></td>
<td><strong>OFW characteristics</strong></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>age_yr</td>
<td>Age of OFW</td>
</tr>
<tr>
<td>9</td>
<td>oa_ofw_len</td>
<td>Number of years the household has been sending OFWs</td>
</tr>
<tr>
<td>10</td>
<td>ofw_coll</td>
<td>OFW finished college</td>
</tr>
<tr>
<td>11</td>
<td>sss_ind</td>
<td>OFW has SSS</td>
</tr>
<tr>
<td>12</td>
<td>mphiheal</td>
<td>OFW has Philhealth</td>
</tr>
<tr>
<td></td>
<td><strong>Usage of remittance</strong></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>remit_exp_food</td>
<td>Household of OFW has allotted share of remittance for food</td>
</tr>
<tr>
<td>14</td>
<td>remit_exp_ofwdebt</td>
<td>Household of OFW has allotted share of remittance for ofw debts</td>
</tr>
<tr>
<td>15</td>
<td>remit_exp_odebt</td>
<td>Household of OFW has allotted share of remittance for other debts</td>
</tr>
<tr>
<td>16</td>
<td>remit_exp_hlot</td>
<td>Household of OFW has allotted share of remittance for house/lot</td>
</tr>
<tr>
<td>17</td>
<td>remit_exp_car</td>
<td>Household of OFW has allotted share of remittance for vehicles</td>
</tr>
<tr>
<td>18</td>
<td>remit_exp_educ</td>
<td>Household of OFW has allotted share of remittance for education</td>
</tr>
<tr>
<td>19</td>
<td>remit_exp_appl</td>
<td>Household of OFW has allotted share of remittance for appliances</td>
</tr>
<tr>
<td>20</td>
<td>remit_exp_bank</td>
<td>Household of OFW has allotted share of remittance for bank</td>
</tr>
</tbody>
</table>
The household characteristics including their respective community are expected to differentiate propensity to invest of OFWs. The variable ‘site’ seeks to answer the difference between the two communities in terms of OFWs investing in business. Households’ member characteristics such as number of members attending school, dependency ratio, and with job seek to show whether these characteristics bridles investment. Household size, dependence on remittance, and whether the OFW household has members who got sick are also being considered if they could have hindered OFWs to invest. In addition, the practice of utilization of remittances is also being considered whether they are facilitating or hindering factors. Lastly, the skills are also explored and later will be dissected. For instance, does having business planning skills facilitate investment among OFWs? What types of business are likely to be setup by them?

**Univariable logits**

To start with constructing the model, univariable logit models are implemented and assessed whether each can be included in the full model. The purpose of this is to remove those variables that, given the data, are likely to be insignificant in terms of the Wald’s Z. Furthermore, the coefficients from these univariable models will serve as indications whether including them will make sense. Several literatures recommend a 0.25 cut-off for retaining variables allowing for the possibility of multivariate significance. This however can be modified depending on the nature of the dataset and objective of the study (see Hosmer and Lemeshow, 2004).

Table __ lists down the estimates for each of the univariable regression. Preliminary examination of the coefficients indicates that, univariately, number of years of having OFWs, age, skills in operations management and business planning can be facilitating factors for OFWs to invest in business. For instance, OFWs whose members have skills in planning are almost times likely to invest compared to those who have none. In addition, OFWs whose households have been sending members abroad for 30 years is 1.5 times likely to invest in business compared to those sending five years less.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>remit_exp_other</td>
<td>Household of OFW has allotted share of remittance for other needs</td>
</tr>
<tr>
<td><strong>Skills</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>resp_skill_sales</td>
<td>Household of OFW: with skill in sales</td>
</tr>
<tr>
<td>23</td>
<td>resp_skill_plan</td>
<td>Household of OFW: with skill in business planning</td>
</tr>
<tr>
<td>24</td>
<td>resp_skill_mktg</td>
<td>Household of OFW: with skill in marketing</td>
</tr>
<tr>
<td>25</td>
<td>resp_skill_finnmg</td>
<td>Household of OFW: with skill in financial management</td>
</tr>
<tr>
<td>26</td>
<td>resp_skill_hrs</td>
<td>Household of OFW: with skill in human resource management</td>
</tr>
<tr>
<td>27</td>
<td>resp_skill_opmgt</td>
<td>Household of OFW: with skill in operations management</td>
</tr>
<tr>
<td>28</td>
<td>resp_skill_it</td>
<td>Household of OFW: with skill in information technology</td>
</tr>
<tr>
<td>29</td>
<td>resp_skill_purch</td>
<td>Household of OFW: with skill in purchasing</td>
</tr>
<tr>
<td>30</td>
<td>resp_skill_o1</td>
<td>Household of OFW: with other type of skills</td>
</tr>
</tbody>
</table>

Table __. Univariable Logistic Regressions
| Variable                          | Coef.  | Std. Err. | Z     | P>|z|  | 95% CI         | Sig. code |
|----------------------------------|--------|-----------|-------|------|----------------|-----------|
| site                             | 0.3185 | 0.4081    | 0.780 | 0.435 | -0.4813, 1.1183 | .         |
| oa_ofw_len                       | 0.0795 | 0.0260    | 3.050 | 0.002 | 0.0284, 0.1305  | *         |
| hgsick                           | -0.7922| 0.3972    | -1.990| 0.046 | -1.5707, -0.0138| ...       |
| hsize                            | -0.2672| 0.1054    | -2.540| 0.011 | -0.4737, -0.0607| ...       |
| ofwinc_prop                      | -1.2446| 0.6882    | -1.810| 0.071 | -2.5934, 0.1042 | ..        |
| nsch                             | -0.5066| 0.1964    | -2.580| 0.010 | -0.8916, -0.1216| *         |
| depratio                         | -0.4718| 0.2149    | -2.200| 0.028 | -0.8930, -0.0507| ...       |
| nmem014                          | -0.7026| 0.2200    | -3.190| 0.001 | -1.1337, -0.2714| **        |
| nmem65ab                         | -0.4450| 0.2842    | -1.570| 0.117 | -1.0019, 0.1120 | .         |
| nwjob                            | -0.0976| 0.1520    | -0.640| 0.521 | -0.3956, 0.2004 | .         |
| age_yr                           | 0.0467 | 0.0179    | 2.610 | 0.009 | 0.0116, 0.0817  | *         |
| ofw_coll                         | 0.3185 | 0.4081    | 0.780 | 0.435 | -0.4813, 1.1183 | .         |
| sss_ind                          | 0.2752 | 0.4007    | 0.690 | 0.492 | -0.5102, 1.0605 | .         |
| mphiheal                         | -0.2331| 0.3920    | -0.590| 0.552 | -1.0015, 0.5352 | .         |
| remit_exp_food                   | 0.0458 | 0.5104    | 0.090 | 0.928 | -0.9545, 1.0461 | .         |
| remit_exp_ofwdebt                | -0.5147| 0.4414    | -1.170| 0.244 | -1.3798, 0.3504 | .         |
| remit_exp_odebt                  | -0.2941| 0.6067    | -0.480| 0.628 | -1.4832, 0.8951 | .         |
| remit_exp_hlot                   | -0.2744| 0.3907    | -0.700| 0.482 | -1.0402, 0.4913 | .         |
| remit_exp_car                    | -0.5009| 0.4699    | -1.070| 0.286 | -1.4220, 0.4201 | .         |
| remit_exp_educ                   | 0.1151 | 0.3978    | 0.290 | 0.772 | -0.6645, 0.8948 | .         |
| remit_exp_appl                   | -0.3718| 0.4349    | -0.850| 0.393 | -1.2241, 0.4806 | .         |
| remit_exp_bank                   | -0.1271| 0.4890    | -0.260| 0.795 | -1.0854, 0.8313 | .         |
| remit_exp_other                  | -1.0561| 0.4019    | -2.630| 0.009 | -1.8438, -0.2683| *         |
| resp_skill_sales                 | 0.5473 | 0.4566    | 1.200 | 0.231 | -0.3475, 1.4421 | .         |
| resp_skill_plan                  | 0.8323 | 0.4069    | 2.050 | 0.041 | 0.0348, 1.6299  | .         |
| resp_skill_mktg                  | 0.5486 | 0.4027    | 1.360 | 0.173 | -0.2406, 1.3378 | .         |
| resp_skill_finmgt                | 0.4914 | 0.4012    | 1.220 | 0.221 | -0.2948, 1.2776 | .         |
| resp_skill_hrs                   | 0.5551 | 0.4010    | 1.380 | 0.166 | -0.2309, 1.3411 | .         |
| resp_skill_opmg                  | 0.9610 | 0.4118    | 2.330 | 0.020 | 0.1539, 1.7681  | .         |
| resp_skill_it                    | 0.2825 | 0.3920    | 0.720 | 0.471 | -0.4858, 1.0508 | .         |
| resp_skill_purch                 | 0.1133 | 0.4086    | 0.280 | 0.782 | -0.6876, 0.9142 | .         |
| resp_skill_o1                    | -0.6088| 0.6399    | -0.950| 0.341 | -1.8629, 0.6453 | .         |

Signif. codes: 0.000 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 0.15 ‘ ‘ 0.5 ‘ ‘ 1 ‘ ‘

On the other hand, having sick members, big household size, dependence on OFW remittance, many dependents and schooling members, and allotment of remittance on utilities and health (univariately) bridle an OFW’s investment in business. For instance, OFWs with household members who got sick are half as likely to have invested in business compared to those who did
not have any sickness. In addition, OFWs whose households are very dependent on their remittance are less likely to invest in business. OFWs who have twice as many dependents as non-dependents are 0.6 times likely to invest compared to equal number of dependents and non-dependents. Roughly, those without members who are in school are at least 1.7 ($e^{0.507}$) times likely to invest compared to those who have at least one member in school.

For the purpose of this research, a cut-off of 0.5 (',') is used to select the variables due to the nature of the dataset. The resulting estimated logit model is in Table 3.

Table __. Initial Logit Model Estimates

| Variable      | Coef.  | Std. Err. | Z      | P>|z|  | 95% CI       | sig code |
|---------------|--------|-----------|--------|-----|--------------|----------|
| intercept     | 2.6586 | 1.8551    | 1.430  | 0.152 | -0.9773 - 6.2946 | ,        |
| site          | 0.9539 | 0.7356    | 1.300  | 0.195 | -0.4879 2.3957 | ,        |
| hgsick        | -0.8798 | 0.6891    | -1.280 | 0.202 | -2.2305 0.4709 | ,        |
| hsize         | -0.3548 | 0.1824    | -1.940 | 0.052 | -0.7124 0.0028 | ..       |
| ofwinc_prop   | -1.1198 | 1.0921    | -1.030 | 0.305 | -3.2603 1.0207 | ,        |
| nsch          | -0.6905 | 0.3249    | -2.130 | 0.034 | -1.3272 -0.0538 | ...      |
| depratio      | -0.4737 | 0.3708    | -1.280 | 0.201 | -1.2003 0.2530 | ,        |
| age_yr        | 0.0359  | 0.0276    | 1.300  | 0.194 | -0.0182 0.0900 | ,        |
| ofw_coll      | 0.6708  | 0.6343    | 1.060  | 0.290 | -0.5724 1.9140 | ,        |
| sss_ind       | 0.2645  | 0.6272    | 0.420  | 0.673 | -0.9648 1.4939 | ,        |
| remit_exp_ofwdebt | -0.8057 | 0.8933    | -0.900 | 0.367 | -2.5565 0.9451 | ,        |
| remit_exp_hlot | -0.7644 | 0.6960    | -1.100 | 0.272 | -2.1284 0.5997 | ,        |
| remit_exp_car | -0.3893 | 0.7687    | -0.510 | 0.613 | -1.8959 1.1173 | ,        |
| remit_exp_appl | 0.0844  | 0.8977    | 0.090  | 0.925 | -1.6750 1.8439 | ,        |
| remit_exp_other | -1.7443 | 0.7675    | -2.270 | 0.023 | -3.2485 -0.2401 | ...      |
| resp_skill_sales | -0.2047 | 1.0570    | -0.190 | 0.846 | -2.2763 1.8669 | ,        |
| resp_skill_plan | 0.7085  | 1.0594    | 0.670  | 0.504 | -1.3679 2.7850 | ,        |
| resp_skill_mktg | 0.4662  | 1.3034    | 0.360  | 0.721 | -2.0885 3.0208 | ,        |
| resp_skill_flnmg | -0.6472 | 1.0017    | -0.650 | 0.518 | -2.6104 1.3161 | ,        |
| resp_skill_hrs | 0.2245  | 0.9165    | 0.240  | 0.807 | -1.5719 2.0209 | ,        |
| resp_skill_opmg | 0.2663  | 1.0652    | 0.250  | 0.803 | -1.8215 2.3541 | ,        |
| resp_skill_it  | -0.8108 | 0.9999    | -0.810 | 0.417 | -2.7706 1.1489 | ,        |
| resp_skill_o1  | 1.9308  | 1.6320    | 1.180  | 0.237 | -1.2678 5.1295 | ,        |

AIC: 146.94 Deviance: 98.936 Df: 96
Signif. codes: 0.000 *** 0.001 ** 0.01 * 0.05 . .1 .15 . .5 . .1
Looking at the estimates from the initial model, the previously identified univariate hindering factors retain their signs albeit some of them became weaker in significance when pitted with other variables. For instance, OFWs with more members attending school or simply with more members are (significantly, *ceteris paribus*) less likely to invest in business. Although weakly significant, OFWs are bridled to invest by OFW debt, expenses on health and utilities and allotment for house/lot. Age and education of OFWs are otherwise facilitating factors as well as the length in years their households are sending members abroad.

To identify the optimal model, i.e the one with the best fit while retaining as much information as possible, Wald’s Z together with Deviance and Akaike’s Information Criterion (AIC) comparison were used. Basically, Wald’s test and likelihood ratio test (LRT) using the deviance are the tools to test for significance of the variables while AIC for model comparison. AIC balances the complexity and fit of the model and lower values of the AIC means better model (see Hosmer and Lemeshow 2004). Table __ shows the logit model with the significant covariates.

Although the estimates in Table __ yield the relatively lowest AIC, the model in Table __ replacing ‘hsize’ by ‘ofwinc_prop’ and ‘hgsick’ is proposed.

### Table __. Proposed Logit Model Estimates

| Variable (Dependent: OFW investment) | Coef. | Std. Err. | Z     | P>|z| | 95% CI | sig code |
|-------------------------------------|-------|-----------|-------|------|--------|----------|
| intercept                           | 1.4000| 1.0172    | 1.380 | 0.169| -0.5937| 3.3937   |
| oa_ofw_len                          | 0.0810| 0.0335    | 2.420 | 0.016| 0.0154 | 0.1466   |
| resp_skill_plan                     | 0.8411| 0.5057    | 1.660 | 0.096| -0.1501| 1.8324   |
| site                               | 1.0396| 0.5327    | 1.950 | 0.051| -0.0045| 2.0836   |
| nsch                               | -0.6874| 0.2499   | -2.750| 0.006| -1.1772| -0.1975  |
| ofwinc_prop                        | -1.0534| 0.8561   | -1.230| 0.219| -2.7314| 0.6246   |
| hgsick                             | -0.6565| 0.4967   | -1.320| 0.186| -1.6300| 0.3169   |
| remit_exp_other                    | -0.9993| 0.5301   | -1.890| 0.059| -2.0382| 0.0397   |
| depratio                           | -0.5332| 0.2862   | -1.860| 0.062| -1.0940| 0.0277   |

AIC: 131.75 Deviance: 113.75 Df: 111

Signif. codes: 0.000 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 0.15 ‘ ’ 0.5 ‘ ’ 1 ‘ ’

Based on the results in Table __, the following are some findings:

1. *Site*. OFWs in Carmona are more than 2.8 times likely to invest remittances in business compared to Mabini.
2. **Length of sending OFWs.** The odds\(^3\) of an OFW with household sending workers abroad for 35 years (OFW A) investing his/her earnings in business compared to an OFW with 30 (OFW B) is given by

\[
\phi(35,30) = \exp\{5\ast0.081\} = 1.5
\]

which means that OFW A is 1.5 times likely to invest compared to OFW B.

3. **Sickness.** OFWs whose members got sick were half as likely to invest as those OFWs whose members never got sick in the last 12 months from the reference date.

4. **Dependence on OFW remittance.** OFWs whose households are very much dependent on their remittances are less likely to invest in business. OFWs whose households with half of their income from remittance is 1.7 times as likely to invest compared to households whose income are almost solely from OFW remittance.

5. **Household has skills in business planning.** OFWs with members skilled in business planning are 2.3 times likely to invest compared to those OFWs whose households have no skill in business planning.

6. **Allotment of remittances on health and utilities.** OFWs whose households have been using remittances for health and utilities are 0.37 times likely to invest in business compared to OFWs whose remittances are not being used for health and utilities expenses.

7. **Dependents.** OFWs with high dependency ratios are less likely to invest in business as well as those with higher number of members in school. For instance, OFWs with dependent members as many as non-dependent members are 1.7 times likely to invest compared to OFWs with dependent members twice as many as non-dependent members. Furthermore, OFWs with five members schooling is almost twice as likely to invest in business compared to OFWs with six members schooling.

**Skills and business type**

Another essential angle is what skills or set of skills lead to a type of established business. For instance, beer brewing requires minute amount of skills as well as investment (Swaminathan, 2010). To describe what set of skills are relevant to investing in a type of business, the logit model is extended to a multinomial logit. The main difference is that the response variable takes on more than two (e.g. success, failure) values and hence more than two probabilities instead of only \( p \) and \( q = 1 - p \). Suppose the success value of the previous variable can be decomposed into retail trade, finance, services, manufacturing, and agriculture. Then there can be a set of probabilities \( \{ p_1, p_2, p_3 \} \) for

---

\(^3\)The vectors are omitted for notation convenience.
each response level respectively such that $\sum_{i=1}^{3} p_i = 1$. The equations in Subsection 1.1 can be extended to accommodate three probabilities instead of just two and odds ratios can likewise be extended.

Consider the result of multinomial logit estimation in Table __ wherein the dependent variable is the type of business and the independent are skills. The base response is the retail trade business. It must be noted that this technique was not applied on the previous one for simplicity since the hypothesized relevant variable on the type of business are the skills not to mention the limited number of observations.

| Variable (Dependent: Type of OFW business) | Coef.  | Std. Err. | Z     | P>|z| | 95% CI  | sig code |
|-------------------------------------------|--------|-----------|-------|--------|---------|----------|
| **Base: Retail trade**                    |        |           |       |        |         |          |
| Finance, services, manufacturing         |        |           |       |        |         |          |
| intercept                                | 1.5066 | 0.8947    | 1.680 | 0.092  | -0.2471 | 3.2602   | ..       |
| resp_skill_sales                         | -2.5157| 1.1750    | -2.140| 0.032  | -4.8186 | -0.2128  | ...      |
| resp_skill_plan                          | -1.8079| 1.0526    | -1.720| 0.086  | -3.8710 | 0.2552   | ..       |
| resp_skill_hrs                           | -2.0537| 0.7880    | -2.610| 0.009  | -3.5982 | -0.5092  | *        |
| resp_skill_opmgt                         | 3.6792 | 1.4080    | 2.610 | 0.009  | 0.9196  | 6.4388   | *        |
| resp_skill_it                            | 2.2923 | 0.9797    | 2.340 | 0.019  | 0.3722  | 4.2124   | ...      |
| resp_skill_purch                         | -1.9144| 1.0795    | -1.770| 0.076  | -4.0301 | 0.2013   | ..       |
| **Agriculture**                          |        |           |       |        |         |          |
| intercept                                | 0.9929 | 0.9689    | 1.020 | 0.305  | -0.9060 | 2.8919   | ,        |
| resp_skill_sales                         | -2.2941| 1.4191    | -1.620| 0.106  | -5.0754 | 0.4873   | .        |
| resp_skill_plan                          | 0.2193 | 1.3165    | 0.170 | 0.868  | -2.3610 | 2.7995   |          |
| resp_skill_hrs                           | -17.2558| 2427.5250| -0.010| 0.994  | -4775.1180| 4740.6060|        |
| resp_skill_opmgt                         | 19.2959| 2427.5260| 0.010 | 0.994  | -4738.5670| 4777.1590|        |
| resp_skill_it                            | -32.4291| 3873.4240| -0.010| 0.993  | -7624.2010| 7559.3430|        |
| resp_skill_purch                         | -18.5124| 2427.5260| -0.010| 0.994  | -4776.3750| 4739.3500|        |

Sig. codes: 0.000 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘’ 0.15 ‘ ’ 0.5 ‘,’ 1 ‘’

Based on the derived model, here are some of the results:

1. **Sales.** This skill is significant on finance, services and manufacturing and on agriculture albeit weaker. OFWs with members skilled in sales are more likely to invest in retail
trade business than in finance, services and manufacturing. In terms of agriculture and finance, services and manufacturing, OFWs tend to lean towards agriculture.

2. Business planning. This skill is only significant on finance, services and manufacturing which indicates that OFWs with members skilled in business planning likely invest in retail trade rather than in finance, services and manufacturing.

3. Human resource management. Similar to previous skills, this is only significant on finance, services and manufacturing but OFWs with members of this skill likely invest in retail trade rather than in finance, services and manufacturing.

4. Operations Management. This is also only significant on finance, services and manufacturing but here OFWs with members of this skill tend to invest more on finance, services and manufacturing rather than in retail trade.

5. Information technology (IT). This is also similar to operations management where OFWs with members of this skill tend to invest more on finance, services and manufacturing rather than in retail trade.

6. Purchasing. Intuitively, OFWs whose household members have this kind of skill have more propensity to invest in retail trade rather than in finance, services and manufacturing.

Basically, OFWs with members skilled in sales, business planning, human resources management and purchasing tend to invest in retail trade business while those with members skilled in operations management and IT tend to invest in finance, services and manufacturing. Majority of the skills are not relevant in engaging in agricultural business save for sales wherein OFWs will tend to invest in favor of agri-business rather than finance, services and manufacturing.⁴

7.2 How soon do OFW households invest in business?

In this section, the time until OFW households invest in business will be examined. The previous section deals with the question what is the chance that an OFW will invest earnings in business? Here, however, the chance will be extended in relation to timing. Hence, that response variable of interest is time until an OFW household invest in business. But before dealing with the data in hand, the following sets up the foundation.

7.2.1 Survival probability and hazard function

---

⁴ The high standard errors are due to the low frequency of answers in these skill categories under agri-business.
Analysis of time until an event data is common in medicine engineering, social sciences and other disciplines. Typically, there is a random variable $T$, which is time until a specific event is observed. The probability of observing the event at times less than or equal to $t$ is

$$F_T(t) = P(T \leq t)$$

which is the usual cumulative distribution function (CDF). The survival function is

$$S_T(t) = 1 - F_T(t)$$

In most cases, the interest is on the conditional probability. That is, given that an event has not occurred yet at time $t$, the interest is on the probability of observing the event in the future $t + \Delta t$,

$$h(t) \Delta t = P(t < T < t + \Delta t \mid T > t)$$

The function $h(t)$ is called the hazard function. Provided that $F_T(t)$ is differentiable, for small $\Delta t$ (instantaneous),

$$h(t) = \lim_{\Delta t \to 0} \frac{F_T(t + \Delta t) - F_T(t)}{[1 - F_T(t)] \Delta t} = \frac{f_T(t)}{S_T(t)}$$

The cumulative hazard function

$$H(t) = \int_0^t h(u) du$$

can be expressed in terms of the survival function as

$$H(t) = -\log S_T(t)$$

### 7.2.2 Time until establishing a business

Let $T$ be the time until a household with overseas Filipino worker (OFW) (either current or sometime in the past) establish a business. Here, $F_T(t)$ becomes the probability that a household establishes a business at time at most $t$ while $h(t) \Delta t$ is the probability that the household will establish a business within the interval $(t, t + \Delta t)$ given that the household has not yet established a business. It must be noted that $t = 0$ is the time when the first OFW member of the household went overseas for work. In several fields of application of survival analysis, there are instances wherein the occurrence event of interest in some of the subjects being surveyed or monitored cannot be ascertained. This is called censorship, wherein some of the subjects went out of scope. In the context of this paper, censorship occurs when during the latest survey, the household has not established a business yet, hence, there is no way of knowing whether the event of establishing a business has occurred or not. Let $c_i$ be the event/censor variable,

$$c_i = \begin{cases} 1, & \text{established business} \\ 0, & \text{censored} \end{cases}$$

One popular way of tackling this kind of dataset is using the non-parametric estimators of the survival and cumulative hazard functions Kaplan-Meier (product-limit) estimator of $S(t)$,
\[ \hat{S}(t_j) = \prod_{i_{j} \leq t_j} \left(1 - \frac{m_i}{n_i}\right) \]
and Nelson-Aalen estimator
\[ \hat{H}(t_i) = \sum_{i_{j} \leq t_j} \frac{m_i}{n_i} \]
where \( m_i \) and \( n_i \) are the number of events and number of subjects at risk, respectively, at time \( t_i \).
In this paper, \( m_i \) and \( n_i \) are the number of households who established a business and the number of households who have not, respectively, at time \( t_i \). For instance, Figure \( \_ \) shows the probability of establishing a business over time using the Kaplan-Meier estimator.

**Figure \( \_ \). Probability of establishing a business over time by site**

It can be seen in the figure that households in Carmona have higher probability of establishing a business compared to Mabini. It can be associated to the observation that Carmona households tend to establish business at an earlier stage. Now, there are some characteristics that can be explored with regards to the decision of setting up a business by the OFW households. For instance, does alloting the OFW remittance for house/lot inhibit or impede establishing a business?
7.2.3 Modeling: Cox Proportional Hazards

Consider the following hazard function in terms of $p \times 1$ explanatory variables $X$.

$$h(t, X, \beta) = h_0(t) \exp \left( \sum_{j=1}^{p} \beta_j X_j \right)$$

where $h_0(t)$ is the baseline hazard function and $\beta$ is a vector coefficients corresponding to covariates $X$. Estimation and interpretation of the model is almost similar to logit models.

In this study, the converse of the term hazard is being used.\(^5\) Loosely, this maybe viewed as the “rate” of establishing a business by the OFW households. The dataset contain 76 OFW households. To start with the initial model, Table __ shows the list of variables to describe the probability that an OFW household establish a business.

<table>
<thead>
<tr>
<th>$j$</th>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>remit_exp_food</td>
<td>Allotted share of remittance for food</td>
</tr>
<tr>
<td>2</td>
<td>remit_exp_ofwdebt</td>
<td>Allotted share of remittance for OFW debts</td>
</tr>
<tr>
<td>3</td>
<td>remit_exp_odebt</td>
<td>Allotted share of remittance for other debts</td>
</tr>
<tr>
<td>4</td>
<td>remit_exp_hlot</td>
<td>Allotted share of remittance for house/lot</td>
</tr>
<tr>
<td>5</td>
<td>remit_exp_car</td>
<td>Allotted share of remittance for vehicles</td>
</tr>
<tr>
<td>6</td>
<td>remit_exp_educ</td>
<td>Allotted share of remittance for education</td>
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<td>remit_exp_appl</td>
<td>Allotted share of remittance for appliances</td>
</tr>
<tr>
<td>8</td>
<td>remit_exp_bank</td>
<td>Allotted share of remittance for bank savings</td>
</tr>
<tr>
<td>9</td>
<td>remit_exp_other</td>
<td>Allotted share of remittance for other needs</td>
</tr>
<tr>
<td><strong>Household and skills</strong></td>
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</tr>
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<td>site</td>
<td>1 - Carmona; 0 - Mabini</td>
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<tr>
<td>20</td>
<td>resp_skill_purch</td>
<td>With skill in purchasing</td>
</tr>
</tbody>
</table>

\(^5\) A parallel application of this technique was done by Dendir (2006) examining duration of unemployment in poor developing economies.
The objective is to describe what holds back or induce investment among households. Practices in allotting remittance are deemed to be either retarding or facilitating factors. Household characteristics are also being explored as well as skills and OFw characteristics such as education, gender and age.

Model selection

Similar to the logit case, univariable regressions is used to select pertinent covariates for the model. Table 2 shows the univariable regressions implemented on each of the covariates. In the ‘decision’ column in Table 2, the cut-off used was also 0.5 due to the nature of the dataset. For instance, there are variables of interest such as use of remittance in savings (with p-value 0.304) that shall be explored in assessing the investment rate over time. Furthermore, there can be instances wherein a regressor is univariably weak in significance but can by strongly significant when pitted with the others.

<p>| $X_j$         | $\hat{\beta}_j$ | $\exp(\hat{\beta}_j)$ | Robust SE | $Z$   | $P(Z&gt;|Z|)$ | Decision   |
|--------------|-----------------|------------------------|-----------|-------|------------|------------|
| remit_exp_food | -0.441          | 0.644                  | 0.442     | -0.998| 0.318      | INCLUDE    |
| remit_exp_ofwdebt | 0.401         | 1.493                  | 0.286     | 1.404 | 0.16       | INCLUDE    |
| remit_exp_odebt | 0.143          | 1.154                  | 0.442     | 0.323 | 0.746      | CAN BE DROPPED |
| remit_exp_hlot | -0.597          | 0.551                  | 0.307     | -1.945| 0.052      | INCLUDE    |
| remit_exp_car | -1.015          | 0.362                  | 0.439     | -2.311| 0.021      | INCLUDE    |
| remit_exp_educ | -0.007          | 0.993                  | 0.294     | -0.025| 0.98       | CAN BE DROPPED |
| remit_expappl | -0.186          | 0.83                   | 0.36      | -0.516| 0.606      | CAN BE DROPPED |
| remit_exp_bank | 0.362           | 1.436                  | 0.352     | 1.029 | 0.304      | INCLUDE    |</p>
<table>
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<tr>
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<tr>
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<td>0.296</td>
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<td>0.007</td>
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<td>0.297</td>
<td>-0.209</td>
<td>0.834</td>
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</table>

Preliminary examination of coefficients indicates that using remittance for house and lot as well as for car purchase can hold back investment in business. Carmona households significantly invest faster than Mabini households. To examine the effects of the candidate covariates together, the initial Cox Proportional Hazards model is displayed in Table __. It is apparent that the model has insignificant covariates despite the initial screening done. Using Z, Likelihood Ratio Test
(LRT) and Akaike Information Criterion (AIC), an optimal model in Table __ is selected relative to the model in Table __.

Table __. Initial model estimates

| $X_j$ | $\hat{\beta}_j$ | $\exp(\hat{\beta}_j)$ | Robust SE | $Z$ | $P(Z > |Z|)$ | Sig. |
|-------|-----------------|------------------------|-----------|-----|--------------|------|
| site  | 0.697           | 2.008                  | 0.387     | 1.801 | 0.072        | .    |
| hsize | -0.242          | 0.785                  | 0.097     | -2.488 | 0.013        | *    |
| ofw_age| -0.037          | 0.964                  | 0.109     | -0.336 | 0.737        | .    |
| ofw_age2| 0.0003          | 1.000                  | 0.001     | 0.227 | 0.82         |      |
| remit_exp_food| -0.954   | 0.385                  | 0.493     | -1.935 | 0.053        | .    |
| remit_exp_ofwdebt| 0.81    | 2.249                  | 0.43      | 1.884 | 0.06         | .    |
| ofw_sex | -0.478          | 0.62                   | 0.337     | -1.419 | 0.156        |      |
| remit_exp_hlot| -0.479       | 0.619                  | 0.308     | -1.554 | 0.12         |      |
| remit_exp_car| -1.177          | 0.308                  | 0.536     | -2.194 | 0.028        | *    |
| remit_exp_bank| 0.776          | 2.173                  | 0.389     | 1.997 | 0.046        | *    |
| resp_skill_plan| -0.133         | 0.876                  | 0.53      | -0.25  | 0.802        |      |
| resp_skill_mktg| 0.063           | 1.065                  | 0.524     | 0.12  | 0.904        |      |
| ofw_coll | 0.036            | 1.037                  | 0.331     | 0.109 | 0.913        |      |

Signif. codes: 0.000 `***' 0.001 `**' 0.01 `*' 0.05 `.' 0.1 ` ' 1

Table __. Proposed model estimates

| $X_j$ | $\hat{\beta}_j$ | $\exp(\hat{\beta}_j)$ | Robust SE | $Z$ | $P(Z > |Z|)$ | Sig. |
|-------|-----------------|------------------------|-----------|-----|--------------|------|
| site  | 0.12            | 1.127                  | 0.365     | 0.328 | 0.743        |      |
| remit_exp_food| -0.979         | 0.376                  | 0.499     | -1.96 | 0.05         | .    |
Based on the estimates in Table __, the proposed final model is

\[ h(t, X, \beta) = h_0(t) \exp(0.12 \text{site} - 0.178 \text{hsize} \ - 0.979 \text{remit}_\text{exp_food} - 2.937 \text{remit}_\text{exp_car} \ + 1.097 \text{remit}_\text{exp_bank} - 0.537 \text{remit}_\text{exp_hlot} \ - 1.648 \text{ofw}_\text{sex} - 0.259 \text{ofw}_\text{coll} \ + 1.635 \text{ofw}_\text{sex} \times \text{ofw}_\text{coll} + 2.213 \text{site} \times \text{remit}_\text{exp_car} \) \]

Results

Interpretation of the model is straightforward. For instance, given a dichotomous covariate \( X \), the hazard ratio of two events \( \{X = 0\} \) and \( \{X = 1\} \) is

\[
\frac{h(t, X, \hat{\beta} | X = 1)}{h(t, X, \hat{\beta} | X = 0)} = \frac{h_0(t) \exp(\hat{\beta})}{h_0(t)} = \exp(\hat{\beta})
\]

which is just, under main effects model, the exponentiation of the coefficient. For a continuous variable \( Z \) that is linear on the log-hazards, the hazard ratio of two events \( \{Z = z + c\} \) and \( \{Z = z\} \) is

\[
\frac{h(t, Z, \hat{\beta} | Z = z + c)}{h(t, Z, \hat{\beta} | Z = z)} = \frac{h_0(t) \exp(\hat{\beta})}{h_0(t)}
\]
\[ = \exp(c\beta) \]

which is just the exponential of the coefficient multiplied by the difference between the two event values.

Based on the model in Equation (1), the following are some interpretations:

1. **Site.** Rate of establishing a business of OFW households in Carmona compared to Mabini is expressed by
   \[ \exp(0.12 + 2.213 \text{remit}_\text{exp}_{\text{car}}) \]
   This means that those in Carmona have significantly higher establishment rate compared to Mabini, i.e. 1.1 times. Among those who invested remittance in vehicles, the establishment rate is even higher.

2. **Household size.** An OFW household with five members can establish a business \[ e^{0.178} = 1.2 \] times a household with six members

3. **OFW sex and education.** Investment rate of female OFWs compared to males is expressed by
   \[ \exp(-1.65 + 1.64 \text{ofw}_\text{coll}) \]
   which means that generally, female OFWs do not invest more compared to males but the difference is minimal among those who reached college.

   In terms of education, investment over time of those who reached college compared to those who did not is given by
   \[ \exp(-0.259 + 1.64 \text{ofw}_\text{sex}) \]
   The marginal effect (-0.259) is relatively weak. This means that college education almost does not matter unless among female OFWs.

4. **Allotment OFW remittance.** The following are interpretations in terms of the usage of the remittance.
   - **Food.** OFW households who did not use their remittance for food can establish business more than twice (2.67) those who used their remittance for food.
   - **Vehicle.** Investment rate over time of OFW households who used use their remittance for purchasing cars or vehicles compared to those who did not is expressed by
     \[ \exp(-2.937 + 2.213 \text{site}) \]
     This means that in Mabini, those who had used their remittance in cars are far less likely to invest compared to those who did not use their remittance for vehicles. In
Carmona, however, the difference is interchanged wherein even buying cars using remittance does not hinder investment.

- **House/lot.** Investment rate of OFW households who did not use their remittance for acquiring house/lot can is almost 1.7 times those who used their remittance for acquiring house/lot.

- **Banking.** On the other hand, investment rate OFW households who used their remittance for saving in banks is thrice those who did not use their remittance for savings in banks.

### 8. Summary and Conclusion

There are significant factors that are associated with the odds and rate of investing in business as well as type of business being put up. Results show that there is a significant difference between the two sites in terms of investing in business as well as when these investments were made. OFWs in Carmona are generally more likely to invest in business and even quicker compared to Mabini. Carmona OFWs are more than 2.8 times likely to invest OFW earnings in business and at least 0.1 times faster compared to Mabini. Other significant factors in facilitating or inducing investment include length of sending OFWs, skill in business planning, college education (among females) and household savings. Significant factors that hinder or slow down investment are sickness, extent of dependence on OFW remittance, dependents, and allotment of remittances on household needs and expenditures (food, house, vehicles, health, and utilities). In terms of type of business, OFWs with members skilled in sales, business planning, human resources management and purchasing tend to invest in retail trade business while those with members skilled in operations management and IT tend to invest in finance, services and manufacturing. Majority of the skills are not relevant in engaging in agricultural business save for sales.

Below is a table showing the summary of characteristics of OFWs and a summary of the impact of remittances to local development.

<table>
<thead>
<tr>
<th>Table __. Summary of characteristics of OFWs, by site</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Carmona</strong></td>
</tr>
<tr>
<td><strong>Destination of OFWs (most common)</strong></td>
</tr>
<tr>
<td><strong>Mean age</strong></td>
</tr>
<tr>
<td><strong>Sex</strong></td>
</tr>
<tr>
<td><strong>Relationship within the household</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Educational attainment of OFWs</strong></td>
</tr>
<tr>
<td><strong>Number of years working abroad</strong></td>
</tr>
</tbody>
</table>
Occupation of OFW | Service workers and shop and market sales workers | Laborers and unskilled workers  

Sector of employment | Manufacturing | Households as employers; undifferentiated goods-and-services  

Note: Included in the sample are 68 households with OFWs. Eight households have no OFW members at the time of the survey.  
Source: CBMS Survey, 2013  

| Table 1. Summary of impacts of remittance to local development | Carmona | Mabini  

| Remittance-related businesses | Remittances are used in 68 percent of all businesses | Remittances are used in 59 percent of all businesses  

| As start-up capital | Remittances provide start-up capital in 6 out of 10 businesses | Remittances provide start-up capital in 7 out of 10 businesses  

| As continued support for business | Remittances provide continued financing for 7 out of 10 businesses | Remittances provide continued financing for 7 out of 10 businesses  

| Business type | Small retail stores (32.4%) | Fishing and livestock-related businesses such as fishing boat, goat and pig raising (20.5%)  

| Why use remittance for business | Used as source of additional income | Used as source of additional income  

| Tax generation | Less than half of the businesses with business permits, since majority of the businesses are small retail stores, majority have barangay permits instead of business permits | More than half of the businesses have business permits  

| Ease of getting business permit | Easy | Easy  

| Average employment size | 6 employees, including owner | 2 employees, including owner  

| Use of remittances | Around 84 percent of households use remittance for food and other consumption items such as housing, purchase of land, or vehicles. But interestingly, some 32 percent of the households used a portion of the remittance as bank savings | Around 92 percent of households use remittance for food and other consumption items such as housing, purchase of land, or vehicles. About 41 percent of households also allot portion for business. Interestingly, around 31 percent of households allot for payment of debts incurred by the OFW  

| Improvement on the socio-economic conditions | Conditions of the sample were generally improved compared to last CBMS survey year, however, the number of unemployed persons increased. | Conditions of the sample were generally improved compared to last CBMS survey year, though there are still income poor households and the proportion of food poor households have slightly increased.  

| Share of remittance to total | More households with less than | More households with less than
### Income and Remittance

<table>
<thead>
<tr>
<th>Income</th>
<th>50 percent share of remittance to total income</th>
<th>50 percent share of remittance to total income, though some households have 90 to 100 percent share of remittance to total income, the stop of remittance flow can cause these households to slide into poverty.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average share of remittance to total income is 37 percent.</td>
<td>Average share of remittance to total income is 41 percent.</td>
</tr>
</tbody>
</table>

Note: Out of the 76 households in the sample, 69 households have businesses and only 48 of these households used a portion of the remittance for their businesses.  
Source: CBMS Survey, 2013

### 9. Recommendations

One finding in the econometric analysis section is the association of skills with types of businesses put up by OFWs. OFWs with or with members skilled in sales, business planning, human resources management and purchasing have the propensity to invest in retail trade business. On the other hand, OFWs with or with members skilled in operations management and IT tend to choose finance, services and manufacturing industry. It is can be noted as well that almost none of the skills is relevant in engaging in agricultural business save for skills in sales—OFWs with or with members skills in sales are more invested agri-business compared to finance, services and manufacturing.

The OWWA hosts a reintegration programs which aims to facilitate the return of OFWs into the Philippines. Among the program OWWA conducts are reintegration preparedness program which includes “trainings on value formation, financial literacy, entrepreneurial development training (EDT), techno-skills and capacity building trainings” (OWWA, n.d.), and an in-country reintegration program which includes “job referrals [for local and overseas employment], business counselling, community organizing, financial literacy seminar, networking with support institutions, and social preparation programs” (OWWA, n.d.). Further, the OWWA in cooperation with the Land Bank of the Philippines and the Development Bank of the Philippines offers a 2 Billion-Peso Reintegration Fund for enterprise development is a loan facility where a member or their legal dependent can avail of Php 300,000.00 to Php 2 million loan (OWWA, n.d.). Another loan facility is the OWWA-NLDC Livelihood Development Program for OFWs “where an OFW can avail of Php 200,000.00 or Php 1 million pesos for group borrowers” (OWWA, n.d.).

Under the OFW Reintegration Program, eligible projects are projects that will generate a net monthly income of not less that PHP 10,000.00 are eligible under OFW-RP.

The National Reintegration Center for OFWs (NRCO) under the Department of Labor and Employment also facilitates reintegration programs for OFWs. The components of the National Reintegration Program include the following:

- Counseling
a. Counseling on values formation, family support, and importance of preparing for their eventual return and realization of their family goals as an offshoot of overseas employment.

b. Counseling on re-entry options such as wage employment, livelihood, entrepreneurship and business options.

c. Counseling on savings, financial planning, money management and investment options.

- Training and capability
  a. Skills training, retooling and upgrading
  b. Financial Literacy/Money Management
  c. Entrepreneurship Training

- Wage employment
  a. Job search assistance for local or overseas employment

- Entrepreneurship/Micro-Enterprise Development
  a. Assistance for business capital (or starter kits)
  b. Assistance to obtain business loans and other credit facilities
  c. Assistance for technology and product development and marketing

The NCRO also facilitates a reintegration program for distressed OFW returnees.

- Rescue and temporary shelter assistance
- Legal assistance
- Medical assistance
- Repatriation assistance
  a. Airport assistance
  b. Transfer assistance to residence
- Economic assistance

Based on the results from the survey in Carmona and Mabini, OFWs do engage in entrepreneurial activities, however, these businesses are usually small in terms of asset size and number of employees and the impact to the community in terms of local development may not be so big. The survey results seem to suggest that pooling of resources of OFWs to finance bigger entrepreneurial activities may be explored. All businesses covered were single-proprietorship and this may be one reason why businesses were relatively small. Further pooling of resources of OFWs can also be utilized to finance bigger projects for the development of the community. To illustrate, during the field survey, when households in Sitio Jolo in Mabini were visited, it was noticed that though it was very far from the Poblacion, roads were in very good condition. The guides informed the Team that the OFWs in Sitio Jolo donated to have the roads repaired for the Sitio to be accessible.

Reintegration programs such as financial literacy, look at what financial instruments
Retirement programs
Easier methods of sending remittance (?)

Another finding of the study is that the average start-up capital is about Php127000. This means that the OFW households have to save up over a period of time to come up with sufficient capital. This points to the importance of making available various financial instruments for OFWs and
their families to promote savings. The most common option is putting savings in banks but this yields very low interest. At present, savings deposited in banks earn only half a percent annually, even less than the inflation rate. Thus, there is a need to develop more attractive financial instruments to encourage households to save and invest here in the Philippines.

Works Cited


APPENDIX

Table __. Summary of Goodness-of-Fit Steps for the Logit Model

<table>
<thead>
<tr>
<th>Step</th>
<th>Df</th>
<th>Deviance</th>
<th>Resid. Df</th>
<th>Resid. Dev.</th>
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<td>98.945</td>
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<td>107.74</td>
<td>123.74</td>
</tr>
</tbody>
</table>

Table __. Logit Model Estimates of Significant Covariates

<p>| $X_j$  | $\hat{\beta}_j$ | $SE(\hat{\beta}_j)$ | Wald $Z$ | $P(Z &gt; |Z|)$ | 95% CI | Sig. |
|--------|-----------------|----------------------|----------|-------------|--------|------|
| intercept      | 2.367           | 1.117               | 2.12     | 0.034       | 0.177  | 4.557 | ... |
| site           | 1.061           | 0.54                | 1.96     | 0.049       | 0.003  | 2.119 | ... |
| oa_ofw_len     | 0.085           | 0.034               | 2.54     | 0.011       | 0.019  | 0.151 | ... |
| hsize          | -0.399          | 0.14                | -2.84    | 0.004       | -0.673 | -0.124 | *  |</p>
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<thead>
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AIC: 123.74
Deviance: 107.74
Df: 112