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Remittance Investment Climate Analysis: Framework and Methods to Ascertain the Local Development Potential of Overseas Remittances

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ABSTRACT

This paper presents the integrated mixed methods results and findings of four community-based studies on the local development potential of overseas remittances. We developed a Remittance Investment Climate (ReIC) analytical framework that outlines what the rural origins of overseas migrants need to see for their remittances to make productive contributions locally. This ReIC framework was piloted through a mixed methods tool called the Remittance Investment Climate Analysis in Rural Hometowns (RICART) and was conducted over a four-year period in four rural municipalities in the Philippines. The interactions between remittance owners (remitters abroad and their families) and their rural hometowns' investment climate conditions were analyzed. The results and findings on remittances being saved, invested and parked as operational enterprises locally are contextualized per municipality. We find that the interventions by local authorities to improve investment conditions are important actions, but so are improving rural residents' financial literacy levels, and their practices surrounding financial inclusion and financial functioning. The local development potential of remittances thus rests on conjoint actions to improve local investment climate conditions and regulations, and the financial capabilities of rural residents.

KEYWORDS: Overseas remittances; migration and development; hometown investing; Remittance Investment Climate Analysis in Rural Hometowns; mixed methods

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INTRODUCTION

This paper aims to find out if overseas migrants originating from rural areas in home countries save and invest their foreign earnings in their birthplaces. In turn, we try to ascertain if the investment climates in their rural hometowns are capable of mobilizing such resources for local development. Remittances flow into these communities and have the potential to support local development. This potential comes from the direct and spill-over benefits of remittances to migrant and non-migrant members of their hometowns.

To answer these questions, this research employed a mixed methods tool in four municipalities in the Philippines, over a four-year span. This tool is called the Remittance Investment Climate Analysis in Rural Hometowns or RICART (Ang and Opiniano 2016a; Global Development Network 2019), and enables conjoint analysis of the financial behaviors of residents, and of the investment climate conditions of municipalities. An understanding of the dynamics between people and place on a specific activity, investing overseas remittances at home, will reveal the context as to why remittances may or may not be an automatic resource for local development.

At global and national levels, the economic value of remittances is large: in 2018 they were worth US$689 billion to all countries, and US$529 billion to developing countries (World Bank 2019). Migration and remittances are part of broader, prevailing development processes like poverty, population movements or even political (in)stability. Migration and remittances are *both causes and effects* of development processes (De Haas 2003). This research does not determine the economic impacts of remittances on origin communities. Instead, it analyzes remittances in terms of what are present in origin communities (Cohen 2005; Nijenhuis 2010; Zewdu 2014).

The development outcomes of remittances are heterogenous, revealing both positive and negative economic consequences (Taylor et al. 1996; Lucas 2007; De Haas 2010; Cohen 2011).

Remittances also lead to differing outcomes depending on socio-economic circumstances in the geographic communities where migration originates (De Haas 2006, 2009). Analysis of remittance-and-development dynamics becomes interesting when rural areas are the loci of the analysis. Rural areas are places where economic and human development conditions are or could be low (Seigel and Waidler 2012). However, rural areas may also be the main recipients of both overseas and domestic remittances. This abundance of resources is a livelihood diversification strategy (World Bank 2008), as well as a risk-sharing mechanism (Stark and Bloom 1985; Taylor 1999), for rural households.

Hence, remittance relationships between overseas senders and rural-based receivers logically generate possibilities for more productive remittance usage at home (Ang and Opiniano 2016a). It is also possible that conducive local conditions for remittance investments — better infrastructure, functional financial institutions, easy business licensing systems, accessible social services — are either missing or are less-developed in rural areas (Taylor et al. 1996), thus posing barriers to the productive use of remittances.

Observations and trends from four Philippine rural municipalities are shared in this paper. Mixed methods findings are presented through *typologies*, enabling readers to see how the household and community contexts in which remittance usage operates can lead to varied remittances-and-local development outcomes. RICART is presented here as a methodological contribution to the analysis of the remittances-local development nexus (Taylor et al. 1996). The findings will offer recommendations to rural hometowns on this general issue: what policies and steps can rural hometowns implement to harness overseas remittances productively considering the financial and social conditions of overseas remitters and the recipients in their hometowns?

A POSITIVE RURAL INVESTMENT CLIMATE FOR REMITTANCES?

COMMUNITY AND HOUSEHOLD DETERMINANTS

Generally, the outcomes for local development depend on the presence or absence of a conducive economic environment (Taylor et al. 1996, 411). What receiving families and communities can get from remittances are *direct and indirect* economic benefits such as increased household savings; new enterprises being set up; human capital development, asset acquisition; additional labor that can handle migrant households' property, agricultural and entrepreneurial ventures; local taxes resulting from purchases; and some donations for local development projects. Thus, the demand for origin communities, particularly local authorities (Massey et al. 1998) "to get its economic house in order… to finance public works and infrastructure… [and to] establish… village cooperatives, workers' companies, special banks, or other local schemes designed to channel foreign earnings into productive enterprises" (Taylor et al. 1996, 411; also in Orozco 2008) is increasing.

Demands for a better local investment climate may be daunting for rural areas because they have prevailing structural and institutional constraints (World Bank 2008). Rural areas' levels of productivity are also marked by small labor force, low wages and less-secure employment. The productive economic bases of these communities are also reduced to commercial activities, subsistence agriculture, and some artisanal industrial work (Orozco 2008). Geographical contexts such as topography, access to nearby markets, dependence on agriculture, among others also mark the unique nature of economic activities in rural areas. These economic and spatial realities underscore migration and development's links with geography (Gamlen 2014) Prevailing economic and geographic constraints in rural areas are reasons why some say investing remittances there may be risky (IOM and the Egypt-Ministry of Manpower and Migration 2010).

Previous studies identify the history of the migration experience of a place; transnationalism (i.e., the societal and economic connections of migrants with family members and other individuals and institutions in two countries) (Cohen 2005); the biophysical environment (De Haas 2003); the political quality of local governmental institutions (Nijenhuis 2010); and local culture and kinship (Aguilar 2009), rural financial intermediation, infrastructure, and business and government services as visible factors for the rural investment climate (World Bank 2007). These factors influence the local outcomes of overseas remittances.

Nevertheless, there are some rural birthplaces that currently have dynamic economies due to the proliferation of formal and informal enterprises (Sheehan and Riosmena 2013). The influx of remittances has continued to stimulate rural economic activity and diversify income sources in these rural areas (Kangmennaang, Bezner-Kerr and Luginaah 2017).

However, it is not only the rural investment climate that matters. The financial capabilities of people are the roots of their decisions to use their resources for purposes such as savings, entrepreneurship and investment. Financial capability refers to the person's ability and opportunity to act about money and finance in ways that contribute to financial functioning (Birkenmaier and Huang 2014; Sherraden and Ansong 2016). Financial capability covers three dimensions: *financial literacy* (knowledge, skills and attitudes), *financial inclusion* (access to formal and appropriate financial products and services), and *financial functioning* (actions on finance; options for specific forms of financial behavior) (Birkenmaier and Huang 2014; Sherraden and Ansong 2016).

Migration and remittances are ripe for financial capabilities research, because it remains unclear how overseas migrants and their households utilize their financial capabilities, and how family members make financial decisions in home societies (Lacsina and Opiniano 2017). With the socio-economic conditions in rural hometowns as contexts for decision-making, remittance owners' financial capabilities are the stimuli that households operationalize and where the local development potential of remittances rests.

Hence, we hypothesize that harnessing overseas remittances for local development *conjointly rests* on the investment and socio-economic conditions of origin communities, and the financial capabilities of remittance senders and recipients.

FRAMEWORK: REMITTANCE INVESTMENT CLIMATE (ReIC)

This study is premised on the uses of remittances, on the role of the household in remittance usage, and on the contexts surrounding livelihood and rural investment that take geography into account. The *New Economics of Labor Migration* (NELM) theory of Oded Stark (Stark and Bloom 1985; Taylor 1999) is important in this regard. NELM states that households make migration decisions to raise incomes and investable funds, and to insure the household from prevailing local economic risks (e.g., imperfect credit markets, absence of insurance, and so on). Origin communities and their migrant as well as non-migrant households eventually benefit; non-migrant households benefit through spill-over benefits (see Taylor and Dyer 2009; Taylor, Zabi and Eckhoff 1999). The NELM is an innovative theory (De Haas 2003) because the impacts of remittances can be analyzed at both household and community levels.

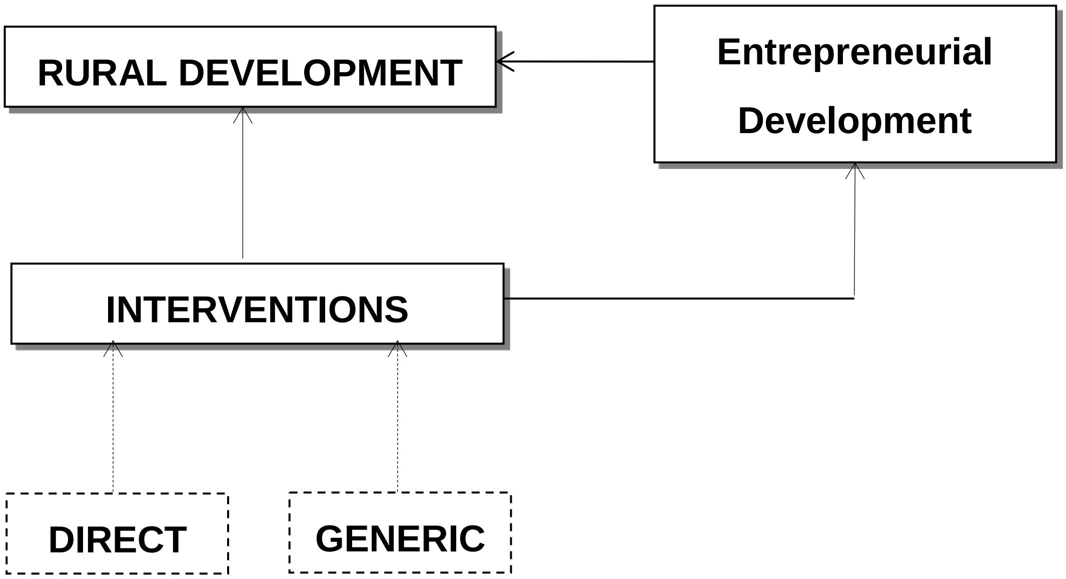
Meanwhile, the concept of *investment or business climate* by the World Bank (2005, 2) speaks of "the many location-specific factors that shape the opportunities and incentives for firms to invest productively, create jobs, and expand." A good investment or business climate is not just about generating profit through minimizing costs and risks for firms, it is also about improving outcomes for society as a whole. This means some costs and risks are properly borne by firms, and that competition spurs innovation and productivity so that the benefits of improved productivity are shared with workers and consumers (World Bank 2007).

We applied these considerations to the rural locality while adapting the World Bank's Rural Investment Climate (RIC) framework (2007) and added the role of remittances in the RIC. The framework on the elements of rural investment (*see Figure 1*) shows that rural development is affected primarily by two types of intervention: *direct* through specific sectors or through targeted groups; and *generic* through the basic enabling environment, capturing aspects such as law and order, property rights, and availability of public services. The interactions of these interventions can stir rural entrepreneurial development and, in turn, rural development. However, entrepreneurial development and assistance in general may be limited and may not easily reach small entrepreneurs in rural areas. Around 70% of the poor live in rural areas and between 30-to-40% of rural income comes from rural non-farm enterprises. Thus, the overall impact of private rural enterprises is a game-changer for rural development.

In this context, we present a *Remittance Investment Climate (RelC) framework* (*see Figure 2*) (Ang and Opiniano 2016a). The conditions that generate rural investments are no different from those that can attract investments coming from international (or domestic) remittances. Thus, the factors and interventions that control rural investment both need to be effective to similarly bring in remittance-induced investments. The barriers that affect local rural development similarly affect remittances from staying or being brought into rural hometowns. Once there is a positive convergence of the factors between the RIC and the ReIC, we can have a condition wherein migrants and their families find it conducive to invest, and one that also can induce investment from other local and external entrepreneurs.

FIGURE 1

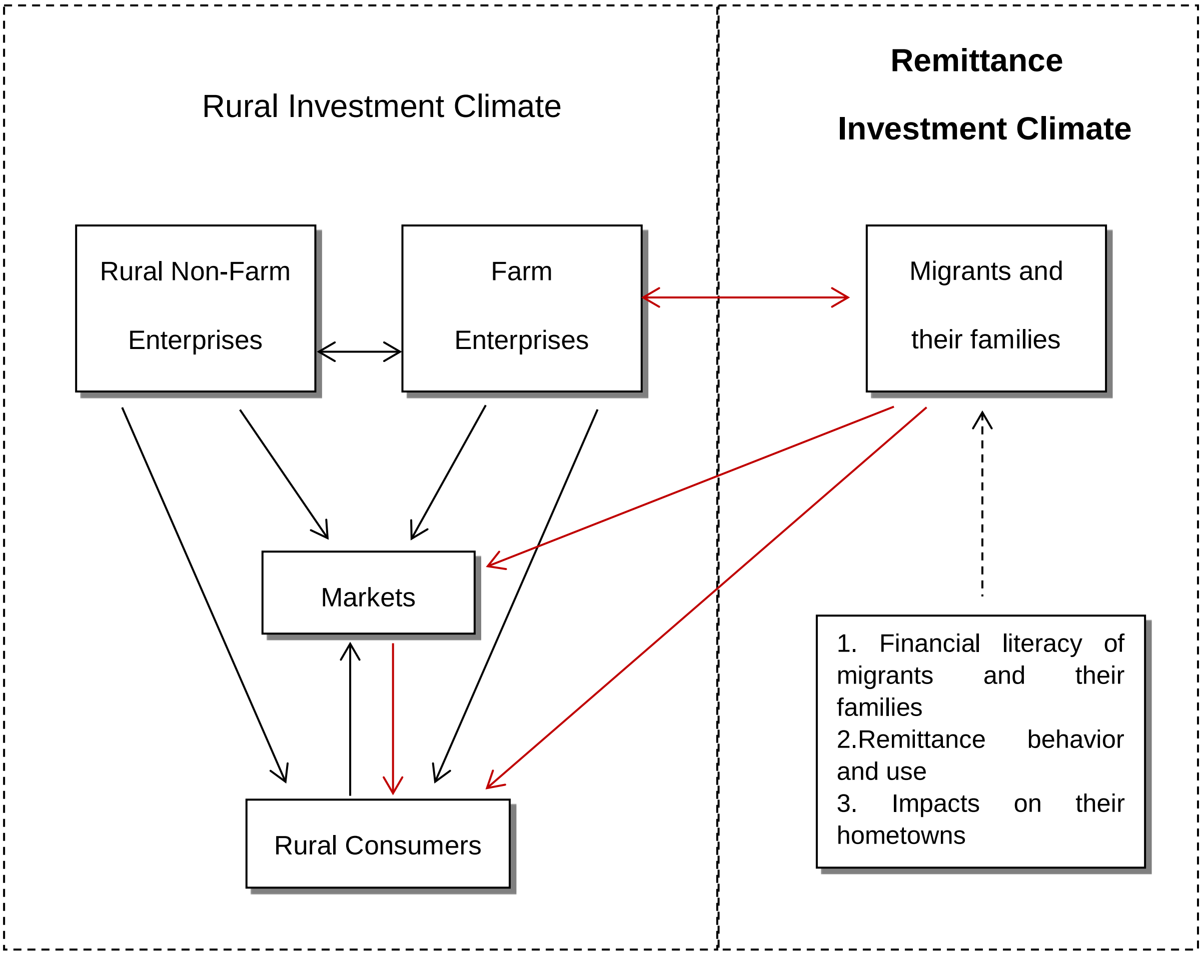
ELEMENTS OF A RURAL INVESTMENT CLIMATE



Source: World Bank (2007), adapted by the authors.

FIGURE 2

REMITTANCE INVESTMENT CLIMATE (ReIC) FRAMEWORK



Source: Ang and Opiniano (2016a, 18).

The analysis of the ReIC requires a description and assessment of the *interactions between entrepreneurs, the market and consumers*. These interactions operate in the context of how the locality is governed, with local governments regulating and providing both direct and generic interventions for a locality's enabling climate for investment and business. What follows is to look at migrants and their families as consumers, savers, entrepreneurs, investors and a target market of the locality's investment climate. The analysis of migrants and their families' interaction with the ReIC require examining their usage of remittances, their financial capabilities, their views on the rural birthplace's investment climate, and the impact of their remittances on the hometown. It is also required to look at the local conditions present: policies, development profiles, financial institutions in the locality, or even the geographic location of a rural hometown (e.g., proximity and connectedness to cities and nearby markets, topographical terrain, and so on). In that regard, a mixed methods approach is fitting when seeking to capture interactions between people and place.

Remittances and local development analysis as 'diffractive'

Overall, remittances and local development are inherently complex. Such complexity reveals the heterogeneity of remittances' socio-economic outcomes, and the specific socio-economic circumstances in communities that may lead to differing, contextualized economic outcomes (De Haas 2006; De Haas 2009).

Thus, a *diffractive approach* to understand these geographic and economic variances of remittances locally may be appropriate (Uprichard and Dawney 2019). Diffraction is a concept taken from physics. It pertains to an approach to integrate the various understandings of an entangled phenomenon — measuring the "effects of difference (and) even more profoundly (highlighting, exhibiting and making evident) the entangled structure of the changing and contingent ontology of the world" (Uprichard and Dawney 2019, 26-27 [quoting Barad 2007]). Thus, in a supposedly linear phenomenon, different actors, processes and outcomes may be revealed. This is similar to how the rays of the sun or water, when heading to a barrier, lead to differing waves across that barrier (i.e., diffraction). The outcomes of remittances that go to differing households and institutions, and that get influenced by local policies, regulations and other factors, are like the diffractive waves mentioned above. All these elements are found in a place, but they may have to be understood holistically amid visible entanglements, similarities and differences.

The remittances-local development nexus is dynamic, multi-dimensional, emergent and diffractive. Thus, quantitative and qualitative methods may have to be used to reveal different aspects of entangled phenomena (Uprichard and Dawney 2019, 23). Thus, the mission of diffractive approaches is to reveal the “complexity, messiness and instability” of a social object or a social phenomenon (Uprichard and Dawney 2019, 27). This paper shows the “messiness” of the phenomenon under study, and the relationships between the following elements:

- Rural localities’ investment/business climates and financial institutions, and linking these to how rural areas are governed by local authorities;
- The remittance behavior and financial capabilities of rural-based/originated (overseas migrant) residents; and
- The interaction of remitting-owning economic agents with the institutions, policies and norms of their rural birthplace (with which these agents are supposed to be familiar).

MIXED METHODS DESIGN: RICART

This section discusses the mixed methods tool used to ascertain the rural development potential of overseas remittances: RICART, *Remittance Investment Climate Analysis in Rural Hometowns*. RICART analyzes the financial behaviors and actions of overseas migrants and their families, and the socio-economic and investment conditions of a rural birthplace. RICART has overseas migrants, migrant and non-migrant households, and the rural locality as the units of analysis (Ang and Opiniano 2016a; Global Development Network 2019).

Research sites and design

RICART is implementable in any hometown community of migrants. Of interest here is the selection of communities that are close to and distant from cities, with cities providing spill-over economic benefits to the communities adjacent to them.

The mixed methods data came from RICART's pilot implementation in four municipalities in the Philippines, covering three research rounds that spanned four years. The research sites are: Round 1 (2011-2012) – Magarao in Camarines Sur province (southeastern part of Luzon island) and Maribojoc in Bohol province (central Philippines); Round 2 (2012-2013) – Pandi in Bulacan province (some 39kms. northeast from the Philippine capital Manila); and Round 3 (2014-2015) – Guiguinto, also in Bulacan province (some 33kms. northwest of Manila).

A market survey (quantitative) and the rapid rural appraisal (RRA) method (qualitative) were implemented. We thus executed a parallel, simultaneous mixed methods design (Teddlie and Tashakkori 2009) since both the market survey and the RRA were implemented concurrently.

Quantitative methods

The market survey for both overseas remitters and rural households (migrant and non-migrant) captured not just income-and-expenditure and/or remittance behaviors. It also assessed the financial capabilities (Birkenmaier and Huang 2014; Sherraden and Ansong 2016) of households, covering financial literacy or knowledge, financial inclusion, and the financial functioning or actions of the community (e.g., saving, investing, and so on). RICART's first round only surveyed remitters and migrant households. Non-migrant households were added, as a comparison group, in succeeding RICART rounds.

The Philippines does not have reliable local data on the number of overseas migrants from its origin communities. That is, even if national government agencies processing migrant workers and emigrants (the Overseas Workers Welfare Administration [OWWA] for the former, and the Commission on Filipinos Overseas [CFO] for the latter) provided numbers of registered overseas Filipinos, it was difficult to ascertain the actual number of migrants in a locality. To offset this, we implemented snowball sampling techniques for the surveys of the four municipalities.

A migrant list in Magarao meant that the researchers employed census sampling. House-to house visits in the town's 15 villages then led to referrals to other families said to have overseas migrant family members. Maribojoc also provided a directory of migrants, as a local socio-economic survey dataset determined the income levels of Maribojoc's 22 villages. Villages were sampled based on income (first level), on the number of households (second level), and through village quotas given the directory of migrants received. All 15 villages in Magarao were surveyed, and so were 20 of the 22 villages in Maribojoc.

The Pandi and Guiguinto rounds had already included non-migrant households as respondent groups. Pandi has no local data on the number of overseas migrants. Thus, researchers set quotas on the number of required respondents in all of Pandi's 22 barangays (using the town's population counts) through proportional sampling. Referral and snowball sampling also guided the search for survey respondents in Pandi and Guiguinto, the latter also because of the absence of a census list of migrant households. A municipal-wide group of migrant families, called the Guiguinto Overseas Filipino Workers (OFW) Family Circle, helped researchers get respondents from within and outside their membership. All 14 villages in Guiguinto contributed respondents.

Most survey respondents are female and have migrant family members who are "laborers and unskilled workers" (especially domestic workers) and "service workers/

shop/market/sales workers.” Predominant in these respondents are university and high school graduates.

Qualitative methods

One method used in the RRA was documentary analysis, a long-standing method of collecting printed and electronic data (even artifacts and other types of data) about a phenomenon or a case. Documentary analysis is a “systematic procedure for reviewing or evaluating (printed and electronic) documents” on a phenomenon being studied. This design “requires that data be examined and interpreted” so as to decipher meaning, elicit understanding, and generate empirical knowledge (Bowen 2009, 27). It is important to note that these documentary data were generated without any intervention from the researchers.

Information and data from the local government and the surrounding financial institutions were gathered. Data sources were the different offices of local government (e.g., agriculture, business permits, treasury, and so on) and of other local stakeholders. External data of the locality (e.g., state of local governance as assessed by external parties), as well as secondary data from administrative statistics or ordinances about and producing the rural locality, proved useful.

RICART’s RRA staged key informant interviews and focus group discussions. Target respondents included local officials, local financial institutions (banks, credit unions or cooperatives, microfinance institutions, and so on); local entrepreneurs; community groups (e.g., people’s organizations); and overseas migrant and non-migrant households who have (no) investments and/or enterprises in the rural hometown.

The four-year pilot run of RICART (see Table 1) saw efforts to get ample numbers of respondents, and gather sufficient amounts of documents whose access and acquisition were permitted. Some municipalities have fewer respondents than others, reflecting not just the limited number of overseas migrants in a place but the willingness of target participants to lend their views and experiences on the sensitive topic of money.

A hometown conference was staged in all four municipalities; the towns and the researchers' respondents were also treated to a free financial literacy lecture as a way of thanking them for being respondents to the RICART project. Local authorities also acknowledged and took note of research results and findings.

Mixed methods analysis: Municipalities' remittance investment climates

The mixed methods design implemented in RICART brings forth opportunities to carefully analyze the interactions between the locality and its rural households. This paper presents the *trends* across the four municipalities especially given the use of similar research instruments and questions. At the same time, this paper provides a methodological contribution to the mixed methods approach: *aggregating four individualized mixed methods analyses into one meta-analysis*.

Quantitative analyses

Presented here are descriptive statistics on the following themes: *demographic and overseas migration profiles* (the latter not applicable to non-migrant households); *sources of income*; *expenditures made*; and *financial capabilities* (Birkenmaier and Huang 2014; Sherraden and Ansong 2016). These mostly relate to: a) *financial literacy*; followed by items on b) *financial inclusion* (i.e., having a savings account, and saving incomes); c) *financial functioning* (investing and doing business within and outside the rural hometown); and finally *views on their localities' investment climate conditions*.

TABLE 1
RESEARCH RESPONDENTS TO THE PILOT RUN OF RICART

Rural hometown	RICART round, year	Quantitative: Market Survey Respondents (N)				Qualitative: Rapid rural appraisal respondents (key informant interviews, focus groups = N)	Mixed methods design in terms of *priority* [1] given actual fieldwork (adopting Creswell 2015 and Creamer 2018)
		Remitters	Migrant Families	Non-Migrant Families	Total		
Magarao, Camarines Sur *565* overseas migrants, or *2.33%* of 24,274 population (2010)	Round 1: 2011-2012	22	62	NA	84	• Officials from local government (6), a rural bank (1), a cooperative (1) and a people's organization (1) • Migrant and non-migrant entrepreneurs (1 a piece)	QUAL + quan
Maribojoc, Bohol *760* overseas migrants, or *3.71%* of 20,491 population (2010)	Round 1: 2011-2012	47	96	NA	143	• Officials from local government local officials (4), a cooperative (1), microfinance institution (1) and a people's organization (1) • Migrant and non-migrant entrepreneurs (1 a piece)	QUAL + quan
Pandi, Bulacan *2,182* overseas migrants, or *3.27%* of 66,650 population (2010)	Round 2: 2012-2013	40	79	69	188	• Officials from local government (8), rural banks (2) and cooperatives (3). • Migrant (6) and non-migrant entrepreneurs (4) • Migrant donor organizations based overseas (2)	QUAN + qual
Guiguinto, Bulacan *3,959* overseas migrants, or *4.37%* of 90,507 population (2010)	Round 3: 2014-2015	36	120	73	229	• Officials from local government (11), a rural bank (1), a thrift bank (1), cooperatives (4), and an overseas workers family circle group (1) • Migrant household heads (14)	QUAN + QUAL

Legend: QUAN + qual – quantitative is priority | QUAL + qual – qualitative is priority| NA – not applicable.
Documents and secondary data for each research site were collected within and outside every rural municipality. Sources of data on overseas migrants (temporary and permanent) came from the Overseas Workers Welfare Administration (OWWA) and the Commission on Filipinos Overseas (CFO).
[1] – Letters in capital letters show that the research design is prioritized or is driven by it —whether one over the other (QUAN/QUAL) or equally (Creswell 2015; Creamer 2018).

Qualitative analyses

Each municipality's investment conditions were analyzed in-depth using the case study design. The respondents and the documents helped researchers weave individual municipal stories of hometown remittance investing. At the same time, the analysis of a municipality's investment climate was guided by the use of a Philippine framework on local economic competitiveness (Luz and Ang 2013). This was the Cities and Municipalities Competitiveness Index (CMCI) and provided themes on how to analyze a locality's economic competitiveness: *economic dynamism, government efficiency, and infrastructure* (Luz and Ang 2013; for reference, see http://cmci.dti.gov.ph). More importantly, data to cull information on these CMCI themes were taken from the localities — which the research team similarly did during fieldwork.

Mixed methods analyses

Mixed methods will occur if quantitative results and qualitative findings are purposively *integrated* (Creswell 2015; Creamer 2018). Integration demonstrates the production of analyses from both methods that neither quantitative nor qualitative methods can fully provide on their own (Creamer 2018; Bazeley 2019). This is true even if these results and findings complement, contradict or do not provide thematic matches between themselves.

Results and findings from the various methods are presented here as a *joint display* table (Creswell 2015). The joint display table presents the interactions between the rural locality and its economic agents as regards the productive local usage of remittances. The joint displays of data from the four municipalities are also presented as *multiple case studies.*

Diffractive mixed methods analysis approach through typologizing

Uprichard and Dawney (2019) speak of the diffractive approach to mixed methods research and data integration as producing "cuts" of data. This means "allowing for mixed methods research to produce different kinds of empirical snapshots or jagged or 'blurry-boundaried' cuts of an object of study, and then exploring how these may be used to expose various different, non-aligning layers" (Uprichard and

Dawney 2019, 29). Simply put, diffractive mixed methods read and allow the data “to (not cohere, to) disintegrate, and (to) not reproduce objects of study” (Uprichard and Dawney 2019 29).

Implementing this approach, we took cuts of the quantitative and qualitative data *from the four research sites* and developed integrated themes through *typological analysis*. Categorization of the RICART municipalities was done this way, with specific categories (or typologies) becoming related to one another (Ayres and Knafl 2017; Bazeley 2018). Six sets of themes, with each theme having differing typologies, were developed.

Profiles of the RICART municipalities

Magarao is a municipality in Camarines Sur province where some 32.2% of households belong to the poorest of the poor. Rice and corn are the major crops in Magarao (2010 population: 24,274; 2000-2010 annual population growth rate [APGR]: 1.48). Maribojoc in Bohol province has some 20,491 people (2010), with an APGR of 2.01. Maribojoc has around 14.2% of the poorest households, aand rice and coconut are the major crops.

The two municipal sites in Bulacan province are the most populous among the RICART research sites (Pandi, 66,650; Guiguinto, 90,507 [both in 2010]), as well as the highest APGRs (Pandi, 3.32; Guiguinto, 2.57). The number of Guiguinto’s poorest households (2.14 percent) is the lowest among the four RICART sites. Pandi has 21.6% of the poorest households, owing largely to being a resettlement site for the urban poor in Metro Manila (the country’s capital region). Rice is the two Bulacan towns’ major crop, although fruit crops are bountiful in Guiguinto.

The Philippines classifies provinces, cities and municipalities by income-levels — referring to how much local governments earn annually from national and local revenue sources. At the time of the RICART fieldwork, Guiguinto was the richest municipality (first income-class), followed by Pandi (second class), Maribojoc (fourth class) and Magarao (fifth class).

Overseas migration

Guiguinto had the highest number of overseas migrants (covering land- and sea-based migrant workers, and emigrants who became permanent residents and/or naturalized citizens abroad). Guiguinto also has the highest share of overseas migrant townmates to a municipality's total population. Pandi and Guiguinto benefit from being close to Metro Manila where most of the government agencies processing documents for overseas employment and emigration for permanent settlement are located. However, the least-populated area of Maribojoc has a higher share of overseas migrant townmates to total population, compared to Pandi (*refer to Table 1*).

DATA PRESENTATION THROUGH TYPOLOGIZING

Typologized mixed methods data, by theme

The four sets of municipal data are presented in six themes. These themes serve as guides to typologizing the four municipalities in a joint display. Appendix 1 contains a joint display summary table of the quantitative and qualitative data from the four municipalities.

Theme 1: Geographic proximity

This theme covers the proximity of the rural municipality to a (capital) city. It is assumed that the nearer municipalities are to cities, the more immediate is their experience of the spill-over benefits of urbanization. The situation may also mean that the city benefits from the resources of nearby-to-distant municipalities since rural residents go to the city to make purchases and financial transactions, set up businesses, work, and so on. The typologies here are: 1) *Distant to city markets* - the rural hometown is at least 10kms from the nearest city, *and* another municipality/other municipalities is/are a geographic barrier before reaching the city; 2) *Proximate to city markets* - the hometown is literally beside the nearest city; and 3) *An internally-buoyant market* - the rural hometown is an economically-booming place internally such that it attracts workers, entrepreneurs and investors from neighboring municipalities and (even) cities to it.

Magarao is the most proximate to a city (7.8kms. away from Naga City). Both Maribojoc (13.3kms.) and Pandi are not only distant to their nearest provincial cities; travel to Maribojoc and Pandi from those nearest cities (Tagbilaran in Bohol province and Meycauayan in Bulacan province, respectively) is not easy in terms of the road network, as well as the limited availability of public transport. Guiguinto is proximate to the provincial capital Malolos City (8.1kms.) and is an internally buoyant market. The latter observation is because Guiguinto is bolstered by abundant numbers of manufacturing jobs, retail outlets, financial services and micro-/small-/medium-sized enterprises.

Theme 2: Financial intermediation

This theme speaks of the availability of financial institutions within the municipalities. Simple typologies developed here are *none*, *few* (one-to-five financial institutions) and *abundant* (more than five financial institutions). The financial institutions covered here are banks (commercial/universal, thrift and rural banks), cooperatives, microfinance institutions, pawnshops, and mutual benefit associations (if present).

The higher the income class of the municipality, the more financial institutions operate there. Magarao and Maribojoc only have a few financial institutions. At the time of the fieldwork in 2009, the only bank in Maribojoc (the Rural Bank of Maribojoc) was closed and placed under receivership by the Philippine Deposit Insurance Corporation (PDIC). Pandi has homegrown rural banks and cooperatives that are among the biggest in the province, and that are financially stable based on their financial performance. Guiguinto, for its part, is simply a magnet for the universal and commercial banks and, correspondingly, for the automated teller machines found in the bank branches and in two shopping malls there. Thus, the Bulacan municipalities are classified as *abundant* and the first two RICART research sites *few* in terms of financial intermediation.

Theme 3: Place of overseas migration in local development

This theme concerns the degrees of action available to municipal local governments for their overseas-based population. This finding matters, so we determine if municipalities have taken into account the socio-economic needs of their migrant townmates, and their potential to contribute to local development. Three typologies were identified for this theme: 1) *No action* **-** the rural hometown has no program or service for its overseas townmates; 2) *Reactive* – the hometown responds to the overseas migration phenomenon on occasional/one-shot/"when-needed" bases in examples such as welfare assistance; and 3) *Pro-active* **-** the rural hometown has developed mainstay or active programs and services for its overseas-based population and migrant families.

All rural municipalities recognized the presence of the overseas migration phenomenon which is a prevalent demographic phenomenon across the Philippines. However, only Maribojoc and Guiguinto are seemingly pro-active for their overseas townmates. Their local governments have organized circles of overseas migrant families (Guiguinto's family circles of overseas migrants even have village-level chapters). The local governments' public employment service offices (PESOs) also have active programs and services for overseas workers and their families. Maribojoc has engaged immigrants, through their associations abroad, by asking them (as well as migrant workers) to make investments back home. The investments can either be in the form of infrastructure or through entrepreneurship in identified areas for local investment (e.g., agriculture, locally-known products, and so on) (Opiniano 2010). At the time of the RICART fieldwork, Magarao and Pandi had no programs for their migrant townmates (thus, are classified as "no action").

Theme 4: Financial literacy

This theme was developed out of two specific questions in the migrant household and overseas remitters' surveys. The two questions were *respondents' levels of knowledge and skills on handling money* (from "No" to "Excellent" knowledge and skills), and *where did respondents learn about money and handling money*. Municipalities were categorized based on the majority answers that municipal-level respondents gave to the two questions concerned.

Three of the four typologies here cover those respondents who learned about money and about handling money on their own. The fourth typology is for those who learned about money from formal instruction or training. The remittance-owners were classified into: 1) *Self-learners with no knowledge*; 2) *Self-learners with some knowledge* (i.e., with "unsatisfactory" and "satisfactory" levels of knowledge); 3) *Self-learners with ample knowledge* (i.e., with "good" and "excellent" levels of knowledge); and 4) *Learners* (learning finance from taught environments such as the family, school or seminars).

No municipality was classified as "learners." However, what is surprising is that the poorest municipality (Magarao) is classified as having "self-learners with ample knowledge" about money and handling money. This may reveal that remittance-owning residents in this poor municipality are more careful with their money. All respondent-groups in the four municipalities had a majority who answered that they do not need help in handling money (*see Table 2*).

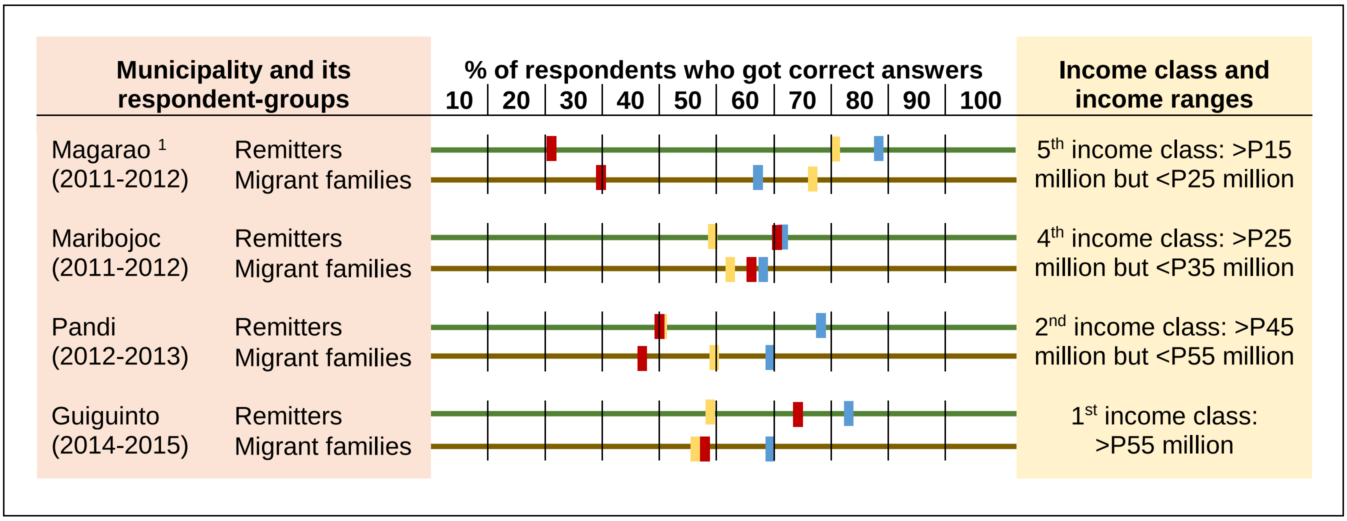
TABLE 2
FINANCIAL LITERACY[1] PROFILE OF HOMETOWNS' OVERSEAS REMITTANCE OWNERS

	Magarao, Camarines Sur [2] (2011-2012)		Maribojoc, Bohol (2011-2012)		Pandi, Bulacan (2012-2013)		Guiguinto, Bulacan (2014-2015)	
	R	MF	R	MF	R	MF	R	MF
Levels of knowledge and skills on handling money (top answer choice)	Satis-factory	No know-ledge	Satis-factory	Satis-factory	No know-ledge	No know-ledge	No know-ledge	No know-ledge
Where did you learn about money? (top answer choice)	Oneself	Oneself	Oneself	Oneself	Oneself	Oneself	Oneself	Oneself
Knowledge of basic finance concepts (% of respondents who gave correct answers)								
• Interest rates	82%	61%	68%	62%	73%	63%	78%	63%
• Inflation	27%	34%	66%	60%	45%	41%	69%	51%
• Loans	77%	71%	53%	58%	45%	54%	53%	51%
Need assistance on handling money? (top answer choice)	No	No	No	No	No	No	No	No

Legend: R – Remitters; MF – Migrant Families.
Sources: RICART surveys 2011-12, 2012-13 and 2014-15.
[1] – Financial literacy is one of the three elements of the concept "Financial capabilities" (Birkenmaier and Huang 2014; Sherraden and Ansong 2016). Refer to Table 3 for the other two elements.
[2] – Small samples only.

The market surveys also asked three questions testing respondents' knowledge of three basic concepts in finance: interest rates, inflation and loans. The majority of respondents who gave correct answers to those concepts revealed disparities in how they knew (or not) these concepts (*refer to Table 2*). No consistent trends can be inferred. However, when the municipalities' remitter and migrant family respondents' answers are graphed (*see Figure 3*), a different picture emerges. In terms of percentage share to total respondents per group, respondents converge towards the middle (i.e., the 41-to-73% who gave correct answers for each basic finance concept). Guiguinto, the richest municipality, saw at least half of its remittance respondent-groups knowing the principles of interest rates, inflation and loans. Nevertheless, what this may reveal is that this knowledge of finance's basic concepts can be linked to how migrant remitters and migrant families actually use money for savings and investment in their rural hometowns.

FIGURE 3
THOSE WHO GAVE CORRECT ANSWERS ON BASIC FINANCE CONCEPTS
(A VISUALIZATION)



Legend: Interest rates Inflation Loans

Sources: RICART surveys 2011-12, 2012-13 and 2014-15.

[1] – Small samples only

Theme 5: Hometown saving and investing

This theme grouped the municipalities in terms of their hometown usage of remittances for savings and investments. The savings-investment connection, this being a basic tie-up in the productive use of money, helped set the typologies for this fifth theme (here, it is necessary to note that respondents were also asked if they had opened or were sustainably running a business in their rural hometowns. This item however is not part of the typology for this fifth theme; including it may make the classification complex). As in the fourth theme, the analysis in the fifth theme is based on the majority of respondents (i.e., percentage share) who answered they "save" and "invest" in their rural hometown. Getting the highest percentage share per respondent group (remitters and migrant families) was the key for the typologies made here. It also mattered that the groupings made classified remitters and migrant families differently, since they may make separate savings and investment decisions. This fifth theme of municipal-level findings was the most difficult to typologize.

There are four groups of respondents. *Group A* is for less than 50% of respondent-groups who saved and invested. *Group B* is for less than 50% of respondent-groups who saved and invested, but more than 50% of them invested. *Group C* covers the more than 50% who saved but those with less than 50% of respondents who made investments. Finally, *Group D* is for the more than half of the respondents who saved and invested. Since the four rural hometowns studied had remitters and migrant families as respondent-groups, a rural municipality is categorized twice.

If the wish is to have at least 50% of remitters and migrant families save and invest in their rural hometowns (Group D in the typology), only the remitters of Magarao satisfied this benchmark (*see Table 3*). There are many "inconsistencies" in the observations referring to Magarao and Pandi since these do not uniformly belong to one group in the typology for both remitters and migrant families. However, the most surprising municipality was Guiguinto: only a few overseas remitters and (most especially) migrant families save and invest in this richest RICART municipality (*see Figure 4*). Pandi respondents fared a little better by having more investors than Guiguinto, even if Guiguinto is the friendliest municipality for businesses (as evidenced by the town's numerous awards for business-friendliness).

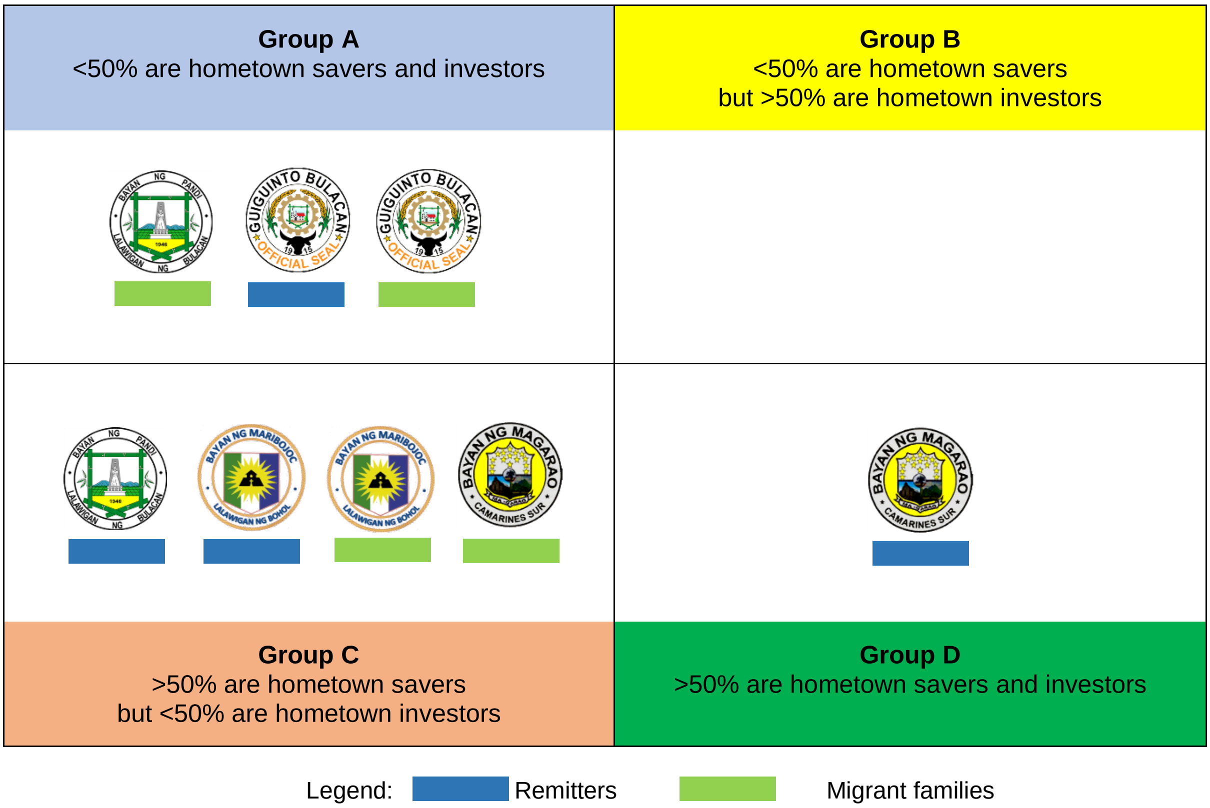
TABLE 3
REMITTANCE OWNERS IN TERMS OF HOMETOWN SAVING (FINANCIAL INCLUSION[1]), INVESTING AND ENTREPRENEURSHIP (FINANCIAL FUNCTIONING[1])

Hometown's migrant households who are…	Magarao [2] (2011-2012) R (N=22)	Magarao [2] (2011-2012) MF (N=62)	Maribojoc (2011-2012) R (N=47)	Maribojoc (2011-2012) MF (N=96)	Pandi, Bulacan (2012-2013) R (N=40)	Pandi, Bulacan (2012-2013) MF (N=79)	Guiguinto (2014-2015) R (N=36)	Guiguinto (2014-2015) MF (N=120)
• Savers (with savings accounts)	54%	77%	96%	65%	75%	49%	44%	26%
• Investors	54%	33%	40%	48%	15%	36%	30%	43%
• Entrepreneurs	45%	55%	20%	31%	40%	42%	33%	40%
Income-class	5th income class		4th income class		2nd income class		1st income class	

Source: Ang and Opiniano (2016a, 2016b and 2016c).
[1] – Financial inclusion and financial functioning are two of three elements of the concept "Financial capabilities" (Birkenmaier & Huang, 2014; Sherraden & Ansong, 2016). Refer to Table 2 for the other element.

[2] – Small samples only.

FIGURE 4
MUNICIPALITIES' MIGRANT SAVERS AND INVESTORS, BY GROUPING



Source: Ang and Opiniano (2016a, 2016b and 2016c).
Note: Local authorities have long granted permission to researchers that they use their official logos.

Theme 6: Local government interventions for the investment climate

This final theme pertains to the interventions the four municipal governments initiated for their area's investment climate. Qualitative data through secondary data and field observations *at the time of the research fieldwork* are the base for this theme. The particular data used here were: a) Scores on the annual Local Government Performance Monitoring System (LGPMS) —of the national government's interior and local government department (DILG)— in relation to two particular criteria: support for *agriculture*, and support for *entrepreneurship and business promotion*; b) The presence or absence of an automated business registration system; and c) The presence of livelihood and entrepreneurial programs for local workers, farmers, entrepreneurs and people's organizations.

Three typologies are constructed here. A municipality's intervention for investment can be: a) *Inceptive*, if the LGPMS scores are below 4.0 but above 3.0; if the municipality has a non-automated business registration system; and if there are livelihood and entrepreneurial programs; b) *Progressive*, if the LGPMS scores are above 4.0; if there is a non-automated business registration system but business permits are released within the day; and there are livelihood and entrepreneurial programs; and c) *Established*, if the LGPMS scores are above 4.0; if there is an automated business registration system that leads to the issuance of business permits within the day; and there are livelihood and entrepreneurial programs. Given these typologies, Magarao is inceptive, Pandi is progressive, and both Maribojoc and Guiguinto are established. The ideal municipality that investors most appreciate is Guiguinto.

MIXED METHODS ReIC ANALYSIS OF THE RICART MUNICIPALITIES: RURAL HOMETOWN INVESTING AS A DIFFRACTIVE APPROACH

Heterogenous outcomes on investing remittances in origin communities are expected. There are also variances, by rural municipality, in terms of the interactive dynamics between people and their places. Geography (e.g., topography, access to nearby markets, natural resources available, and so on) also counts as a factor in the contextualized outcomes of remittances-local development dynamics in the four RICART sites.

The heterogenous outcomes from rural residents' interactions with their birthplace and its investment climate conditions make up the *ReIC (Remittance Investment Climate) analysis* the researchers wish to put forward here. At the same time, each municipality's ReIC analysis, as well as the four ReIC analyses put together, may be appropriately presented using a mixed methods diffractive approach. As mentioned earlier, we let the data cohere and not cohere, and allow the data to become similar and different (Uprichard and Dawney 2019). We also present the outcomes surrounding the interaction between remittance owners and their rural hometown's investment climate (and by extension, the place's institutions and stakeholders), and how they get entangled with each other (Uprichard and Dawney 2019).

Table 4 provides a wholistic understanding of not just the ReIC analysis of an individual municipality. As expected, remittance-induced hometown investing unravels "complexity, messiness and instability" (Uprichard and Dawney 2019, 27). From the individual RICART studies (Ang and Opiniano 2016a, 2016b, 2016c), cuts of data were culled (Uprichard and Dawney 2019) and then typologized (Ayres and Knafl 2017; Bazeley 2018) to produce this joint display table. The typologies were developed under the six themes presented earlier.

TABLE 4
REMITTANCE INVESTMENT CLIMATE (ReIC) ANALYSES OF THE RURAL HOMETOWNS: A DIFFRACTIVE MIXED METHODS JOINT DISPLAY PRESENTATION

	Magarao (2011-2012)		Maribojoc (2011-2012)		Pandi (2012-2013)		Guiguinto (2014-2015)	
A. Geographical proximity (QL - RRA)								
• Distant to city markets			✓		✓			
• Proximate to city markets	✓						✓	
• An internally buoyant market							✓	
B. Financial intermediation (QL - RRA)								
• None								
• Few (1-5 financial institutions)	✓		✓					
• Abundant (>5 financial institutions)					✓		✓	
C. Place of overseas migration in local development (QL - RRA)								
• No action	✓				✓			
• Re-active								
• Pro-active			✓				✓	
Overseas townmates (N)	565		760		2,182		3,959	
D. Financial literacy (QT - Survey)								
• Self-learners with no knowledge			✓					
• Self-learners with some knowledge					✓		✓	
• Self-learners with ample knowledge	✓							
• Learners (*none from the four towns*)								
E. Hometown saving and investing (QT - Survey)	R	MF	R	MF	R	MF	R	MF
• Group A: <50% are hometown savers and investors						✓	✓	✓
• Group B: <50% are hometown savers but >50% are hometown investors								
• Group C: >50% are hometown savers but <50% are hometown investors		✓	✓	✓	✓			
• Group D: >50% are hometown savers and investors	✓							
F. Local government interventions for the investment climate (QL - RRA)								
• Inceptive	✓							
• Progressive					✓			
• Established			✓				✓	

Legend: QT – quantitative; QL – qualitative; RRA – rapid rural appraisal; R – remitters; MF – migrant families.
Sources: RICART mixed methods data, 2011-13 and 2014-15.

In summary, Magarao is proximate to a city, yet it has a few financial institutions operating (owing perhaps to the presence of bank and non-bank financial institutions in the nearby city treating Magarao as a geographic extension of these financial institutions' operations and client outreach). Interventions by the local government for improving the investment climate are inceptive, implying that the local government's support to agriculture, industry and entrepreneurship locally may need upgrades (the same with its system to annually register local enterprises). Owing perhaps to having only a few overseas migrants, there is no action[1] by local authorities for them. However, amidst the few migrant remitter/migrant household respondents in Magarao, the following observations are revealed as to their financial capabilities: 1) Migrant remitters and migrant households have ample knowledge of money (*financial literacy*); and 2) More than half of the emitters save and invest in Magarao, while more than half of migrant households save and do business in their hometown (*financial inclusion and financial functioning*). Note that the overall quality of local governance in Magarao may warrant further improvement.

Maribojoc is distant from the city, and few financial institutions (with no bank) operate there. However, at the time of research fieldwork (prior to a 2013 earthquake in Bohol province), Maribojoc was led by a mayor who had steered the town through numerous reforms (including such investment climate interventions as automating business registration and improving a land titling system), and to even winning Philippine local governance awards. Thus, local investment climate interventions are established (even when not having any automated business registration system). Thus, Maribojoc also has pro-active programs for its migrant townmates through community organizing, livelihood, skills development, and migrant investment promotion (Opiniano 2010) so that they invest back home. As to survey respondents' financial capabilities, most respondents are self-learners with no knowledge about money. Yet, there are more savers over investors among these remittance owners, placing their savings in cooperatives and microfinance institutions operating in Maribojoc.

Pandi is also distant from a city, yet the place has an abundance of financial institutions (including a homegrown rural bank and a homegrown cooperative). Local government intervention in Pandi's investment climate can be seen as progressive, with the setting up of an automated business registration system a necessary action. Even with having over 2,000 overseas Pandieños, the local government does not have a program for overseas migrants and their families. This may be because

[1] *After* the hometown conference staged in Magarao (December 2012), the local government's planning coordinator right away formed a family circle of overseas migrants. The planning coordinator also serves as the PESO manager, and local and overseas workers from Magarao are in his jurisdiction.

hosting the resettled urban poor in socialized housing projects constructed in Pandi shows a more visible stakeholder group[2] that needs assistance). The migrant remitters and migrant households surveyed were observed to be "self-learners with some knowledge" about money and handling money. Meanwhile, the migrant families surveyed save and invest less. Pandieño migrant remitters also invest less. Both respondent groups have yet to be much tapped as hometown investors.

Finally, the ReIC analysis of Guiguinto reveals stark contrasts. Local investment there is the envy of many Philippine municipalities, revealing also visible economic gains: manufacturing plants setting up there, retail outlets mushrooming, and financial institutions proliferating as if Guiguinto were a city already. Guiguinto not only benefits from the economic benefits coming from Malolos City, it also provides economic spill-over benefits to the said city (e.g., jobs, access to retail outlets, and Guiguinteño entrepreneurs reaching target markets in the more-populated city). Guiguinto also benefits from being proximate to Metro Manila by offering itself as a warehouse hub for deliveries of goods coming from other parts of Luzon island. Intervention in Guiguinto's business climate, especially automated and swift business registration, have been staple fare there for two decades already.

Local authorities also give full support to Guiguinto's overseas workers and their families through the formation of an OFW Family Circle. Services and even livelihood grants had been accorded unto this municipal family circle, said to be the biggest and most organized in the province of Bulacan. However, our survey results revealed surprising differences. Lower numbers of migrant remitters and migrant families save, invest and do business back home. These outcomes of financial inclusion (i.e., having savings accounts) and financial functioning (i.e., investing, doing business) of the survey respondents may be a result of their levels of financial literacy: "self-learners with some knowledge."

Putting the four municipalities together and setting aside their geographic distances to the nearest city/ies, no clear trend prevails surrounding the interaction between remittance owners and their rural birthplace. One would even think that Guiguinto is the best place among the four given its vibrant investment climate. However, not even visible economic progress, a pre-condition for remittances to become an added push to existing local development conditions (Taylor et al. 1996; Orozco 2008),

[2] In later years after the RICART project (i.e. 2019), Pandi's population doubled to over-140,000 because of these resettled urban poor families (Reyes-Estorpe 2019).

automatically results in local development engineered by remittances. Focus groups with migrant household heads later revealed that they have their own personal, familial and financial reasons why they do not easily save and invest back home (in Ang and Opiniano 2016c).

Local governance matters, and Maribojoc and Guiguinto both demonstrate how efficient public service redounds to economic benefits, to investment climate reforms, and to recognizing the value of overseas townmates to hometown development. Pandi and Guiguinto are fortunate to be able to balance the contributions of farming and non-farming economic activities, whereas Magarao and Maribojoc remain predominantly agricultural economies.

However, what is common to all four sites are the items concerning their knowledge about money. All sites saw a big majority of respondents learning money and handling money from self-experiences, as well as declaring that they did not need help in handling money in better ways. Pandi and Guiguinto's respondent-groups and Magarao's migrant family respondent-group mostly have no knowledge about money. Though not shown here, the majority of respondent groups, when asked if they keep records of their finances, answered: "*No, we do not keep records of everything, but we know in general how much money is spent and received during a month*" (in Ang and Opiniano 2016a, 2016b, 2016c). This behavior reveals the limited knowledge most respondents have about money. There is also no uniform trend in the survey respondents' productive uses of their dollar earnings. However, the survey results for Guiguinto on hometown saving, investing and doing business are the most surprising: not many of these remitters and migrant families park their dollar resources in their birthplace.

DISCUSSION AND CONCLUSIONS

This paper presented the results and findings of a pilot run of the mixed methods tool RICART, geared for remittances-induced rural hometown investing. This pilot run of RICART, over a four-year span, and covering four municipalities in the Philippines, provides learning experiences on the conjoint analysis of rural households and of the rural community.

Methodological lessons

Studies of the interactions between households and communities on remittances and local development are “rarely considered.” This may be due to "difficulties identifying the actual impacts of migration on community development" (Siegel and Waidler 2012, 4). The pilot conduct of RICART is a contribution to these remittances-local development analyses. Future RICART-based studies may provide deeper analyses of the capture of both the *outcomes* of local remittance usage and the *processes* (e.g., the reasons) that surround the savings, investment and entrepreneurial decisions and actions of overseas migrants and their families.

Many methodological lessons also surround our three research rounds using RICART. Implementing a mixed methods design, and integrating mixed methods data, was laborious, resources-intensive and difficult. As for the survey, the field enumerators experienced a visible number of rejections from prospective respondents (given perhaps that the topic is about their finances, a “sensitive” issue for Filipino families).

The limitation of these three RICART rounds, to have as many survey respondents, is however an uncontrollable situation. The researchers had to confront the reality that financial and investment scams still proliferate across the country (Dumlao-Abadilla 2015), and that rural banks are being closed frequently due to tight central banking regulations (Gamboa 2017). These reasons were remarked on by the target respondents who rejected our requests to join the surveys. Thus, the quantitative results are generalizable only to the samples who answered. This situation is why qualitative findings, whenever they are possible, can help complement quantitative results. Nevertheless, the joint display table that typologizes the data coming from the municipalities studied (*refer to Joint Display Table 1*) has provided *insights* on the interactions between moneyed rural residents and their birthplaces.

Future RICART studies can increase survey samples and qualitative respondents and employ methods such as: a) quantitative designs – randomized control trials and financial diaries; and b) qualitative designs, particularly for respondents who are migrants and migrant families – in grounded theory, phenomenology, and ethnography.

Policy recommendations

The RICART findings may prove helpful in launching and institutionalizing localized social and economic services for migrants and their families. This is necessary given how few of these remittance owners save, invest and do business back home. What may complement these measures, benefiting all rural residents (not just those with dollar remittances), are community-based financial literacy programs. The results relating to the survey respondents' financial capabilities — financial literacy, financial inclusion (saving account possession) and financial functioning (investing and entrepreneurship) — and their behavior when handling money warrant the launch of massive and regular financial literacy activities by local authorities and partner financial institutions.

In relation to hometowns' rural financial institutions, especially the stable ones — these may have to provide savings, investment and insurance products that cater to the specific economic needs and capacities of the overseas migrants and their families. Most survey respondents utilize their remittances for daily needs, children's schooling, housing and repaying pre-migration debts (Ang and Opiniano 2016a, 2016b, 2016c). Financial institutions may also have to understand the financial peculiarities of temporary migrant workers (who remit regularly) and immigrants (who may be remitting less frequently) (Bagasao 2013).

The overall quality of municipalities' local governance matters. Progressive local authorities will easily recognize the need to serve their migrant constituents, and to include overseas migrants in local development plans and programs. Even the possession of a good and accessible information database on hometown investment opportunities is important. Remittance-owning respondents from the four municipalities had no knowledge of where best to invest their money, especially in locally known products. This specific need indicates why local governments may have to initiate investment climate reforms and innovate in investment climate measures, if they want more enterprises in the locality (Opiniano et al. 2012).

It must also be noted that the rural locality is a unique place for entrepreneurship and investment. The rural area not only has social, economic, cultural and spatial contexts unique to each place; it also has topographical features that entrepreneurs draw from that cannot be brought to, or found in, other places. Rural areas face visible economic barriers. On the flipside however, rural entrepreneurs benefit from greater employee stability and loyalty, low costs of labor and land, and the availability of emerging or niche markets (Korsgaard, Muller and Tanvig 2015, 10). Thus, strategies to lure (overseas migrant) savers, entrepreneurs and investors must take into account the unique ways that can business and investment work in these rural hometowns.

Conclusion: Elements of a sound rural investment climate for migrants' remittances

RICART and the Remittance Investment Climate (ReIC) framework are initial approaches to generate data for improving the analysis of overseas remittances' role in local community development. The conditions of the local community obviously matter (Lucas 2007; Taylor et al. 1996). Thus far, the critical ReIC elements identified include financial intermediation; direct and generic intervention from local authorities to improve local investment climates; intervention to improve the economic skills of a community's overseas migrants and migrant families; and financially-capable[3] overseas remitters and remittance recipients.

That is why the productive use of overseas remittances by financially capable overseas migrants and their families, in an economically diverse rural hometown, is dependent on several factors. These include: the rural hometown's prevailing socio-economic, governance and investment conditions, how financial intermediation responds to demands coming from remittance owners, and to how the supply coming from what the rural hometown has to offer is made available. The uniqueness of a rural birthplace — its geography, institutions, the way entrepreneurship is conducted, and even the culture and norms of people there — then contextualizes the local development potential of overseas remittances.

[3] Analyzing people's financial capabilities, or particularly financial literacy, may have to account for their daily needs and the geographic conditions that govern their financial actions (Bumcrot, Lin and Lusardi 2013; Clark 2014). The same goes with overseas migrants and their households.

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APPENDIX A: RAPID RURAL APPRAISAL FINDINGS FROM RICART MUNICIPALITIES

	Magarao (2011)	Maribojoc (2011)	Pandi (2013)	Guiguinto (2014)
International migration profile				
Total number of documented overseas migrants [3]	*565*	*760*	*2,182*	*3,959*
• Migrant workers/Overseas Filipino workers [1]	404	545	1,487	2,454
• Permanent residents/Immigrants [2]	161	215	695	1,505
Municipality's population (as of 2010 Philippine Census)	24,274	20,491	66,650	90,507
Share of international migrants to municipality's population (%)	2.33%	3.71%	3.27%	4.37%
Countries of destination [4]	At least 34	At least 38	At least 52	At least 57
Investment climate and governance profile				
Income classification by average annual income (as per the Philippine Standard Geographic Code)	Fifth (>P15 M but <P25M)	Fourth (>P25 M but <P35M)	Second (>P45 M but <P55M)	First (<P55M)
Major economic activities [5]	Farming, micro-enterprises (retail stores)	Farming and fishing	Farming, embroidery, retail	Manufacturing, retail, gardening
Number of registered enterprises [5]	110	462	500	1,443
Financial intermediation in the rural hometown [5, 6]	One apiece for rural bank, cooperative, microfinance institution, no pawnshops	Around two microfinance institutions, one cooperative, two pawnshops	Three rural banks and 17 cooperatives	4 commercial banks, 2 thrift banks, 2 rural banks, 6 cooperatives, 16 pawnshops, 4 microfinance institutions
Municipalities' local governance performance, particularly 'economic governance [6] - *Maximum index score is 5.0* (Local Government Performance Monitoring System [LGPMS] of the Department of the Interior and Local Government)	2009-2012 average Support for the agricultural sector: 3.73 Support for entrepreneurship, business and industry promotion: 3.89	2009-2012 average Support for the agricultural sector: 3.93 Support for entrepreneurship, business and industry promotion: 4.26	2012 Support for the agricultural sector: 4.62 Support for entrepreneurship, business and industry promotion: 4.61	2012 Support for the agricultural sector: 4.07 Support for entrepreneurship, business and industry promotion: 4.83
Direct intervention for local entrepreneurs by the local government [5, 7]	Support for the livelihood efforts of people's organizations	Support for the livelihood efforts of people's organizations Computerized business licensing system Simplified land titling system	Support for the livelihood efforts of people's organizations Agricultural productivity program	1-hour business licensing through a business one-stop shop Livelihood and training programs for local workers
Local governance awards [5]	One on solid waste management	Three on good governance	1 Seal of Good Housekeeping	1 Seal of Good Housekeeping

Legend: R – remitters; MF – migrant families; NMF – non-migrant families.
Notes: [1] Overseas Workers Welfare Administration (OWWA); [2] Commission on Filipinos Overseas (CFO); [3] Combined data from OWWA and CFO; [4] RICART household survey; [5] Documentary/Secondary data from within the rural hometown; [6] Documentary/Secondary data from outside the rural hometown; [7] Key informant interviews and/or focus group discussions.

APPENDIX B: SALIENT HOUSEHOLD SURVEY RESULTS FROM RICART MUNICIPALITIES

	Magarao (2011)		Maribojoc (2011)		Pandi (2013)			Guiguinto (2014)		
Overseas remittance behavior										
Remittance sending and receiving (top frequency)	Monthly		Monthly		Monthly			Monthly		
Financial capabilities of respondents **A. Financial literacy profiles (*dominant* answers)**										
• Need assistance in handling money?	Remitters and migrant families: No		Remitters and migrant families: No		Remitters and migrant families: No Non-migrant families: Yes, on business management			Remitters, migrant and non-migrant families: No		
• Levels of knowledge and skills on handling money	Migrant families: No knowledge Remitters: Satisfactory		Remitters and migrant families: Satisfactory		Remitters: Satisfactory Migrant and non-migrant families: Good knowledge and skills			Remitters, migrant and non-migrant families: Good knowledge and skills		
B. Knowledge of basic financial concepts (% of those who answered correctly)	R	MF	R	MF	R	MF	NMF	R	MF	NMF
• Interest	82%	61%	68%	62%	73%	63%	49%	78%	63%	55%
• Inflation	27%	34%	66%	60%	45%	41%	37%	69%	51%	59%
• Loans	77%	71%	53%	58%	45%	54%	46%	53%	51%	33%
C. Remittance uses (% of respondents)	R	MF	R	MF	R	MF	NMF	R	MF	NMF
• Savers	54%	77%	68%	62%	75%	49%	44%	44%	26%	40%
• Investors	54%	35%	66%	60%	15%	36%	28%	30%	43%	NDA
• Entrepreneurs	45%	55%	53%	58%	40%	42%	44%	33%	40%	35%
Constraints of hometown's business climate (top answers)										
• Migrant families	1 – Electricity costs 2-4 – Land ownership, bank loan procedures and ability to pay loan installments		1 – Electricity costs 2-3 – Costs of road access and ability to pay loan installments		1 – Electricity costs 2 – Costs of road access 3 – Access to markets			1 – Wages for employees 2 – Possibility to borrow from financial institutions 3-4 – Interest rates and bank loan procedures		
• Non-migrant families (Pandi and Guiguinto only)	--		--		1 – Electricity costs 2 – Labor costs 3 – Regulations in availing credit from formal financial institutions			1 – Possibility to borrow from financial institutions 2 – Cost of water services 3-4 – Quality of water services and Possibility to borrow from family, friends, others		

Legend: R – remitters; MF – migrant families; NMF – non-migrant families. *Source: Ang and Opiniano (2016a, 2016b and 2016c).*

Abstruct (in Japanese)

要約

本稿では、出稼ぎ移民による海外送金が本国地域の開発に果たしうる役割について、「混合研究法」による 4 つのコミュニティ研究の結果を示す。我々は、“Remittance Investment Climate(ReIC)”という分析フレームワークを開発し、Remittance Investment Climate Analysis in Rural Hometowns (RICART)という混合研究法のツールを用いて、フィリピンの４市（municipalities）で 4 年間の研究を行った。4 市それぞれにおいて、海外送金の保有者（在外の送金者と受け取り家計）と本国出身地の投資環境の関係を分析し、海外送金が貯蓄・投資・起業に活用されていく様を記述している。地方行政による投資環境改善の取り組みと並んで、住民の金融リテラシー、金融包摂および金融機関の機能強化も重要である。海外送金が地域の開発に生かされるためには、投資環境や規制、および地域住民の金融知識の向上が同時になされる必要がある。

キーワード : 海外送金、移民と開発、出身地への投資、Remittance Investment Climate Analysis in Rural Hometowns、混合研究法

Working Papers from the same research project

"Study on Remittances and Household Finances in the Philippines and Tajikistan"

JICA-RI Working Paper No. 181

The Impact of Migration and Remittances on Labor Supply in Tajikistan

Enerelt Murakami, Eiji Yamada, and Erica Sioson