



The Philippines

## Strengthening the Case for Local Investment of Overseas Remittances

*“Our RICART project has been a [small] showcase [for] improving overseas Filipinos’ financial capabilities. Findings were recognized by the Remittance and Development Council and presented to [the] government, financial institutions and civil society [organizations] on several occasions.”*

Jeremaiah M. Opiniano, University of Santo Tomas

### Migrants’ financial literacy

With the Global Development Network awards funds, Alvin Ang and Jeremaiah Opiniano were able to develop a mixed methods research tool, known as the Remittance Investment Climate Analysis in Rural Hometowns (RICART). The methodology integrated qualitative findings and quantitative results and focused on the rural birthplaces of overseas immigrants.

The GDN award supported a total of total of four projects applying the RICART approach within six municipalities. Following the GDN award, they were able to attract funding from an anonymous Catholic donor from Europe (2012-2013), from the Institute for Money, Technology and Financial Inclusion at the University of California-Irvine (2014-2015), and through a project implemented by the Japan International Cooperation Agency Research Institute (2016-2019). Three research monographs on RICART findings have been published.

The combined results of the RICART research rounds show that less than 50 percent of overseas migrants and their families invest remittances in their rural hometowns, even if their municipality is economically developed and conducive to investors. One of the main reasons for this relates to residents’ limited levels of financial literacy, which means that remittance senders and recipients were unable to take advantage of the opportunities that are available locally.

Dr. Alvin Ang and Mr. Jeremaiah Opiniano won the grand prize in the 2010 Japanese Award for Most Outstanding Research on Development (ORD) at GDN’s Global Development Conference in Bogota, Colombia (January 2011). They represented the University of Santo Tomas, Asia’s oldest university. That year, the call for proposals focused specifically on development finance and the researchers saw an opportunity to expand their studies on migration and remittances in rural areas of the Philippines.



### Leveraging results

Ang and Opiniano disseminated the insights of their research locally, by sharing the findings with the municipalities involved in each of the RICART rounds and providing free financial literacy lectures to research participants and to residents of the municipalities they studied. Through their work, they highlighted the importance of managing money better.

Opiniano also leads a local NGO in Manila, the Institute for Migration and Development Issues, and is working on a strategy to share research findings so that local governments draft ordinances to include overseas migrants in their overall local development efforts. "Communicating major findings [from RICART] in a language that local officials and families can understand is an important next step. We plan to write small RICART booklets ... laying out [the] main findings and recommendations for both councilors and for ordinary migrant families in those localities."

With their research, Opiniano and Ang have been able to contribute to a wider debate on remittances, as well as national policy reforms: "Our RICART project has been a [modest] showcase [for] improving overseas Filipinos' financial capabilities. Findings were recognized by the Remittance and Development Council and presented to [the] government, financial institutions and civil society [organizations] on several occasions."

As a result of the last six years of implementing RICART, as well as the years of effort by civil society groups and financial institutions, the government has realized it needs to start educating its citizens about money. The government has taken important steps to simplify business registration and create incentives for entrepreneurs to invest. "The fact that the Philippines now has a National Strategy on Financial Inclusion is a big first step for a country that is so reliant on remittances; so that money may be handled better by Filipinos in general, and overseas remittances maximized for productive uses, in particular."

To showcase their work internationally, Ang and Opiniano have presented their findings at conferences – for example, at the 2016 Asian Development Bank Conference in Manila. They have also written several newspaper articles and commentaries on RICART. In the coming years, the scholars hope to publish an article in an international journal, presenting an integrated set of RICART findings. They hope to reach a bigger academic audience, especially in migrant-sending countries.

### An important life moment

The GDN award gave an enormous boost to the careers of both researchers. Ang was offered a position at Ateneo de Manila University and is now a



*“The fact that the Philippines now has a National Strategy on Financial Inclusion is a big first step for a country that is so reliant on remittances; so that money may be handled better by Filipinos in general, and overseas remittances maximized for productive uses, in particular.”*

Jeremaiah M. Opiniano, University of Santo Tomas

renowned economist, much sought-after by the media and private companies in Manila. Opiniano, for his part, describes winning the award as “one of those important life moments.” Winning the award gave him the confidence to continue in his line of research. Although he is not an economist by profession, the exposure that the GDN award and GDN conference provided, has put Opiniano on the radar of the economic research community, both at home and abroad. Eventually, working on RICART helped Opiniano to secure a place at the University of Adelaide in Australia for a PhD in Geography.

Opiniano credits GDN for giving them the opportunity to learn from the experience of conducting an interdisciplinary study. “Since Ang was a quantitative scholar and I am a qualitative researcher, we had lots to figure out. We both experienced an important learning curve, combining these two research approaches.”

### Supporting interdisciplinary approaches

Opiniano hopes GDN will continue to press for action on supporting developing country researchers: “GDN continues to have that niche compared to other international organizations. I think it would be valuable if GDN would open [up] to other disciplines, such as geography, anthropology and other social science disciplines. This could lead to more interdisciplinary studies such as ours, in which cross-fertilization might take place and findings will be broader.”

The interdisciplinary RICART approach is a great example of the type of research —driven by impact on the ground— that GDN aims to support. Overseas remittances are the leading source of income in many countries, not only in the Philippines. The RICART study provides direction for creating hometown

programs, policies and incentives that help overseas migrant entrepreneurs and investors to generate local economic development and address poverty.

## Award

Japanese Award for Outstanding Research on Development, 2010

## Sources

Ang, Alvin and Opiniano, Jeremaiah. 2016. Remittance Investment Climate Analysis in Rural Hometowns (RICART): Piloting a Tool on Rural Hometown Investing by Overseas Migrants. Manila: UST Research Center on Culture, Education and Social Issues [ISBN: 978-621-95490-0-4]

For download: [https://www.researchgate.net/publication/303880486\\_Remittance\\_Investment\\_Climate\\_Analysis\\_in\\_Rural\\_Hometowns\\_RICART\\_Piloting\\_a\\_Tool\\_on\\_Rural\\_Hometown\\_Investing\\_by\\_Overseas\\_Migrants](https://www.researchgate.net/publication/303880486_Remittance_Investment_Climate_Analysis_in_Rural_Hometowns_RICART_Piloting_a_Tool_on_Rural_Hometown_Investing_by_Overseas_Migrants)

Ang, Alvin and Opiniano, Jeremaiah. 2016. Remittance Investment Climate Analysis in Rural Hometowns (RICART): The Local Competitiveness of Pandi, Bulacan for Remittance Investments. Manila: UST Research Center on Culture, Education and Social Issues [ISBN: 978-621-95490-2-8]

For download: [https://www.researchgate.net/publication/303880627\\_Remittance\\_Investment\\_Climate\\_Analysis\\_in\\_Rural\\_Hometowns\\_RICART\\_The\\_Local\\_Competitiveness\\_of\\_Pandi\\_Bulacan\\_for\\_Remittance\\_Investments](https://www.researchgate.net/publication/303880627_Remittance_Investment_Climate_Analysis_in_Rural_Hometowns_RICART_The_Local_Competitiveness_of_Pandi_Bulacan_for_Remittance_Investments)

Ang, Alvin and Opiniano, Jeremaiah. 2016. "Is the Rural Hometown a Worthwhile Investment?" [blog] August 22, 2016. Available at: <http://blog.imtifi.uci.edu/2016/08/is-rural-hometown-worthwhile-investment.html>

Ang, Alvin and Opiniano, Jeremaiah. 2015. "A PHL strategy on financial inclusion: More on means vs reversing mind-sets?" Business Mirror, June 16, 2015. Available at: <http://businessmirror.com.ph/a-phl-strategy-on-financial-inclusion-more-on-means-vs-reversing-mind-sets/>

Ang, Alvin and Opiniano, Jeremaiah. 2015. "Where have all the remittances gone?" Business Mirror, March 26, 2015. Available at: <http://businessmirror.com.ph/where-have-all-the-remittances-gone/>

Ang, Alvin and Opiniano, Jeremaiah. 2014. "Does Financial Inclusion Spur Overseas Filipinos to Invest? A Remittance Investment Climate (ReIC) Study in a Rural Hometown." Institute for Money, Technology & Financial Inclusion (IMTFI) Research Projects Available at: <http://imtfiresearch.omeka.net/items/show/6581>.

Ang, Alvin and Opiniano, Jeremaiah. 2013. "OFW money helps boost business activity in hometowns." ABS CBN News, March 2, 2013. Available at: <http://news.abs-cbn.com/global-filipino/03/02/13/ofw-money-helps-boost-business-activity-hometowns>

## Interviewees

Mr. Jeremaiah M. Opiniano

## Author

Ms. Nienke Raap | Co-author: Alvin Ang (PI)

## Key words

Philippines, overseas remittances, hometown investment, development finance, Remittance Investment Climate Analysis in Rural Hometowns (RICART)

## Images

From first to last:

Representation photo, Pixabay.

Representation photo, Pixabay.

RICART researchers present their finding to family members of overseas Filipinos from Guiguinto, Bulacan during a hometown conference, Jeremaiah Opiniano.

Representation photo, Pixabay.

This is one of nine stories produced in partnership with Aidenvironment to document the outcomes of GDN's awards and medals program, generously supported by the Government of Japan, the World Bank for implementation and a host of donors over the years for the medals.

## About the Global Development Awards Competition

The Global Development Awards Competition is an award scheme that identifies talent, supports the career advancement of researchers in developing countries, and funds innovative social development projects, implemented by NGOs, to benefit marginalized groups in the developing world. Since its inception in 2001, the competition has supported more than 340 individuals, research organizations and NGOs with roughly US\$3.8 million worth of awards, placing it as one of the most important global competitions targeting development and research. It currently has three categories of awards: Japanese Award for Outstanding Research on Development (ORD), Japanese Award for Most Innovative Development Project (MIDP), and Japan Social Development Fund Award (JSDF). The Medals for Research on Development (MRD), funded every year by a

different pool of donors, were discontinued in 2015. Over the years, the competition has built a community of excellence among researchers and development practitioners. The Global Development Awards Competition receives annual funding from the Ministry of Finance, Government of Japan. The World Bank manages the trust fund that makes these activities possible.

## About GDN

The Global Development Network (GDN) is a public international organization that supports high quality, policy-oriented, social science research in developing and transition countries, to promote better lives. It supports researchers with financial resources, global networking, access to information, training, peer review and mentoring. GDN acts on the premise that better research leads to more informed policies and better, more inclusive development. Through its global platform, GDN connects social science researchers with policymakers and development stakeholders across the world. Founded in 1999, GDN is currently headquartered in New Delhi.

For more information, contact [awards@gdn.int](mailto:awards@gdn.int)

[www.gdn.int](http://www.gdn.int)

2nd Floor, West Wing, ISID Complex, 4 - Vasant Kunj Institutional Area, New Delhi - 110070, INDIA