

Timeline

2020-2021

Study Type

Quasi-experimental Analysis

Research Implemented by IPA

Yes

The Impact of the COVID-19 Pandemic on Migrant Remittances in the Philippines

Researchers

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Abstract

Money sent home by migrants working abroad is an important source of income, particularly in low and middle-income countries. How do pandemic closures and restrictions affect migrants' remittances? Researchers built on a previous study to conduct two rounds of phone surveys between Filipino migrants in the UAE and their families in the Philippines. Migrants who have experienced income declines due to pandemic restrictions have reduced their remittances sent home, but the decline in remittances represents no more than a quarter the size of the migrant income loss.

Building on the Labeled Remittances study, researchers conducted two rounds of phone surveys with 2,269 Filipino migrants living in the United Arab Emirates and 2,687 migrant households in the Philippines to understand the impact of the COVID-19 pandemic on migrant's income and remittances.

A total of 1,188 migrants and 1,329 households participated in the first round of the survey, 729 of whom were paired — which means both the migrant and their home were interviewed. In the second round of surveys, 1,081 migrants and 1,358 households participated, among whom 708 were paired. The surveys were conducted six months apart between each round. The research team collected data on employment, income, transfer, food security, and health.

During the six months between the two rounds of surveys, migrant participants used Padalapp, a mobile application developed for the Labeled Remittances Study, to record their remittances. Half of the migrants were randomly assigned to have labeled their remittances for their preferred usages, and have these labels sent to the remittance recipients.

Project Outcomes of Interest

Remittance flows

Partners

Padalapp

Impact Goals

- Build resilience and protect the financial health of families and individuals

Project Data Collection Mode

- CAPI (Computer-assisted personal interviewing)

Results Status

Results

Results

Of the migrants interviewed, 43 percent said their monthly income fell compared to February 2020. On average, migrants report a decline of 55 percent of monthly income. Using regression analyses, researchers found that migrants who experienced negative income shocks due to the COVID 19 pandemic passed on some of this negative shock to their family members at home. However, the decrease in remittances was lower than the total decline in income, between a tenth and a quarter of income losses.

The research team also examined whether remittances would increase in the face of the economic difficulties faced by households at home. The results showed that the economic conditions of households did not affect the remittances received, as migrants kept their remittances to households in the Philippines relatively stable, except for the decrease in income described above.

The ability to label remittances for specific purposes, via Padalapp, does not affect the relationship between remittances and income.

More results forthcoming.