Banking on Remittances: Migration and Development Desires in the Philippines

by

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A thesis submitted in conformity with the requirements for the degree of Master of Arts
Department of Geography
University of Toronto

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Abstract

This thesis tracks the politics of migrant remittances in the Philippines through an analysis of established possibilities and entrenched interests in the banking sector. Paying attention to banking sector narratives about the ‘migrant market’, I argue that remittances to the Philippines enter into an established economic space that is constituted by discourse, by history (especially the history of financial sector liberalization), and by ongoing practices of risk management and efforts at financial inclusion. At the same time, I gesture towards sites of “a politics of becoming” (Gibson-Graham 2006, 24), from which emerge potentially path-breaking economic discourse, subjectivity, and collective action in relation to remittance practice.
Acknowledgments

I feel so grateful to have shared this work-in-progress with Rachel Silvey, Katharine Rankin, Mai Nguyen, Victor Short, Francis Calpotura and Kathy Clarin. Thank you for bringing complexity and compassion to every conversation about the universe of migration and development. Many organizations have contributed to this work. Thank you to TIGRA, The Geography Department at the University of Toronto, Third World Studies Center at University of the Philippines-Diliman and those in the M&D field in the Philippines who shared their work lives with me.
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<th>Description</th>
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<tbody>
<tr>
<td>ABROI</td>
<td>Association of Bank Remittance Officers Inc.</td>
</tr>
<tr>
<td>AML</td>
<td>Anti-Money Laundering</td>
</tr>
<tr>
<td>BSP</td>
<td>Bangko Sentral ng Pilipinas</td>
</tr>
<tr>
<td>BPI</td>
<td>Bank of the Philippine Islands</td>
</tr>
<tr>
<td>CFO</td>
<td>Commission on Filipinos Overseas</td>
</tr>
<tr>
<td>DA</td>
<td>Department of Agriculture</td>
</tr>
<tr>
<td>DFA</td>
<td>Department of Foreign Affairs</td>
</tr>
<tr>
<td>DOLE</td>
<td>Department of Labor and Employment</td>
</tr>
<tr>
<td>DOSRI</td>
<td>Directors, Officers, Stakeholders and Related Interests</td>
</tr>
<tr>
<td>DBP</td>
<td>Development Bank of the Philippines</td>
</tr>
<tr>
<td>GIR</td>
<td>Gross International Reserves</td>
</tr>
<tr>
<td>GFI</td>
<td>Government Financial Institution</td>
</tr>
<tr>
<td>IOM</td>
<td>International Organization on Migration (UN)</td>
</tr>
<tr>
<td>JMDI</td>
<td>Joint Migration and Development Initiative (European Union Project)</td>
</tr>
<tr>
<td>LGU</td>
<td>Local Government Unit</td>
</tr>
<tr>
<td>M&amp;D</td>
<td>Migration and Development</td>
</tr>
<tr>
<td>MDN</td>
<td>Migration- Development Nexus</td>
</tr>
<tr>
<td>NEDA</td>
<td>National Economic Development Authority</td>
</tr>
<tr>
<td>NCRO</td>
<td>National Reintegration Center for OFWs</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Government Organization</td>
</tr>
<tr>
<td>OF</td>
<td>Overseas Filipino</td>
</tr>
<tr>
<td>OFW</td>
<td>Overseas Filipino Worker (contract based)</td>
</tr>
<tr>
<td>OWWA</td>
<td>Overseas Worker Welfare Administration</td>
</tr>
<tr>
<td>PDOS</td>
<td>Pre-Departure Orientation Seminar</td>
</tr>
<tr>
<td>POEA</td>
<td>Philippine Overseas Employment Administration</td>
</tr>
<tr>
<td>PNB</td>
<td>Philippine National Bank</td>
</tr>
<tr>
<td>R4C</td>
<td>Remit4Change</td>
</tr>
<tr>
<td>RBAP</td>
<td>Rural Bankers’ Association of the Philippines</td>
</tr>
<tr>
<td>REDC</td>
<td>Remittance for Development Council</td>
</tr>
<tr>
<td>TIGRA</td>
<td>Transnational Institute for Grassroots Research and Action</td>
</tr>
<tr>
<td>XGS</td>
<td>Export of Goods and Services</td>
</tr>
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Chapter 1
Placing the Remittance Phenomenon

Two weeks into my fieldwork, an important remittance-related news story broke. The LBC Bank, affiliated with a long-time and well-known remittance company, LBC Express, was placed under receivership by the Bangko Sentral ng Pilipinas (BSP). The bank had been funding the pay-out side of the remittances transaction as an “advance” on behalf of the remittance company. In theory, banks and their tie-ups settle transactions on a nightly basis. In practice this bank took its capital base (deposits) and gave it to its affiliate company (unsecured loan) in order to satisfy the remittance transaction (Vallecera 2012). By the time this practice came to light, bank assets were not enough to pay liabilities and some depositors (i.e. those with accounts totalling more than the PDIC-insured P500,000 [~ $12,000]) lost their money. The BSP had issued a cease-and-desist order a year before, based on bank reporting which suggested liability issues, specifically that the LBC Bank was making unsecure loans which were “non-performing”. The BSP cannot legally step in on behalf of depositors, however, until bank reporting suggests insolvency (BSP, personal interview, October 21 2011).

The LBC Bank, in deference to the Express, tried to grow its depositor base, offering savings accounts with 7.5% interest when the going rate was 1% (Remo 2012) for example. However, when that strategy proved unsustainable, the LBC Bank was able to pass the risk of its “advances” onto its depositors, the government, and taxpayers, all of whom have collectively had to absorb the fall-out.

Why did the remittance company not settle with its partner bank as both are part of the same group of companies? Scholars of the Philippine financial sector (i.e. Hutchcroft 1998) would likely see this as a continuation of conglomerate-style business, wherein banks primarily support related-family enterprise to the detriment of bank stability. While this may be one element of the story, reflecting ‘local causes’, the issue of remittances further complicates the culture of milking conglomerate banks. By not settling the transactions, LBC Express would possess a large sum of money in a foreign bank account, which it could use in foreign markets rather than in the Philippine context. Furthermore, the currency
conversion, if and when it did happen may have yielded substantially lower or higher returns to the Bank than had been paid out to remittance beneficiaries. Global factors such as unevenness between economies and fluctuating exchange rates, as well as local factors such as a family conglomerate structure in business and weak government oversight all play a role, contributing to the potential for risk and reward in banking practices.

This story shines a light on the complexity of the remittance phenomenon- not simply its function (how remittances are used by households in the Philippines), but crucially patterns of ownership and claim in remittance markets. The situation of the LBC Bank alludes to continuities and discontinuities in banking practices which impact the development potential of remittances – a topic which has been under-explored in the field of Migration & Development (M&D) (Asis & Baggio 2008). This thesis draws attention to the intersection of banking and remittances in hopes of re-scaling the migration- development nexus (Nyberg-Sorenson et al. 2002) (MDN) to include actors in the private sector as agents of change who both respond to material conditions and affect the MDN through discourse and practice. I use M&D to denote Migration & Development as a mainstream policy field much like Gender and Development (GAD). I use MDN to denote the migration-development nexus as a broader political category that acknowledges political dynamics and discourse as important vectors in development.

As the LBC story suggests, there is an acute tension between how remittances are supposed to work and how they do work, not only at the household scale, but crucially at other scales as well. While the history and politics of out-migration from the Philippines no doubt conditions the remittance phenomenon, this thesis suggests the importance of another referent: remittances in the Philippines are inseparable from changes in the financial landscape. Remittances thus reflect not only the desires of migrants and their families, but crucially the desires of actors in the financial sector as well.

According to the UN’s International Organization on Migration, remittances are “monies earned or acquired by non-nationals that are transferred back to their country of origin” (IOM 2004). Moreover, this transfer is usually paid from one household member to another. Remittances are an exchange transaction for which the counterpart to money is not always easily visible; the remitter pays out money
and in return secures some sense of (usually familial) well-being into the future through, for example, food, education, housing and leisure time. The extent that the exchange works well (i.e. what should be corresponds with what is) depends on the expectations of parties involved. For example, if a remitter sends money consistently as savings for a house, but the money is spent instead on food, the remittance did not work out. Instead, it ‘malfun’ctioned’ from the perspective of the remitter. Likewise, if the nation expects remittances to result in 10,000 new jobs in the Philippines but they instead create 10,000 new applications for overseas work, the remittance has ‘malfun’ctioned’. Crucially, what a remittance does is impacted by what a remittance means. Put differently, the function of a remittance depends on whether or not one (the individual, the society, etc.) subscribes to that meaning of ‘remittance’. To quote an economic anthropologist:

The ritual of money is always about something else…. What the actual ritual means must therefore be defined extrinsically, and the possibilities…. are endless. The anthropologist will note that the meaning, once chosen, tends to become a self-fulfilling prophecy, so that those who operate within any given monetary system develop a tunnel vision which makes them blind to the possible existence of alternative systems…. monetary theory is not so much science, depending on necessary logical deductions from provable facts, as it is a theology, demanding the acceptance of its basic premise as an act of faith (Crump 1992).

Mainstream economics define remittances from a set of inherent characteristics, as small volume, counter-cyclical capital flows (Ratha 2007). I find it more helpful to think about remittances in terms of typologies, such as Goldring (2004) assertion that remittances have different functions according to one’s intentions- family, community, investment etc. She moreover points out that the most common type- the family remittance- is not easily made for developmental functions beyond its intended recipients. If a remittance is always defined extrinsically, the socio-political context in which meanings emerge is crucial to understanding if and how remittances ‘work’ for development. Furthermore, the rationales that post-facto explain the function of a remittance necessarily reflect a framework of meaning that is always also socially embedded². It is important to begin from the presumption that a remittance is fundamentally social, embedded in existing and emerging understandings and social relations, in order to see key

² I am drawing here on Polanyi’s (1957) insight of an always-embedded economy - subject to political and social forces.
negotiations happening across scales that impact what remittances do. However, remittances are also fundamentally constrained by political-economic institutions. What a remittance can mean is not therefore simply “endless” as per the quotation above. Remittances are part of various systems of assets and liabilities, and as such already have proscribed meanings and functions. This thesis tracks the politics of remittances in the Philippines through an analysis of the constraints of established possibilities and entrenched interests in the banking sector. I suggest the importance of historical factors which condition the possibility of harnessing remittances for development in the Philippines. At the same time, I gesture towards sites of “a politics of becoming” (Gibson-Graham 2006, 24), from which emerge potentially path-breaking economic discourse, subjectivity, and collective action in relation to remittance practice.

Remittances to the Philippines enter into an established economic space that is constituted by discourse (Chapter 2), by history (especially the history of financial liberalization) (Chapter 3), and by ongoing practices of risk management and efforts at financial inclusion (Chapter 4). Chapter 1 consists of a literature review, my research methodology and a discussion of some important theoretical underpinnings in my analysis. Chapter 2-4 engage Roy’s (2010) assertion that millennials development is constituted in relation to local and global neoliberalisms. In Chapter 5, I use Gibson-Graham’s (2006) work in an effort to demonstrate how remittances can engage a politics of possibility, and in turn produce an economic space more in line with social and human values and development priorities. This kind of remittance politics, I argue, offers challenges to mainstream understandings of the role of finance in development.

**Methodology**

This thesis begins to tell a story about how Philippine-based organizations engage remittances, how they understand migrants and their families, and what this might mean for the possibility of genuine

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3 Thanks to Victor Short who directed me to heterodox economic theory (Minsky 1986; Toporowski 2009; Dymski 2004, 2010; Arestis & Glickman 2002; Kregel 1997; Chick, Arestis & Dow 1992) some of which has focused on how real existing bank practice, especially in regards balance sheets, ought to re-frame economic theory.
development in the Philippines. Towards this end, I have conducted nine key informant interviews, observed forums and small meetings with relevant actors involved in remittances or Migration and Development more broadly, and worked with an NGO, Transnational Institute for Grassroots Research and Action (TIGRA)\textsuperscript{4}, involved in remittance-related advocacy. ‘Genuine development’, of course, is difficult to define. This research on the Philippine MDN also reflects my own stance\textsuperscript{5} in relation to development work. Throughout my research, I have cultivated faith in development praxis, specifically in the possibility that migration (and the remittance phenomenon) can be developmental for some people in particular contexts. This stance has enabled me to approach those in the M&D field as agents of change, either towards human and social-centred development or the further development of structures that magnify social inequalities.

My fieldwork in the Philippines took place primarily August 2011 until February 2012 although I had some occasion for participant observation from mid-May 2012 through August 2012 as a staff member of TIGRA. My interest in remittances, however, started much earlier. Prior to my enrollment and acceptance into the MA Geography program at the University of Toronto, I worked with TIGRA in New York City. I had first heard of the organization through a conference on the Solidarity Economy in Massachusetts in 2009. At the time, I was almost finished my BA in Political Science. My best work had been a paper about remittance practice among domestic workers in New York City for which I had interviewed several Filipina women. I was passionate about economic justice and I became a community organizer with TIGRA. This provided me an opportunity to learn from community-based organization in New York City as we collaborated on educational workshops and campaigns for fair and transparent economic institutions in immigrant communities.

\textsuperscript{4} www.transnationalaction.org; Please see chapter 5 for an extended explanation of TIGRA’s Remit4Change program.

\textsuperscript{5} See Gibson-Graham (2006) for a discussion of the importance of affective stance in producing both theory and economies.
TIGRA has evolved from a campaign-based movement (Boycott Western Union! [2006-2008]) to a consumer-based movement (Support Ethical Business\(^6\)). This shift that has brought them to the Philippines. In September 2011, they moved half their US office to Manila. And quite by coincidence, this move also coincided with my fieldwork. I went to the Philippines in August thinking that in-depth interviews would be the central methodology in my research. However, participant observation quickly became a much more important research method than I had expected. I attended three major forums on Migration & Development (one of which I helped organize as a TIGRA-affiliate). I attended a telecommunications mobile money orientation at a Rural Bank. I sat in on three government-initiated Councils on Remittances for Development (REDC). I also attended many meetings with NGOs and government folks as a staff member of TIGRA. In all these engagements, I had many personal conversations, sometimes, with those I was never able to interview formally. This points to how formal meetings are an important site of the MDN. Oftentimes I learned which questions to ask (or of whom I ought to ask questions) through meeting participation.

In meetings with TIGRA I always introduced myself as both a researcher and TIGRA-affiliate. In one such meeting- in which TIGRA was training government folks regarding the Remit4Change program, I put on my researcher hat to give a presentation about remittances in the Philippines. In a meeting with a partner NGO, I was told candidly that they have a moratorium on researchers: “we can’t spend all our time talking!” (personal conversation, October 20, 2011). The extent to which participant observation became methodologically central in the research, reflects both the moment in the MDN and my own positionality. My affiliation with TIGRA, although not explicit in every research encounter, perhaps enabled certain relationships and hindered others.

The meeting is quite clearly an emerging institution within the MDN. However, the remittance phenomenon is not wholly captured in meetings. Centrally, in my analysis, as with any truth-making enterprise, I have had to decide how to place the remittance transaction (i.e. how it fits into frameworks of

\(^6\) See chapter 5 for a detailed analysis of another shift from a remittance-led framework to “making economic choices matter”.
meaning, value, or social relations). In pairing qualitative data with theoretical insights from feminist geography (Nagar et al. 2002; Silvey and Lawson 1999; Gidwani and Sivaramakrishnan 2003; Gibson-Graham 2005, 2006;), evolutionary banking (Dymski 2004; Minsky 1986; Kregel 1998) and critical development (Roy 2010; Johnson 2004) in particular - I place the remittances phenomenon within institutional spaces at multiple scales. Institutions, defined as “durable rules and norms governing how people behave” (Johnson 2004, 248) play a crucial role in what remittances do and whom they serve.

While I originally intended to query technology as a key component in the remittance phenomenon in the Philippines, I was unable to really engage the telecommunications companies, key informants in a story about mobile money. By invitation of a rural banker, I was able to observe a Smart Money Bank Officer training and meet several key actors- including a representative from a telecom company and USAID. However, despite repeated attempts, I was unable to interview these actors formally. The woman from USAID/RBAP was noticeably uncomfortable with the idea that I was “assessing” the value of mobile money when I met her in person (at the Rural Bank orientation October 10, 2011). Follow-up attempts never quite materialized an interview, although she did say they would accommodate the request. Perhaps with more time, I would have been able to gain access.

Furthermore, many M&D participants I spoke with during the beginning stages of my fieldwork were baffled by my interest in mobile money. This points to a potential discrepancy between my original research proposal and real existing remittance practices in the Philippines. I had assumed an inter-relationship between the two phenomena given some discursive projects in that direction (see Pickens 2009 and Dolan 2009). The discursive work on mobile money is not having extensive productive effects on the remittance landscape (BPI Direct, personal interview, January 18 2012; REDC 2011). Perhaps my divergence into issues of financial intermediation and the migrant market reflects the moment in the MDN in the Philippines.

Harnessing remittances for development is a primary organizing principle behind M&D and thus constitutes a salient platform for research. I have attempted to narrow the topic through focusing on notions of the ‘migrant market’ vis-a-vis the remittance phenomenon. My central research question is
how are financial intermediaries understanding the ‘migrant market’? However, in part because M&D has made visible the role of government and non-government organizations in harnessing remittances for development, I have expanded my analysis of the key financial intermediaries beyond banks. I thus define the process of financial intermediation as a process whereby surpluses are made available for wider use via institutional mechanisms. As Johnson (2004) suggests in her analysis of real markets in Kenya, “all financial intermediaries require rules, monitoring and enforcement mechanisms and it is through a systematic analysis of how these relate to wider social, political and cultural structures that the performance of the market can be better explained” (271). In this research, understandings of intermediation are related to a wider emergent socio-political structure, namely the migration-development nexus in the Philippines.

I carried out a total of nine semi-structured interviews. While I succeeded in gathering key informant perspectives from different sectors – commercial bank, thrift bank, rural bank, government bank, government agencies, bank regulators, and NGOs – I was not able to do many interviews within each sector. I recognize that an analysis of institutional engagement could benefit from a more extensive interview sample, both within organizations and within each sector. Many more organizations work in and in-relation to the remittance phenomenon than I have been able to engage. As such, my research process barely scratched the surface of the MDN. Some actors who may be important are not included in the research sample for reasons of access and time. I was not, for example, able to interview those from the pawnshop-based remittance distributors, despite repeated attempts. I have tried, as much as possible, to acknowledge the limitations of my methodology.

Furthermore, I have not been able to collect detailed data regarding each institution’s lending practices via their loan portfolios. I am not therefore locating organizational understandings and rationales (interview data) in relation to records of financial intermediation. Rather, what I have attempted to do in this thesis is place the interview data alongside what scholarship says about practices of financial intermediation in the Philippines. If I were to continue this project, numerical data would be important in order to understand how practices, understandings, and theory inter-relate. A quantitative
picture of deposit and lending practices (especially the number, volume and function of loans given to
migrants and migrant family clients and the percentage of deposits which comes through remittances)
would add substantively to an analysis of how international remittances impact processes of financial
intermediation in the Philippines⁷. Where interview data specifies this information, notably recurrent
patterns in lending, I have interpreted it as real existing practice. Throughout the thesis, I gesture to
insights which deserve a much more in-depth research process, including quantitative dimensions.
Johnson’s (2004) study of supply-side and demand-side financial intermediation (both formal and
informal) in one Kenyan municipality is an excellent example of potential future work in this area. What
my data does make possible is a solid understanding of how financial intermediaries understand the
migrant market and incoming remittances, as well as emerging lending and risk management trends in
relation to these understandings.

This thesis intervenes in the remittance literature by positioning the financial sector as a key
political actor in development rather than simply as a mediator of financial transactions. My research
methodology thus scales up the question of remittances and development. In the Philippines, remittances
are not simply part of a household’s development strategy, but also part of other agents’ strategies,
including banks and NGOs. One such strategy is the making of a ‘migrant market’, understood as a set of
consumers or entrepreneurs in the Philippines who have disposable income as a result of work abroad or a
family-member abroad. Key debates in the remittance literature query whether remittances contribute to
Philippine development and how. Closely related is the question of why remittances have become
important in policy. As I detail below, most scholars understand remittances as a contingent relation, that
is, remittances tend to have uneven effects depending on gender, age, geography, class etc. Crucially, in
acknowledging that remittances have uneven effects, the task for critical study becomes understanding
how, where and at what scale remittances are implicated in the production of development in the
Philippines. This research argues that the financial sector is a key political actor in the MDN whose role

⁷ The BSP cannot legally disclose asset and liability information per institution, only aggregate data per sector, i.e.
commercial, thrift, rural etc. (BSP, personal interview, October 21 2011)
in development needs to be acknowledged beyond the notion of mediating financial transactions. The financial sector is implicated in the production of development in the Philippines.

**Literature Review**

There has been a significant amount of research across disciplines regarding remittances to developing countries. Beginning in the early 2000’s, remittances emerged in policy discourse as a prime source of capital for development. Two strands of thinking make sense of this re-emergence. The first points to the awareness of the volume of transactions, $351 billion to developing countries in 2011 (Ratha 2012). Also, some policy studies have suggested that remittances are counter-cyclical (tend to increase when other economic activity decreases) (Ratha 2003). Other studies have suggested a positive effect on poverty alleviation (Adams & Page 2003). These studies suggest that intrinsic characteristics of the remittance phenomenon itself account for the importance of remittances on the policy stage. Feminist and critical and approaches, on the other hand, have disrupted the naturalness of equating remittances with development capital. These counter-narratives can be grouped into two main categories: development crisis and development plurality.

**The Crisis of Development**

Kunz (2011) critiques the so-called Global Remittance Trend in Mexico using a feminist governmentality approach. Her concern is that the policy infrastructure that has emerged to link migration with home-country development portends gender neutrality when in fact, has gendered effects. In particular, the neoliberal focus on capital as a development agent maps men remitters as developmental

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8 I use the word development in this thesis to mean “genuinely improving the material and self-actualization conditions of all people”. I understand the term has a problematic history of Westernization and modernist stage-based connotations (see Silvey and Lawson, 1999,) but I engage the term regardless in respect for many development practitioners who work to change material conditions in ways that are reflective, anti-oppressive and empowering. I use ‘development’ to denote the discourse of development. I use development work to denote the institution of development practice.

9 In the 1980’s, studies of the developmental potential of remittances found that these private capital flows are mostly used for daily living (Tan & Canlas 1989; Stahl & Arnold 1986) rather than productive investment. Despite some disagreements about where investments in education for example fall, what scholars understood as development capital in the 1980’s and early 90’s was productive capital, defined quite narrowly as job-creation or physical capital (i.e. farm implements).
agents and women remittance receivers as subjects of development. Peck and Tickell’s (2002) distinction between roll-back and roll-out neoliberalism is useful here in placing the remittance phenomenon. While roll-back neoliberalism is chiefly about the retraction of government services, public spending and a social safety net, roll-out neoliberalism includes the state as a core (although limited) enabler of market processes: A “purposeful construction and consolidation of neoliberalized state forms, modes of governance, and regulatory relations” (384). For Kunz, the “Global Remittance Trend”, as she calls it, is part and parcel neoliberalism because the Mexican state has a discrete and highly constrained role in harnessing remittances for development, exemplified in the tres-por-uno government matching program and the promotion of micro-enterprise. Kunz’s work points to the “Global Remittance Trend” as primarily emerging from a crisis in development itself wherein the responsibility for development is foisted onto marginalized actors (i.e. women remittance receivers in Mexico) who can least afford to think and act in the name of development.

The notion of a development crisis is also captured in Hudson’s (2008) work on remittances. He underscores the way in which the marriage of remittances with a development discourse signifies not only the crisis of development funding, but equally the crisis of capital. He suggests that the World Bank’s preoccupation with “securitizing” remittance flows (see Ketkar & Ratha 2004/2005; Ratha 2007; World Bank 2011), is developmental for the financial sector. Rather than understanding remittances as a capital stream “in search of financial products” for maximum productive use, Hudson points out that financial markets are always in search of a capital stream (328), and that remittances fit the bill. This perspective invokes what Geographers’ Leyshon and Thrift (2007) understand as the creation of a new asset class, an essential step in the process of financialization. Remittances are here explained in terms of their relation to the process of capital accumulation. For Hudson, the formalization and securitization of private remittance flows sits uneasily beside poverty-alleviation and other development concerns.

Goldring (2004) and Lo (2008) also foreground a development crisis, signaled by the Post-Washington Consensus- in particular a turn towards indices of development such as the Millennium Development Goals in the reconstitution of migrant remittances for development purposes. Lo (2009) in
her research of the Senegalese case, points out that the re-fashioning of remittance for development fits conveniently within the post-Washington consensus which has sapped the power of the state to invest in development despite a UN priority to make poverty history by 2015. The state is tasked with improving education, health, gender parity and income disparity and yet constrained by ideologies about market-based governance. Remittances step into this development moment as a prime source of capital due to the long-standing crisis in State-based support. The development crisis perspective in the above scholarship thus points to an over-arching and historical system (AKA neoliberalism, capitalism, and the post-Washington consensus) which constrains the remittance phenomenon.

These analyses capture the extent to which market rationale governs development rationale, and yet the governmentality approach in migration leaves little room for political agency. While I remain sympathetic to the notion of a development crisis which links the remittance phenomenon to broader systemic crises in development funding, particularly marked shifts in official development aid (see Tadem, 2007) and the limited engagement afforded the state in development, my research in the Philippines pays attention to agency within the remittance phenomenon, specifically in the banking sector. Perhaps development crisis is only half the story. Feminist and post-colonial scholars have substantively engaged structure-agency debates. I hope to apply these literatures to the remittance phenomenon and tease out not only the neoliberal “public transcript” (Roy 2010) on migration and development but equally the fissures which might give rise to novel political and economic openings.

Uneven Remittance Geographies

The second counter-narrative, development pluralism, can be understood as an attempt to complicate a unitary idea of remittances and re-define what counts as development. Ground-level scholarship, in particular, has recognized that remittances are a household strategy with disparate impacts depending on lived realities of class, gender, sexuality, ethnicity, and geography. (Cohen & Conway

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10 While Kunz (2011) is concerned with agency, especially the ways in which a gender-neutral discourse maps the (man) remitter as agent and the (woman) receiver as subject, her analysis of “resistance” is limited to the ways women remittance receivers “resist the entrepreneurship model” by using project resources to further personal rather than business goals.

Bracking (2003) demonstrates in the case of Zimbabwe’s re-regulation of informal remittances, the process of formalization is rife with unevenly distributed goods and bads. As Bracking describes, because official currency exchange channels were far more expensive than local bureau de change, Zimbabwean returnee migrants often opted to bring in concealed cash. According to macroeconomic principles, this led to a mismatch between the ‘real’ and street-level cost of money (inflation) and the inability of government to intervene through its usual mechanism, interest rates\(^\text{11}\). Thus, in 2003, the Zimbabwean government closed down the bureau de change and criminalized informal remittances. However, according to Bracking, this law was unevenly applied such that elite exporters, Western Union and other politically-connected money-changers were able to continue operations. The process of formalization, therefore, had uneven impacts depending on class status and other power hierarchies.

Parrenas’ (2004) study of transnational family ties highlights the ways in which remittances have contradictory impacts on women and gender relations in migrant household in the Philippines. Her ethnographic findings point out that in the majority of migrant-mother households, spouses of women migrants in the Philippines do not take on more social reproductive work. Rather, the material work, including remittance management and household finances, generally falls to daughters or women kin (sister and mothers), while women abroad often continue the immaterial work of parenting from a distance.

McKay’s (2008) research likewise explores the uneven geography of remittance economies in the Philippines that intersect gender and livelihood issues. In looking at Ifugao land-use decisions in the Cordillera province of the Philippines, she finds that remittances both enable and constrain a woman migrant’s financial goals. For example, one woman who works abroad as a domestic worker is able to

\(^{11}\) Of course, inflation-targeting as a mode of measuring the health of an economy also has a particular historical development which can be understood within the paradigm of financialization (see Mann, 2010).
remit money to her husband, enabling him to invest in green bean cultivation, a cash crop for national consumption that requires an upfront capital expenditure. While the bean cultivation enables him a measure of upward mobility, the land-use change from rice to beans and the consequential pesticide use, happening across the Cordillera region, might constrain the migrant woman’s financial aspirations of buying land for rice cultivation and becoming a *kadangyan*, traditionally understood as a high-status position. Thus, while this household seems upwardly mobile through remittances and beans, this mobility is made possible through gendered land-use negotiations.

Kelly’s (2000; 2009) work also points to household negotiations that intersect gender, class, generational and geographic issues. In his work on Cavite, an industrializing city south of Manila, he explores the entanglements between international migrations, industrial jobs in the city’s Export Processing Zones (EPZs), and livelihood pursuits such as farming and fishing. He finds that most households incorporate two or three of these money-generating activities in order to make ends meet. Moreover, international migration, while still a relatively small percentage of community livelihood, is widely understood to be the path towards upward mobility, as evidenced by two-story concrete houses, the fruit of overseas labour. Given this reality, one young man in Kelly’s (2000) fieldwork opted not to help his family with the harvest as he waited for his migration papers to process. Thus, while migration can be understood as contributing to household mobility (as new houses demonstrate), it is also a site of intra-household negotiations that may privilege some over others. Furthermore, as incoming migration to Cavite from other provinces for domestic work or work in the EPZ demonstrate, international migration is made possible through uneven resources to begin with. It is widely acknowledged that international migration is an option only for those with enough resources to pay the fees needed to go abroad (Kelly 2000; Lo 2008).

These ground-level findings underline the ambivalence of remittances to development. Remittances have uneven effects depending on lived, contextual realities. Both approaches, development crisis (the macro-level analysis) and development plurality (the micro-level analysis), thus provide important critiques of positivist accounts of the remittance phenomenon. At the same time, this research
recognizes a gap in the remittance literature: the mezo-level. There has been no social science research on what the remittance phenomenon means to non-migrants. This thesis begins to fill in this part of the remittance story by paying attention to how financial institutions constitute a migrant market in relation to the remittance phenomenon. My research contributes to the remittance literature by paying attention to how migrant subjectifications at the scale of the bank make possible certain forms of development. Importantly, this research cannot address whether these migrant subjectifications actually change migrant and migrant family self-understandings. Another research project would be important in order to understand whether people are actually seeing themselves as part of the rising middle class, as consumers, or as entrepreneurs. Thus, this thesis is limited to outlining the ‘migrant market’ phenomenon and speculating on what this might mean for Philippine development.

**Feminist Framings**

Uneven remittance geographies can be understood within longstanding scholarly debates about the global and the local (Gupta & Ferguson 1992) as well as relations between empirical and theoretical work (Silvey & Lawson 1999). Feminist and post-colonial scholarship provides key insights that can inform notions of development vis-à-vis the remittance phenomenon. Moreover, both bodies of work deal explicitly with structure-agency debates as they relate to subalternity, a core theme in thinking through what is at stake in the Philippine MDN. Feminist scholars have analyzed economic activities (care work, intimate labour, gifting) and geographies (the household, the body) that have been historically neglected in economic and geographic research. This recognition and inclusion challenges the kind of binary thinking- public vs. private, production vs. reproduction- that has underpinned modernist development interventions (see Silvey and Lawson 1999). Feminist scholars have also paid attention to interlocutors as interpretive subjects rather than objects responding to outside forces. In doing so, feminist narratives have re-shaped theoretical frameworks. As Silvey and Lawson (1999) detail, feminist migration scholarship has tracked migrants’ own agency and participation in reworking identity and place as socially-constructed categories (see Silvey 2004;Gibson et al. 2001; Gidwani & Sivaramakrishnan 2003). This scholarship disrupts two linear and teleological theories about migration and development: 1)
migrants as objects of ‘development’ within a discrete process of modernization and 2) migrants as objects of ‘underdevelopment’ within a global system of exploitation. Feminist migration scholarship has thus noticed how migrants understand themselves and the places and spaces they inhabit and let these narratives reframe theories of migration and development. As Silvey and Lawson (1999) suggest, these narratives also re-orient how we ought to understand places and spaces: “interpreting the voices of migrants themselves as theoretically meaningful allows researchers to open up ‘development’ and critique categorizations of place as underdeveloped, backward, or traditional” (123).

The post-colonial critique provides an incisive analysis of structure-agency debates, especially as they relate to issues of recognition, and representation. In particular, the work of Gayatri Spivak elucidates the hazard of assigning agency to the subaltern- of claiming for example, that migrants are economic agents. In her landmark “Can the Subaltern Speak” (1988) she challenges the idea that scholarship can represent identities and make recognizable subalternity without institutionalizing an itinerary of recognition, which necessarily re-constrains one’s agency through narrow and static patterns of recognition. This initial analysis effectively gives ‘structure’ absolute power to subjectify a subaltern ‘agent’ and presents little room for either activist-scholarship or any normative politics of making claims at all. However, her later work, especially a 2005 article, attempts to hold onto a praxis of self-representation that does not exploit identity. She points to conditions which make possible synecdochic claims -- the ability to say, for example, I represent migrants because I am one migrant. Her concern is that this be a strategic invocation- an attempt to re-chart an itinerary of recognition rather than a claim to stable identity. This provides a way into understanding how representations of migrants and their families can serve both hegemonic projects and also the counter-projects aimed at global justice. Roy (2006) and Rankin (2010) likewise point to a normative politics that is not centred on subaltern conduct

12Gidwani and Sivaramakrishnan (2003) discuss the problem of reclaiming marginalized “voices” towards a critique of domination, especially within the framework of Foucauldian ‘biopower’ wherein representations continue to be governed by power relations of domination. They suggest a Gramscian concept of hegemony, a power which is unstable and requires constant legitimation, “leaves open the possibility for the appropriation of the practices and languages of ‘modernity’ and ‘development’ by subordinate groups in emancipatory ways” (203).

13 The term “itinerary of recognition” is not used by Spivak (2005), but rather by Roy (2011, 226) in her discussion of Spivak’s subaltern in relation to the ‘slum’.
or behaviour, but rather the conditions which make social justice claims possible by “effect[ing] an uncoercive rearrangement of desires” (Roy 2006, 25). Both feminist and post-colonial scholarship thus provide a fitting home to the remittance story which has become about effecting multi-scaled change through the present and future actions of migrants and their families.

In many ways, the remittance conversation continues to be constrained by binary understandings (particularly productive vs. unproductive remittance use), the objectification of migrant subjects (as heroes or victims), and the simplistic mapping of territory as ‘developed’ and ‘underdeveloped’. In addition, questions of scale (and their implications for structure-agency debates) are centrally important in the remittance phenomenon, both for methodological concerns and development praxis. By theorizing scale, geographer Doreen Massey (1994) articulates that every place is multiply scaled; something which takes place in a household, for example, has causes and effects beyond the household itself. Places are constituted by and through processes which are not constrained by objective boundaries but rather shaped by social relations which are multi-scalar. This “extroverted” sense of place (Massey 1993, 67) is important in order to recognize that the remittance phenomenon is not solely within the purview of individual and household scale decision-making, but fundamentally multi-scalar.

Two exemplary books within the feminist and post-colonial scholarship have had a lasting impact on both my research methodology and the theoretical toolkit that informs this thesis. *Poverty Capital* (Roy 2010) and *A Post-Capitalist Politics* (Gibson-Graham 2006) are both studies of economic activity in the periphery. Both fit broadly into the critical development studies literature. And both also happen to ‘follow’ the remittance phenomenon in an M&D imaginary in which remittances are linked discursively and in practice to microfinance (the topic of Roy’s book) and community economies (the topic of Gibson-Graham’s book).

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14 I use this term as a general indicator of economic marginalization- not as a topological truth. Both books also question peripheralization- Roy through tracking microfinance to Wall St financial capital (evidently at the ‘core’) and Gibson-Graham through a discursive project to notice all economic activity, without creating binaries of formal/informal; core/periphery.
Ananya Roy in her book Poverty Capital (2010) makes a ground-breaking and careful critique of millennial development through an ethnography of microfinance institutions. In her engagement with institutions, she does not seek to evaluate the efficacy of microfinance, but rather to tell a story of the makings of a “public transcript” in microfinance. As she explains, this “public transcript” acts as authoritative knowledge “producing truth but also consent to this truth” (56). Elements of the public transcript include the financialization of microfinance and a turn towards financial “best practices” measuring the capacity of the poor to pay back the loan, rather than human and social development.

However, even as a “public transcript” emerges in microfinance there are noticeable ruptures in its authority, prompting Roy to surmise that there is both an emerging consensus about the importance of markets in development and a decisive struggle to define the relationship of the poor to markets: “It is possible to read millennial development as a fierce battle of ideas, an irreconcilable divide between those who are concerned with how markets fail the poor and those who advocate pro-poor markets. ... Yet a closer look reveals that the divide may be less stark and that a more broadly rooted ‘consensus on poverty’... may be at work.” (65)

As Roy details, producing poverty knowledge (a kind of capital in itself) involves the financialization of development. Financial indicators become evaluations of development proper—for example, portfolio at risk (PAR), a measure of outstanding loans past due, comes to signify the success of an institution, ostensibly committed to poverty alleviation. Likewise, access to capital in itself—a “minimalist microfinance” stripped of a politics of social protection and government participation—becomes the only viable microfinance model. The neoliberal moment in development, as she points out, and its idiom financialization, traffics in the idea of mutually beneficial partnerships between those with high capital and those without. The making of new financial markets and the inclusion of marginalized actors in development go hand-in-hand.

Roy’s insights about microfinance and development more broadly have notable parallels to the MDN in the Philippines. In fact, many of the emerging M&D Philippine projects make explicit reference to microfinance—counting remittances within microfinance as “micro-transfers” and modelling M&D
meeting on the Microfinance Council that emerged in the early 2000s as a BSP policy innovation (REDC 2011). Clearly, the emergence of the MDN in the Philippines fits into larger shifts about development itself. Roy confronts the promises of millennial development- micro entrepreneurship, financial inclusion, the democratization of capital and the end of poverty- in a way that grapples with structure-agency debates. As such, this book is an important theoretical marker for my own research.

While Roy (2010) critiques the “public transcript” in poverty capital, she also points to counter-geographies (in Bangladesh for example) which produce their own truths and practices. In thinking through the multiplicity of conjunctures of “debt, discipline and dependence” (139) within microfinance, Roy succinctly captures the complexity inherent in millennial development. This complexity is a hallmark of feminist scholarship. Feminist scholars have insisted on seeing ‘the poor’ and ‘migrant workers’ as complex political subjects. And furthermore, paying attention to how subjective understandings re-frame macro-level understandings – for example of development, economics and politics. Feminist scholars Nagar et al (2001) suggest issues of economic development and globalization, in particular, benefit not only from gender analysis, but importantly, feminist epistemology and methodology:

A feminist analysis dramatically expands the scope of “the economic” in economic globalization by drawing attention to the inseparability of activities in the formal and informal, paid and unpaid, productive and reproductive spheres. While it appreciates the material dimensions of globalization, a feminist analysis also insists on the importance of cultural and political meanings (e.g. of femininity and masculinity, work, justice and activism) (279).

Boundary-making around categories such as ‘economic’ is a defining feature of the Philippine MDN, and so, it seems only fitting that feminist scholarship will have particularly apt insights into the Philippine MDN. In economic geography, feminist scholars JK Gibson-Graham have charted new territory in this regard and constitute another touchstone in my own work.

JK Gibson-Graham’s A Post-Capitalist Politics (2006) details several Participatory Action Research projects that co-construct community economies, one of which is in the Philippines. Gibson-Graham undertake development projects- especially asset-based assessments and value chain interventions- with and among community groups. In doing so, they build theory about economic
participation. As a follow-up to their theoretical intervention (1996) in critical political economy that attempts to theorize an outside to capitalism, *A Post-Capitalist Politics* substantiates this ‘outside’ through case studies that document non-capitalist economic projects. As they explain, their core engagement as actor-researchers involves documenting and in some cases employing three interwoven elements: a politics of language, a politics of the subject, and a politics of collective action. Each of these contributes to a politics of economic possibility which they describe as a politics which “creates novel economic ‘positivities’ on the negative ground of the subject and place” (xxxiv). Gibson-Graham understand the economy as practices scattered over a landscape rather than as a unified system. From this vantage, affecting economic change requires attention to sites of “becoming”. Both the subject and place are key sites of economic change as explained by Gibson-Graham: “The saliency of the subject derives from our reading of feminism as a project that explicitly affirmed women while implicitly affirming a new political being – the Lacanian ‘subject of lack’, ‘the empty place of the structure’ that is the opening for a politics of becoming” (xxxiii). Feminism here is explicitly engaging with otherness as a dynamic referent. A related article (Gibson *et al.* 2001) discusses subjectivity in regards to migrant workers, arguing that the ways a Filipina domestic worker understands herself are much more complex than identities assigned by neoliberal and critical scholars alike. They argue for the importance of carving out a discursive space wherein a migrant worker is neither a victim within economic relations of exploitation and dependence nor a *bayani* (a hero seeking comparative advantage within frameworks of neoliberal globalization and contributing to ‘development’ as a result).

Likewise, in their understanding of place, Gibson-Graham (2006) invoke its semiotic dimensions:

> We were struck first on its specificity, its dailyness and groundedness – what might be called the positivities of place. Over time, however, the negativity of place seeped into our awareness. Place became that which is not fully yoked into a system of meaning, not entirely subsumed to and defined within a (global) order; it became the aspect of every site that exists as potentiality (xxxiii).

Place, like the subject, can be re-imagined and re-made by paying attention to semiotic unevenness, fissures in the global and local order. Gibson-Graham’s work cultivates new subjectivities and desires that have fundamental implications for how we understand ourselves and our ‘place’ in the world.
Cultivating new economic subjectivities and place-based desires (should I stay or go?) is a core project within the Migration-Development Nexus. Gibson-Graham’s articulation of a politics of possibility is thus an apt approach to telling the story of the Philippine ‘migrant market’, not only as a project of neoliberal subjectification, but equally as a potentially transgressive politics of the subject.

I have organized this thesis to reflect Roy and Gibson-Graham’s insights. If remittances enter into an established economic space governed by neoliberal governmentality, it is crucial to specify what this actually entails lest we fail to see the fissures of this global order. Each chapter thus pertains to one element of the production of economic space. Chapter 2, 3 and 4 rely on Roy’s incisive analysis of millenial development. Chapter 2 underscores a politics of language- looking in particular at discourse and data in the MDN. Chapter 3 highlights elements of Philippine political economy- providing a historical analysis of the co-constitution of migration and finance in the Philippines. Chapter 4 engages the everyday of migrant subjectification- how people have been and are constituted through financial practices. The last section, Chapter 5, relies on Gibson-Graham’s theory of the subject and gestures towards a new politics of collective action- highlighting an emergent strategy for alternative development.

While some might argue that Roy and Gibson-Graham have fundamentally divergent positions on power, I prefer to understand them as complementary theorists. In particular, I see Roy’s strength for this thesis in her willingness to let complexity co-exist with critique. She tends to recognize the power of the mainstream (the global order) and the power of actors at other scales (local neoliberalisms), never allowing power to subsume into one overarching system. Gibson-Graham on the other hand, tend towards an iterative kind of power which can articulate a potent politics of the subject. Both theorists thus imagine power in such a way that acknowledges longstanding dynamics without letting these practices congeal as absolute truth. If Roy (2010) informs my understanding of knowledge/power that structures the remittance phenomenon (Chapters 2-4), Gibson-Graham (2006) help inform my understanding of the politics of possibility (Chapter 5) within the MDN in the Philippines.
Chapter 2
Geometries of Power in the Migration-Development Nexus

The following chapter, culled from participant observation, highlights several important discursive projects happening within the Philippine MDN. I want to begin by situating the ‘migrant market’ within a broader policy framework that includes NGOs, government officials, and the private sector. While banks tend to view migrants as a marketable sector—an emergent line of business—NGOs and government bodies are likewise engaging the migrant sector in particular ways. This chapter points to sites of discursive struggle in the MDN. Established and emerging policy narratives that link migration to development are part of a contested political landscape. That remittance economies tend to produce uneven development is a widely held idea, constituting a space of intervention in economic processes. Thus, the MDN in the Philippines hinges on notions of financial and developmental deepening, providing a space in which government, private, and civil society actors all have a role.

However, within this participatory policy space, there are boundary and truth-making projects regarding what constitutes legitimate M&D knowledge and practice. This chapter seeks to identify sites of boundary-making in the MDN, where ideas and participants come together and diverge. Doreen Massey’s (1993) notion of a “power-geometry” attends to how “particular constellations of relations [are] articulated together at a particular locus” (67). A geometry of power thus makes visible power dynamics that have, through time, congealed into recognizable forms and structures. However, Massey’s (1993) “power-geometries” also highlights unevenness in time-space compression. She suggests that different social groups are affected by their distinct relationships to capital, human and communications mobility. Time-space compression is a highly contingent phenomenon that is both produced by axes of social differentiation (i.e. class, gender, nationality), but also produced in relation to mobilities themselves. The concept of “power-geometries” thus captures the way in which social relations are affected by both

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15 Time-space compression, first discussed by Harvey (1990), refers to the changing nature of the relationship between space and time wherein social relations across space are mediated via economic processes which are, themselves, accelerating.
longstanding and enduring inequalities, as well as shifting power dynamics in relation to socio-
technological changes in areas such as finance, travel and communications. While Massey is primarily concerned with understanding power inequalities in an era of time-space compression, power-geometries is an apt framework for articulating a power that is not saturating (i.e. systemic) but rather in need of constant reproduction. The idea of a ‘geometry’ elides the mechanistic thinking of systems, making room for new forms and patterns to emerge in social relations. I use Massey’s term here as a testament not only to the ‘nexus’ in Migration & Development with its longstanding, uneven power relations, but equally to the ways power relations can change as actors in the MDN draw new boundaries and re-shape the mainstream.

**Who’s Got Skin in the Game? Public and Private Participation**

The MDN promises a democratized development wherein gaining a “foothold” up the ladder of opportunity (Sachs 2005, 73) requires a groundswell of participation. “Cross-cutting participation” was an explicit theme in the first Migration & Development forum I attended (August 26 2011, Ateneo University) – a report back from a two-year European Union Joint Migration and Development Initiative-funded program. The representative of the EU-JMDI described the overall project as the first manifestation of a shifting European discourse on immigration which calls attention to root causes of migration, widely understood as poverty and joblessness in the developing world. The forum was attended by NGOs who had received funds in the program, government agencies, and interested members of the broader MDN community. The moderator of the conference, Winnie Monsod, a University of the Philippines economist and public figure opened the floor following introductions by stating that the function of the forum was “to hear the results of the EU-funded program and test the sincerity and commitment of the government” (JMDI 2011). She was adamant in her opinion that the government lacks a cohesive and coherent response/initiative for both migration and development and thus is floundering in the task of “mainstreaming M&D”. She also broadly acknowledged that migrants themselves and civil society organizations have been engaged in linking migration to development for much longer than funding-bodies or governments.
While many government agencies including the CFO, OWWA, POEA, DA, DFA, NCRO (DOLE) were in attendance, there was some notable discussion on turnout. An example of the politics of (non)participation, the noted absence of the National Economic Development Authority (NEDA) signaled to some NGO participants that M&D continues to be a marginalized part of the national economic agenda despite its ostensible centrality. Remittances are lauded as a major element in the Philippine economy and widely represented as a percentage of the GDP and other economic indicators (see Table 1). At one point in the meeting, the representative of the Department of Agriculture was asked by Monsod point blank why he was there. When he replied that 300,000 OFWs (almost a third) come from the agricultural sector, that he was in a sense representing a constituency, someone else stood up to pronounce the rationale false. Rather, said the participant, the DA’s presence was intended to see about “reaping the remittance bounty”. While there was finally consensus that the DA ought to be involved in OFW reintegration, the exchange brings the ambiguity of participation to the fore. Which government bodies participate in M&D and why is a node of contention across the MDN. Thus while “development is in everyone’s mandate” as stated by one government participant, “incoherence” or the extent to which each government body pursues its mandate separately and without overall strategy, seems to some a serious mark of development failure. There have been a lot of pilots, conferences, and lessons-learned that ought to be taken to the next stage: institutionalization. JMDI Reportback participants largely concurred that the Philippines has a long-standing and fairly impressive M&D framework. Mainstreaming M&D is thus a core task that the government has failed to realize. Both the “incoherence” of government and ignorance towards M&D at various levels of government are recurrent themes in M&D forums. Despite this kind of government critique, the state is a prime mover in the MDN. The Philippines has recently inserted many M&D concepts into the Medium-Term 2012-2016 Development Plan, a sign that some “mainstreaming” is indeed taking place.
Table 1: Remittances as a Percentage of Various Economic Indicators

<table>
<thead>
<tr>
<th>Year</th>
<th>Level (US$B)</th>
<th>Growth rate %</th>
<th>Remittances as % of</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>GNP</td>
</tr>
<tr>
<td>2005</td>
<td>10.69</td>
<td>25</td>
<td>10</td>
</tr>
<tr>
<td>2006</td>
<td>12.76</td>
<td>19.4</td>
<td>10</td>
</tr>
<tr>
<td>2007</td>
<td>14.45</td>
<td>13.2</td>
<td>9.2</td>
</tr>
<tr>
<td>2008</td>
<td>16.43</td>
<td>13.7</td>
<td>8.8</td>
</tr>
<tr>
<td>2009</td>
<td>17.35</td>
<td>5.6</td>
<td>9.4</td>
</tr>
<tr>
<td>2010</td>
<td>18.76</td>
<td>8.2</td>
<td>8.7</td>
</tr>
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</table>

Salva 2011

Yet prominent M&D NGOs assert that the Philippine government still tends to engage in programmatic without policy. MayAn Villalba of Unlad Kabayan spoke seriously at the JMDI Reportback about the need for policies which support work that is already happening- a *bibingka* approach (borrowed from a local dessert which is made by heating from the top and the bottom, popular now as a policy framework) towards the creation of an “enabling platform” for sustained development. Villalba relayed privately that a lack of policy and support for entrepreneurship, and continued support for what she understands as devastating economic policies like mining, are two related reasons why M&D has not been able to mainstream (Private conversation, December 21 2011). Her *bibingka* approach thus alludes to power and privilege in the Philippine political economy, rather than government mismanagement, as chief obstacles hindering possible development. Her statement provides another take on the issue of “incoherence”, the result of active (and entrenched) interests rather than a bewildered and incompetent state. The disjuncture between Villalba’s critique of the state and Monsod’s “incompetent state”, despite commonalities, reveal a nuanced political landscape. This kind of disjuncture is a keen reminder that the critique of government incompetence, despite its truth elements, has also made possible a thoroughgoing neoliberal-style dismantling and privatization of state power (in banking, for example as discussed in Chapter 3). While Villalba employs the language of “enabling policy environments”, borrowing from the mainstream, I see here an unmarked fissure in meaning.
In a group conversation among NGO staff (including TIGRA) at an office Christmas party, Villalba proclaimed that they do not promote migration for development despite their obvious prominence in the MDN – including a long-standing role in the civil society portion of the Global Forum on Migration and Development, their work in linking migrant savers to investment projects in the Philippines, and in supporting returnee migrants through entrepreneurship. “We do not support migration for development. We have always been for social enterprise and entrepreneurship for development” (private conversation, December 21 2011). Thus while Migration and Development is in some sense a unified and coherent discursive project that can be written and spoken of as M&D (like Gender and Development or GAD), it is also fundamentally a site of struggle, beginning with definition.

At the first meeting for the tentatively named Collective Remittance Councils, somebody asked for clarification: What is meant by collective remittance? Atikha, a prominent NGO posited the following definition: a collective remittance involves “pooling money in a vehicle for a project”. This definition highlights a number of important sites of tension in the MDN (as well as potential sites of a politics of economic possibility). Participants in the MDN tend to hold different views regarding how to pool money (and of course whose money to pool), what are appropriate vehicles for this money and what are important development projects. Atikha’s definition eschews the binary trap of productive vs. unproductive remittance function, instead focusing on the organizing principles that make possible a diversity of remittance interventions.

Tellingly, the word ‘collective’ was soon dropped from the Council despite a willful attempt by the Chair- CFO Secretary Imelda Nicholas- who urged the importance of hometown association as more developmental than the classic family remittance (see Goldring 2006 for a useful remittance typology). The new name- Remittance for Development Council (REDC) reflects a move to “broaden” the Council’s mandate to also include issues such as remittance pricing. Thus while the notion of “harnessing remittances” (or “pooling money”) remains central to the MDN, whether this is envisioned as a concerted effort by actors collectively or an outcome of competitive price signals, is a telltale sign of one geometry of power within the MDN.
While the structure of REDC, open to all who are “stakeholders”, seems politically neutral, interest in the topic runs the gamut from migrant rights advocacy to profit motivation. A policy-recommending body, REDC is modelled off of the Microfinance Council spearheaded by the BSP in the mid-2000s (REDC 2011). The Microfinance Council signaled a shift towards government, private sector and civil society convergence around issues of financial inclusion. The body has since been a prime mover in mainstreaming cash-flow based lending models among financial institutions and recommending a number of changes in bank regulation and government policy, including the creation of the new BSP Office of Inclusive Finance. REDC, too, is understood within the context of inclusive finance as someone from the BSP pointed out in the first meeting: remittances are part of microfinance as micro-transfers.

In an email exchange among TIGRA colleagues about the proposed Collective Remittance Council, Francis Calpotura, TIGRA’s Executive Director, wrote

So, if we want to engage in this, and I think we do, what's our game plan?... (1) expand the notion of “who has skin in the game” on remittances that has impact on the economic development of communities. We should bring in the SM’s¹⁶ and other private institutions (and others) in the remittances “ecosystem” to participate in this conversation. The biggest driver at this time in local communities are [sic] private capital, and they're the ones who are benefiting from the consumption practices of recipients. They should also be oriented to see play a role in the “all-sided” development of communities, i.e. they have to reinvest in the communities they're benefiting from. They can hire more people, allocate a certain percentage for local investments or match government and collective remittances of remitters, etc. We can first ask for a study that looks at the "eco-system" of remittances and who are the key players benefiting from the it [sic]. Then engage those players to come to the table and join¹⁷ (Email conversation, November 10 2011).

As Calpotura points out, who has “skin in the game” is a defining political question within the MDN. While there are emerging policy spaces for “cross-cutting participation”- there are quite obviously struggles regarding who participates and how. In the first meeting, in response to a suggestion that the insurance industry and real estate sector ought to get involved, one NGO responded that those whose primary interest is “in exploiting migrant money, rather than developing the country, maybe shouldn’t participate” (REDC 2011). But, of course, the line between stakeholders and opportunists is not clear-cut.

M Lhuiller, the largest pawnshop network in the Philippines which makes more money as a remittance

¹⁶ SM is a large retail chain in the Philippines.
¹⁷ The predominance of geographic imagery in the remittance phenomenon including ecosystem, terrain and landscape is discussed in more detail in Chapter 5.
location than in pawning items (prompting someone at a REDC meeting to jokingly suggest they change their name) (REDC 2012), is a clear “stakeholder” in remittances yet sent their Compliance Officer to the first two meetings. In a conversation with her, she told me that she knows little about the retail remittance business, and that another colleague- the remittance marketing manager- ought to be in her stead. Participants are not necessarily committed to changing the current remittance terrain, but nonetheless participate as stakeholders in the MDN because the Council may very well affect their organizational landscape. Just as the Department of Agriculture, was aptly called out in seeking to “reap the remittance bounty” in the EU-JMDI Reportback, private sector institutions likewise have bottom-line agendas in mind. This can be summarized in the words of a staff member of Batis Center for Women in expressing some reservations about the direction of the MDN policy space as concerned primarily with “chasing money” (Private conversation June 21 2012). Like the disjuncture between Monsod and Villalba on the role of the state in promoting M&D, the role of the private sector is similarly subject to different interpretations.

Both Roy (2006, 2010) and Gibson-Graham (2006) draw attention to discourses that constitute what is possible in a given context. Feminist geographers and other related scholars have argued that epistemological issues are deeply entwined with conceptual and methodological concerns (Nagar et al. 2002). In pointing to the centrality of truth-making, critical scholars have drawn attention to the discourses and practices enacted at multiple scales that produce a given circumstance: “The ways in which global flows – of capital, labor, information and ideas – connect and affect specific social and spatial formations in places that are distinguished by particular histories and geographies.” (Ibid, 276). Through feminist geography we see that what is possible does not emerge as mechanical inevitability, in relation to an autonomous logic, but rather is constituted by practices and discourses which are themselves located in fields of struggle. Roy’s (2006) call for “praxis in a time of empire” captures this idea by locating development within a post-coloniality which is not only historically-constituted, but crucially a moment of discursive and material struggle as well. Thus Roy recognizes both the agency of
empire and the power of praxis. History doesn’t simply determine the present but rather constitutes an itinerary of recognition that unfolds by and through truth-making projects.

**The Accomplished Truth of ‘Productive’ Remittance Use**

One provincial governor understands the emergent MDN as enabling Filipinos to invest their money in projects beyond “educational plans, Barbie-doll houses, and three times-a-day visits to malls” (OFs-ReD 2012). This diagnosis of wasted investment resources, notably at the household scale, is echoed in forums and meetings across the MDN in the Philippines. The consequent prescription—quite predictably—is to enable families to engage in more ‘productive’ ventures. Atikha suggested that the MDN is a kind of “wake-up call- about time for a values-check about why we go abroad in the first place” (Remitter Power 2012), pointing to the centrality of individual and household-scale decision-making. Without discounting that remittances are a household issue, I want to point out the extent to which the current discourse in the MDN tends to focus exclusively on targeting migrants and their families for values and knowledge reform.

**Table 2: Remittance Use by Percentage Households**

![Remittance Use by Percentage of Households](image)

by the author; based on BSP consumer expectation survey (2011)
The table illustrates how remittance-receivers spend money. The lines, which indicate savings and investment, in particular serve as indicators of the need for remittance intervention: 45% and 89% of remittance-receiving households respectively do not have savings or investments. Data on savings and investment, often presented as standalone indicators of remittance use, tend to simultaneously communicate that most remittances are used for ‘consumption’. While almost all research supports the notion that remittances contribute to debt payments, basic needs (housing, utilities, food), education, healthcare and consumer durables, the way in which data on savings and investment is invoked oftentimes seems to suggest that most remittance-receiving households spend when they should save. While this may be true in some instances, the extent to which savings and investment indicators come to signify 1) household financial management problems and 2) the only developmental path deserve critical attention.

This quote from the OFs-ReD project (Overseas Filipinos Remittances for Development)- a partnership involving NGOs (as consultants), the Western Union Foundation, and government bodies-both national agencies and local government units- captures a core message of the Migration-Development Nexus in the Philippines:

The missed opportunity… Remittances have the potential to play a large and positive role in national development, serving as a fundamental investment that can produce a multiplier effect to greater and more inclusive local growth (Ofs-ReD 2012).

The word “fundamental” here signifies the extent to which remittances are envisioned as a cornerstone of development funding. OFs-Red is based on public-private research that suggests that Overseas Filipinos want inclusive local growth, but lack the capacity and resources to identify, invest in, and monitor projects (Ofs-ReD 2012; NEDA, personal interview, January 10 2012). Here development is defined largely as a technical issue- that can be overcome through better information systems and greater knowledge and expertise. It is a call for improved financial-system development. This is a financial development paradigm (see Rethel 2010) which emphasizes a greater role for government and non-government organizations in capacitating the market.

Policymakers and development actors, including banks and NGOs concur: remittances as they are, are not serving development. The conversation happening in forums and meetings among various
actors attempts to build an actionable framework for managing migration in order to minimize the social costs and maximize the economic benefits. Just as Roy (2010) points to an uncanny convergence of ideas in microfinance, my research likewise suggests that a similar way of interpreting remittances is not necessary indicative of a saturating neoliberal discourse, but crucially “a common optimism about the democratization of capital and a common suspicion of the role of the state” (66). Productive remittance use, therefore, is not simply a common goal among NGOs, government and the private sector, a stable truth about how remittances ought to function, but rather an “accomplishment of truth” (ibid, 56). Moreover, the discourse that remittances are ‘consumed’ rather than saved and spent ‘productively’, conceals other scales of agency, for example the extent to which the retail sector has happily obliged, even enabled, consumption through special Overseas Filipino (OF) lounges and amenities in increasingly ubiquitous shopping centres. It is the imagined scale of agency in development, a focus on the household scale, which narrows the concept of development to the product of individual financial discipline.

The space of intervention in the remittances phenomenon is governed overwhelmingly by one epistemological position: that remittances are economically beneficial but have mixed social consequences. This perspective reflects an optimism in regards to remittance beneficiaries in particular the social mobility of migrants and their families. Atikha (2008) describes a “duality of migration” from the household perspective wherein there are two sides to the experience: the positive, specifically upward social mobility and increased purchasing power, and the negative, constituted by social problems, especially changing family values due to separation and dislocation. Another NGO interlocutor, the founder of ERCOF, discussed migration benefits as that which contributes to human development: “First you have to get to know what the remittances are used for. These are for basic needs, education, housing, maybe medical, health. And a small percentage for savings. That is developmental in a way because investments in education and housing are important. I mean they also go to human development” (Bagasao, personal interview, September 21 2011). These notions of human development and upward

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19 Includes contract workers, permanent residents, undocumented residents, and dual citizens.
mobility fit within much of the literature that points to migration as a household strategy (Cohen & Conway 1998). At another scale, it is widely acknowledged that “remittances keep the Philippine economy afloat”, by creating demand in the economy and via the foreign exchange reserves which support debt and import payments, can help stabilize the currency, as well as improve creditworthiness (Remo, 2011). Most recently, the BSP’s decision to lend the IMF $1 billion from its foreign exchange reserves confirmed the boon afforded the nation as a result of incoming remittances (Dizon, 2012).

While both of these scales of development— the household and the nation— are sometimes disputed wholesale\(^{20}\), more frequently there is a particular cost-benefit analysis at play. In the Philippine MDN remittances tend to be measured in terms of economic benefits and social costs. Children left behind by migrant parents, emerging materialistic values, and family issues such as adultery and gambling are understood as social costs of the migration phenomenon, visible at the household scale. On the other hand, increased liquidity and economic multiplier effects (i.e. increased spending capacity) are understood as benefits, visible at the national scale through economic indicators. All too often M&D becomes a question of how to balance this “duality of migration” without thinking critically about the hierarchies and interconnections concealed by the binary between the categories of the ‘social’ and ‘economic’.

I have discussed two ‘truths’ about remittances, the consensus on the need for productive remittance use and the logic of social costs and economic benefits of migration. Of course, the power to define and manifest new remittance truths takes place in fields of struggle that reflect class, history, geography and gender. In the following section I engage a feminist perspective which, I argue, can disrupt these ‘truths’ and provide a grounded and relational analysis of power in a millennial development context.

\(^{20}\)Notably by activist groups who point to exploitation in the migration experience. Indeed, some migrants are so exploited in their destination countries so as to be effectively unable “to access lines of social mobility” (Spivak, 1988). Rather than achieving upward mobility, they are worse off financially, emotionally and sometimes physically (see Torres 2008). Likewise some economists argue that remittances prompt a “Dutch effect” in that they cause currency appreciation which hinders export-led development (Acosta et al. 2009).
Unpacking Social Costs and Economic Benefits

Feminist scholars have long pointed to the trouble with binary thinking. Binary thinking refuses to notice discrepancies, for example situations wherein migration is not economically beneficial for migrant families. Moreover, binary thinking is problematic because it narrows the space of possible intervention in the MDN. As Gidwani and Sivaramakrishnan (2003) suggest, migration is crucially both an economic and cultural event: “we view migrations as a social and cultural process – not merely an economic one – that transforms space and place” (193). In that sense, to see the benefits of migration as economic and the costs as social undermines a view of migration as an entanglement of social, political, economic and cultural processes. The spatial imaginary of entanglement, is not simply more true (i.e. validates migrants’ own views- best captured in ethnographic migration scholarship (i.e. Silvey 2006), but also importantly opens new and potentially path-breaking avenues for change. Seeing migration as ‘entangled’ does not preclude the possibility of disentanglement; rather, it makes possible the identification of new causal nodes and instances of path-dependence, or following Gibson-Graham (2006) makes possible “a politics of becoming” (xxxiii).

For feminist scholars, entanglement opens up the possibility of re-framing agency in relation to real existing power relations. Gidwani and Sivaramakrishnan (2003), in their research among low-caste Indian migrants, demonstrate the possibility that migration can be empowering even in situations where livelihood security and working conditions are objectively worse, “provided it contains the promise to positively transform place-based identities and relations of subjugation” (205). In their work, they have found that “consumption can offer new sources of social distinction and status, and even supply the semiotic elements for a counterhegemonic vocabulary” (199). This “body politics,” as they call it, positions the “consuming body” alongside the “working body” as an agent and subject of change. In contrast to Marxist scholars who understand consumption as a “politics of distraction”, Gidwani and Sivaramakrishnan “want to keep open the possibility that the cosmopolitan world of goods and significations can have emancipatory potential for groups subordinated by ‘traditional’ place-specific relations of hierarchy” (205). This is not to say that consumption is always and everywhere an act of
resistance, but rather to acknowledge that a complex political subject, beyond the worker identity, participates in migration.

Furthermore, the entanglement of ‘the social’ and ‘the economic’ in migration re-frames the development landscape by insisting on an “always embedded” economy (Polanyi 2004), subject to non-market forces. Gibson-Graham (2006) point out that both mainstream and Marxist economics have theorized a “closed, self-reproducing and potentially crisis-ridden system” (93), limiting our capacity to imagine and cultivate non-exploitative market systems- governed by an ‘outside’- social values and political processes. Likewise, in a context in which ‘economic’ denotes the absence of political and social governance (i.e. ‘the invisible hand’), remittance interventions tend to be either be technical in nature, enhancing the ‘economic’ benefit through ‘economic’ means, or ‘social’ in nature- intervening in ‘social’ processes which affect the ‘social’ cost of migration.

You can see this play out in terms of the two most explicit M&D interventions: 1) financial literacy- the ‘social’ intervention and 2) lowering the remittance cost- the ‘economic’ intervention. If remittances are already developmental in an economic sense, there is a need to enhance the benefit- make the remittance transaction cheaper such that more money reaches beneficiaries in the developing world. This idea has been popularized through the World Bank, in particular, which has produced an online database that tracks the cost of remittances. The aim is to make the remittance market more efficient by fostering competition and targeting information asymmetries. This economistic approach to remittances is captured in the World Bank statement that: Lowering Remittance Fees by 5% will channel $16 billion to developing countries (http://remittanceprices.worldbank.org/).

If the remittance ‘cost’ is social in nature, there is a need to intervene socially; i.e. socialize actors in line with different priorities. The push for financial literacy suggests that migrants and their families can be socialized such that they are better able to channel their remittances in ways that will have a broader development impact. Financial literacy, notably directed at migrants and their families, begins from the premise that most migrants and their families lack the wherewithal to understand their financial options and also the discipline to manage their money. Financial literacy (i.e. education seminars which
teach people how to budget their money, plan for the economic future, and navigate financial products like bank accounts, treasury bonds, loans, and consumer credit) is a social intervention meant to align household priorities with development priorities. Each organization tends to boast the number of seminars and migrant attendees in their financial literacy programs, making it seem as through financial literacy is a veritable movement for social change. However, several NGOs express exasperation with the dominant discourse, even as they themselves are active participants in promoting financial literacy.

While access to and knowledge about financial products may indeed be developmental, there are different perspectives on why this is so. Someone with the Migration and Development Consortium explained in a forum that banks do financial literacy to hawk their own products (Remitter Power 2012). In other words, financial literacy is developmental for some in part because it ‘develops’ systems of finance in the Philippines. According to mainstream economists, the Philippines has an underdeveloped financial system – as measured by the availability of non-bank financial intermediation- stock-market capitalization, hedge funds, mutual funds, and insurance products (World Bank, n.d.). While the financial landscape stands to benefit from migrant money, the imagined scale of development diverges from NGO models which have been developed with the end goal of empowering migrants and their families. As Atikha explained, financial literacy began as an antidote to social, especially intra-household financial issues, rather than efforts to link migrants to wider markets (private conversation, October 20 2011).

NGOs tend to stress the importance of family, rather than individual financial literacy seminars. Atikha’s financial literacy seminar is nested within a larger educational program, ostensibly opening up spaces for migrants and their families to develop new practices of communication about needs and aspirations. Financial literacy in this context aims not only to educate and empower migrants and their families but, crucially, organizes new spaces of deliberation, enabling families to discuss needs, goals and desires. Household-scale financial planning may in fact stand as a counterpoint to rational allocation decisions based on purely economic factors. While both banks and NGOs use terms such as “values-education” in their financial literacy programs, ostensibly connecting spending behavior to personal and family goals, the concept of ‘values’ diverges significantly among organizations. Values-education may
be a mode of financial discipline wherein financial rewards in the future come to matter more than current needs and wants. However, value-education may also explicitly relate household practices to notions of self-actualization or human and social development. Perhaps this second model of migrant subjectification stands at odds with a market logic in which the allocation of remittances is understood within frameworks of “financial freedom” (freedom from work?) and the “age-old” value of savings (BPI Direct, personal interview, January 18 2012). Values-education can incorporate the particularity of desire rather than assuming wants and needs. In the case of Batis Center for Women’s Less is More campaign, re-working desire is a central component in an empowerment model which proposes new subjectivities borne of collective definitions rather than market rationale. These kinds of negotiations about what constitutes financial literacy are part of the MDN, and account for conflicts over who gets to participate and how.

Ananya Roy (2010) in her analysis of the microfinance landscape suggests that “accomplishments of truth” (56) are crucial to reproducing particular models of development: “Ways of understanding and explaining the world go hand in hand with poverty capital. It is here that a metrics of risk assessment and management is forged; it is here that the poor are classified and categorized; and it is here that more generally the business of poverty comes to be ‘financialized’, or transformed into a set of financial benchmarks and indicators” (31). Roy’s understanding of the microfinance landscape holds onto both the perils and potentials of poverty capital. She is well-aware that bankers, anti-poverty activists and the poor all share in this world and that moreover, these alliances “lie at the very heart of poverty capital”. Poverty capital- “the currency of poverty experts”- is also a key part of the MDN. Indeed, as with microfinance, M&D, insofar as remittances are concerned, seeks both to democratize capital and to financialize development. The project of financial literacy- for example- is both a tool for the subjectification of migrants and their families as financial beings and an invitation to participate not only as capitalists (i.e. investors) but equally as agents of change (i.e. development actors). The question of whether migrants and their families indeed benefit from processes of financialization animates the MDN.
Another question, however, perhaps more difficult: what kind of development are we building and articulating which places finance at the center?

In this chapter I have discussed several geometries of power within the migration-development nexus, in particular as these relate to participation and discourse. Massey’s (1994) concept of “power-geometries” pays attention to unevenness in time-space compression. Rather than understanding globalization as a phenomenon in which capital overwhelmingly determines places and social relations across space, Massey pays attention to how different social groups have a distinct relationship to capital, human and communications mobility. And moreover, to how the process of differentiated mobility, itself, contributes to power relations. Thus “power-geometries” alludes to a power dynamic that are both established via other axes of social differentiation (i.e. class and gender) and emerging through changing mobilities. What constitutes legitimate knowledge and practices in the MDN can be likewise be understood as a field of struggle within which longstanding social differentiation between public, private and civil society actors and emerging power created via capital mobility and migration exist in relation to each other. It is thus possible to understand the MDN as a political nexus that both includes neoliberal praxis and resistance to neoliberalisms Like Gidwani and Sivaramakrishnan (2003), I understand “development as a system of hegemonic ideas, following Gramsci, that is perforated rather than saturating, whose legitimacy must be constantly reproduced, and which, as such, is potentially open to contestations” (202) Power in this sense is not fully constituted by and through knowledge regimes. Rather, power is performed and legitimized by practices and rationales.

This chapter has discussed the migration-development nexus, not simply as a policy field, but crucially as a political field in which understandings and social relations plays an important role in shaping what is possible in relation to the remittance phenomenon. Key in my analysis is the notion that legitimate MDN discourse and practice is not simply determined by neoliberal logic and the interests of capital, but rather, that the mainstream sits uneasily beside alternate and potentially disruptive agendas. I have focused on two elements in this chapter: 1) a politics of participation and 2) struggles over meaning.
Both of these elements, I suggest, animate the MDN and demonstrate the kind of geometry of power I have observed between and among actors and organization.

Issues of participation and “accomplishments of truth” (Roy 2010, 56) in the MDN, furthermore, do not simply reflect a discursive field which has material affects, wherein discourse is always successful in shaping reality (see Butler 2010). I have sought in this chapter to situate discourse, for example productive remittance use and values-education, in MDN practices such as financial literacy seminars and public-private development partnerships (i.e. OFs-ReD). At the same time, I have highlighted a more complicated mainstream in which NGOs, in particular, engage divergent M &D agendas. Thus, I have begun to pay attention to modes of representing and manifesting ‘development’ as well as the fragility of such an enterprise.

The following two chapters pay attention to the ways that the financial system structures conditions of possibility in the MDN. In doing so, I point to both historical contingencies and current “accomplishments of truth” (Roy 2010, 56). While meaning and understandings are key to understanding power relations in the MDN, as this chapter has discussed, the MDN is also constituted by and through historical and geographical materialities. In particular, financial practices since the 1970’s condition what is possible in harnessing remittances for development. My goal in discussing both the historical development of the financial system and its current orientation is to re-tell the migration story as a story of financialization. By mobilizing interview data from bank and non-bank financial intermediaries in the Philippines, I hope to contribute to an understanding of remittances as one idiom of the financialization of development. Chapter Two (the story of assets) outlines a history of financial crises and reform and describes how the banking sector has come into the remittance business. Chapter Three (the story of liabilities) outlines a history of bank lending since the Marcos period and discusses risk-aversion and reward structures. Both chapters are two sides of the same coin, a double entry accounting of a geometry of power (Massey 1993). I then elaborate on what this geometry might mean for the possibility of remittance-related development. I argue that remittances enter into fields of established institutional practices constrained by the reigning ideology of risk management.
Chapter 3
The Story of Assets: Histories of Crises and Geographies of Business

This chapter seeks to place the remittance phenomenon in the context of financial reforms in the Philippines since the 1970’s. Within this context, it becomes clear that remittances are an important line of business for banks. This is not a new idea in any sense; that remittances are capital is the basic presumption of mainstream economists. However, the discursive focus on the function of remittances (how they are spent) shorts an understanding of the way that capital markets ‘work’ in the Philippines.

There are three interlocking arguments in this chapter. The first is that the capabilities of the financial system have been cultivated through the state and, largely, at the expense of the nation. The second is that the banking system’s privilege, positions it favorably in regards to overseas Filipinos and the migration phenomenon. The third is that as a “dynamic and innovative-profit making business” (Minsky 1986), banks in the Philippines have adjusted their lines of business such that remittances have become an important capital stream and migrants a potential market. These three arguments do not discount the benefits of banking for migrants and their families. Rather, my goal is to reposition the financial sector in relation to development work. The financial sector is widely understood in the MDN as possessing technical expertise that can provide important ‘economic’ services for migrants and their families.

However, attention to political economy, specifically financial sector reform since the 1970’s exposes the extent to which changes in the financial sector have constituted the remittance landscape and continue to impact possibilities in development. The financial sector is thus implicated in M&D, not simply as an ‘economic’ entity, but crucially as a political force that shapes what is possible in “harnessing remittance for development”.

While the remittance phenomenon has no doubt factored into analyses of economic development for some time, this is becoming increasingly pronounced. One example is the incorporation of M&D language into the 2011-2016 Philippine Development Plan. This incorporation covers a wide range of
topic areas; however, the introductory chapter “In Pursuit of Inclusive Growth” notably positions the remittance phenomenon as a primary condition for an emergent “Window of Opportunity”:

In economic terms, the country’s external payments and international credit position have not been healthier in decades for various reasons. Thanks to overseas remittances, surpluses on current account have been run consistently since 2003… Nor should it be forgotten that today’s chances were purchased by past sacrifice: by overseas workers who endured separation from their families; by laborers and farmers who experienced wrenching structural changes; by the middle class and other taxpayers who shouldered the debt burdens of the past; by government personnel who soldiered on professionally despite the rot surrounding them; and by the brave and vigilant citizenry who never lost faith in constitutional values, democratic processes, and the possibility of an honest government (32-33).

A very dramatic account, but perhaps rightfully so in the context of historical, social and economic ruptures since the Marcos period. The Philippine economy has been dramatically re-organized. Both the banking sector and the migration phenomenon reflect this re-organization in particular ways and, I argue, are connected vectors in the trajectory of change since the 1970’s.

An NGO interlocutor with the Scalabrini Migration Center noted that the interest in remittances for development is chiefly related to better bank data:

You can see that the discussion on migration and development has already encountered some kind of fatigue. First of all it is not a new discussion because it existed already a long time ago and initiatives are already undertaken long time ago. But once in a while these issues come back etcetera etcetera. Why did the issue come back? Well, all of a sudden the world has discovered the volume of remittances is really huge. Why is the volume huge? Not because all of a sudden migrants are earning more money or are remitting more money but because banks have improved the recording system and also the capturing system. Particularly you talk about the Philippines, the liberalization during Ramos time and the opening up by banks of branches abroad and buying and selling has channeled a lot of remittances into the formal way (Graziano, personal interview, October 11 2011).

Following this interlocutor, paying particular attention to the ways banking reform has played out since the 1970’s, I suggest, is crucial to understanding the geometry of power at play in the MDN. While the cause of crisis and instability in the Philippine context has been the subject of persistent debate across disciplines, in outlining shifts in the financial sector I will not contribute substantively to these debates. Rather, I pull from the literature in order to elucidate the historical and geographical factors which have enabled remittances to become important for banking, both as deposits and as a cross-selling platform to the so-called migrant market.
### Table 3: Philippine Banking Timeline

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<tr>
<th>Event</th>
<th>Box</th>
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<tr>
<td><strong>1971-1972 IMF-CBP Commission</strong>&lt;br&gt;⇒ Central bank to supervise the money market (short-term instruments)&lt;br&gt;⇒ Increased minimum capitalization to P100 million, encourage mergers, ownership diffusion (no stockholder to own more than 20%) and foreign equity (up to 40%)&lt;br&gt;⇒ Martial Law 1972 (Commission recommendations instituted by decree)</td>
<td>BOX 1</td>
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<tr>
<td><strong>1979-1981 - Liberalization Recommendations (IMF/World Bank/Finance Minister Virata)</strong></td>
<td>BOX 2</td>
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<tr>
<td><strong>1980-1981 Reforms</strong>&lt;br&gt;⇒ Universal banks: can underwrite securities, take equity positions in non-bank enterprise&lt;br&gt;⇒ Liberalize interest rates&lt;br&gt;⇒ Selective credit allocation (by the Central bank) along economic criteria&lt;br&gt;⇒ Reforms to the tariff structure (trade reform)&lt;br&gt;⇒ Dewey Dee bank run (leaving $85 million in debt)</td>
<td>BOX 3</td>
</tr>
<tr>
<td><strong>1983 Assassination of Aquino</strong>&lt;br&gt;⇒ Capital flight and Balance of Payments crisis&lt;br&gt;⇒ Foreign debt moratorium&lt;br&gt;⇒ Central Bank provides emergency funds and equity infusions to banks</td>
<td>BOX 4</td>
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<tr>
<td><strong>1984 “Jobo bills”</strong>&lt;br&gt;⇒ Foreign currency debt is $24.6 billion (Boyce 1990)</td>
<td>BOX 5</td>
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<td><strong>1986- People Power/ Aquino presidency</strong>&lt;br&gt;• Issuance of Treasury Bills as a mode of financing debt servicing&lt;br&gt;• Decline in Central bank rediscounting and other sources of selective credit.</td>
<td>BOX 6</td>
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<td><strong>1986-1990 domestic debt grows from P88.4 billion to P291.3 billion (~$4.3B to $14.2B)</strong>&lt;br&gt;⇒ Spillover from foreign liabilities including interest on foreign loans assumed by the state&lt;br&gt;⇒ Central bank debt-to-equity conversions and bailouts of GFIs&lt;br&gt;⇒ Banks begin dealing in government securities&lt;br&gt;⇒ Private banks receive government deposits (1987-1989)</td>
<td>BOX 7</td>
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<tr>
<td>Event</td>
<td>Description</td>
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| 1988 WB/IMF report BOX 8 | Better regulatory structure (legal framework)  
Bank consolidation  
More competition- new licenses and expanded branch networks  
$300 million WB recovery loan on the condition of bank re-privatization (of 5 private banks which had been acquired by Gov agencies in the crisis) |
| 1993 Central Bank is liquidated BOX 9 | P331 billion ($12 billion) new debt over 25 years to the national treasury  
Bangko Sentral ng Pilipinas (BSP) begins with fresh balance sheets  
P10 billion capitalization and P220 million in treasury bills |
| 1994 Further liberalization based on WB recommendations BOX 10 | 10 new foreign banks ($9 million capitalization 3 branches or $13.5 million 6 branches)  
Foreign banks allowed 60% ownership in local banks (local ownership is also up to 60% per single shareholder)  
Liberalization of domestic commercial banking licenses- including to Banco de Oro, East-West bank and Chinabank  
Higher minimum capitalization  
Unibanks permitted to own larger percentages of insurance companies and other commercial banks  
Growing ties between banks and property market as Unibanks invest in real estate subsidiaries and property developers diversify into banking |
| 1995 Privatization of Philippine National Bank (Gov still owns minority share) BOX 11 | |
| 1997 Asian Financial Crisis BOX 12 | Non-performing loans jump from 4.7% to 10.4% of total bank assets (Cook, 2008) |
Global and Local Entanglements in the Making of Financialization

The history of bank reform and financial crisis, rarely part of the remittance story, are an important and constitutive reality. Table 3 above, culled from Hutchcroft (1993, 1998) unless otherwise stated, highlights major changes and events in the Philippine financial sector. In tracking global-local and public-private entanglements in the Philippines’ “lost decade” (ILO 1994), I gesture towards a banking system whose strength has been partly cultivated at the expense of the nation. The competence of the banking sector has been duly noted in the post-Asian Financial Crisis (see Box 12) within which the Philippines emerged “relatively unscathed” (Balisacan and Hill 2003). However, the remittance phenomenon provides a destabilizing account of the success of Philippine banking.

Paul Hutchcroft’s (1998) *Booty Capitalism: The Politics of Banking in the Philippines* argues that the Philippines is a patrimonial oligarchic state, in which a small business elite uses the resources of the state for their own private gain. He traces the emergence of diversified family conglomerates in the banking sector and efforts at regulation from the colonial period through to Philippines 2000 under President Ramos. Many of his insights are key to understanding the ways in which liberalization and deregulation of the banking sector have interfaced with complex political interests within the Philippines. I draw on several of his examples to demonstrate the complexity of global-local relations in the banking sector which ultimately enabled private gain and public loss.

The 1960’s and 1970’s in the Philippines witnessed the rise of “investment houses” wherein large investors could access an unregulated global money market despite interest rate ceilings for other savers. The 1972 financial sector liberalization - wherein IMF recommendations were instituted by decree - effectively legalized short-term deposit substitutes in this money market enabling depository organizations (commercial banks) to engage in investment banking (see Box 1). Between 1972 and 1974 twelve new bank-related investment houses emerged - signaling the globalization of finance as Philippine.

While Hutchcroft chalks up the failure of liberalization in the Philippines to a misapplication of Anglo-Saxon capitalist model on a Philippine form of capitalism, namely booty capitalism, I would prefer to draw on the post-structuralist framework that maps diverse capitalisms in terms of “practices scattered over a landscape” (Gibson-Graham, 2000) rather than pre-assigned topological notions of a cultural-territorial state.
banks were exposed to global capital markets, especially in what has become known as Euromarkets. The amount of foreign private loans in the Philippine banking sector in this period is estimated at two-thirds of all bank funds - jumping from $200 million in 1970 to $12.3 billion in 1981 (Hutchcroft 1998). Global exposure, however, in the debt-driven growth period of the 1970’s was exploited by a local elite who sought to better their economic positions at the expense of the nation. As Hutchcroft (1998) explains, one effect of the 1972 foreign equity infusion\(^\text{22}\) in the Philippines was the strengthening of existing practices. While the subsequent liberalization measure (1979; see Box 2) was ostensibly designed to curb intra-family lending (DOSRI abuses) in order to promote a more arbitrary banking sector, better able to engage in productive financial intermediation, liberalization largely enabled these same practices by contributing to bank over-capitalization. Liberalization increased global entanglements and made possible financialization\(^\text{23}\). For every $1 foreign banks invested in the Philippine banking sector, they were required to provide $10 in downside credit. Foreign banks also established Offshore Banking Units which enabled local counterparts access to the booming Euromarkets, furthering foreign borrowing. This re-structuring of the banking sector, which effectively linked local institutions to increasingly volatile foreign markets, is a central moment in the transition towards risk-management and the financialization of development.

Local practices likewise contributed to financialization, crisis and ultimately a risk-averse Philippine banking sector. Domestic banks were at the centre of a Marcos-era strategy for plunder as recognized by the invention and popularization of the term “behest loan”. As a University of the Philippines’ economist explains:

The practice was to front-end the loans, i.e., propose a project with little or no collateral, pocket the loan proceeds and invest a small fraction for show. The funds financed capital flight and other investments. Crones raided their own banks. At the time the Central Bank was heavily involved in development

\(^\text{22}\) Part of the 1972 IMF-CBP recommendations for “curbing shenanigans” through foreign discipline (Licaros in Hutchcroft 119), foreigners were allowed ownership (up to 40%) of Philippine banks (see Box 1). Previously banks had to be 100% Filipino-owned.

\(^\text{23}\) Leyshon & Thrift (2007) summarize the literature on financialization as “attend[ing] to the growing power of money and finance within economic life broadly defined, which is seen to have agency at a range of scales, from generating instability within the economic system as a whole.... through the pressure exerted on corporations in capital markets.... to the equity effects of the financial system on individuals and households” (102).
financing allowing it to supply loanable funds to banks and GFI. The 1970s was also a time for large scale foreign borrowing and the Central Bank used this source to add to the funds that Marcos and his cronies could appropriate (Tan n.d., 1).

The lasting impact of the practice is a legacy of sovereign debt increasingly paid to domestic creditors (see Box 5 and 7). The ouster of Marcos in 1986 via People Power is linked to public anger over the widespread theft of development resources. The inability to pay back international creditors propelled the nation into economic crises in 1983. Many GFI, as well as private banks, were left with extremely high ratios of Non-Performing Loans.

While Marcos was heavily supported through bilateral and multi-lateral aid, the Marcos era also witnessed monumental foreign borrowing from private banks. Darity and Horn’s (1989) The Loan Pushers: The Role of Commercial Banks in the International Debt Crisis tracks the internationalization of US-based banks that made loans that far exceeded known capacity to pay. According to one US banker selling money in Manila:

American banks, through the agency of loan officers like me, have made a number of questionable loans in countries whose balance of payments is so far arrears that according to Citicorp’s Walter Wriston, ‘ability to repay’ is no longer the main consideration. All that matters now is ‘access to the marketplace’ (Quoted in Ibid).

Overseas bank loans were ‘unsecure’ except through the full faith and credit of the Philippine government. The bank insider describes the logic of this frontier market blitz as a form of willful ignorance regarding the consequences of default:

American banks persist in the decade-old notion that ‘banks and governments won’t default’… I set about securing a partial guarantee²⁴ from the Philippines largest bank which has already put its name on more guarantees than it can possibly pay off (Quoted in Ibid).

Apart from foreign intervention in monetary and trade policy, global banking practices likewise contributed to financial sector overcapitalization. Bank deregulation in the West in this period created the conditions for the globalization of banking. Overcapitalized banks sought out new markets and asset streams (Thrift and Leyshon 2007) in places like the Philippines. At the same time, trade liberalization

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²⁴ According to Boyce (1990), it was common for the government to guarantee even private sector foreign loans because of creditor risk management: “The creditors, in general, considered the Philippines to be a very high risk country,” former Finance Minister Cesar Virata testified before a Congressional hearing in 1987, “and they would not like to lend to the private sector without government guarantee” (Quoted in Boyce 1990, 21).
allowed US corporations entrance to the Philippines, bringing their creditors along (Darity and Horn 1989). By the end of 1981, public and private financial institutions in the Philippines owed $10 billion to private foreign banks, more than half of it on a short-term basis (in Moffit 1983, 103).

Public and Private Entanglements in the Management of Debt

In the Philippines between 1983 and 1984 there was a moratorium on foreign debt repayment. Debtors in the Philippines were not permitted to default. Debts were rescheduled and more loans – with neoliberal conditionalities – proffered, a phenomenon that has been well-documented in the literature. While most of this debt was ‘sovereign’ in that it had incurred through GFIs or the Central Bank, the Philippines took on a significant amount of private debt – liabilities incurred by the private sector but foisted on the public sector via various means.

Debt was socialized in at least three ways throughout the boom and bust cycle. First, risk was socialized in the boom period via loan guarantees (see note 19) as well as foreign exchange swaps (Hutchcroft, 1998). Foreign exchange swaps were a form of selective credit allocation (see Box 3) wherein a bank secures a foreign loan, exchanges it into pesos and buys the future foreign currency at a favorable rate. If the peso depreciates between the time the loan is made and comes due, the Central bank has agreed to shoulder the cost. Second, in the bust period as foreign loans came due, GFIs and some private sector banks (Marcos-affiliated banks according to Hutchcroft, 1993) were given equity-infusions and Central Bank emergency funds. While these state bailouts may have stabilized investor confidence to some degree and quelled bank runs, the Philippine public ultimately paid the cost of private bank plunder (see Box 4). Third, in the immediate post-crisis period, a new financial instrument emerged which allowed the banks to wait out the crisis, collecting high-interest coupons, while the rest of the economy went without credit.25 Central Bank-backed Jobo Bills (see Box 5) were a precursor to Treasury Bills – a

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25 Hutchcroft (1998) points out that this was politically possible because large family conglomerates had diversified into banking by this time. The local elite owned banks and could effectively get by even as their other businesses stagnated.
low-risk, high interest bill that helped solve the problem of financial sector over-capitalization by mopping up liquidity, stabilizing the peso and incentivizing against capital flight (Hutchcroft, 1998).

These crisis-era measures not only transferred the cost of foreign exposure, risk and plunder behavior onto the public sector, they also enabled private accumulation by a local banking elite. The indebtedness of the Central Bank of the Philippines and its ultimate death in 1993 is largely a result of risk-shifting and cost-shifting behaviors. The Central Bank was liquidated to the tune of P331 billion ($12 billion), constituting 55% of the total consolidated public sector deficit! (Hutchcroft, 206).

These modes of private gain and public debt aptly illustrate how the Philippine banking sector has been able to sustain itself through crisis and reform. Philippine GDP between 1990 and 1993 stagnated while banks grew an average of 17.9% per year (Ibid). The Philippines has since been on the path of debt management that has necessitated massive anti-people economic restructuring, effectively starving the nation of necessary public goods like education, health, infrastructure, and technology. As banking sector losses were socialized, the strong and increasingly liberated banks were able to forge powerful positions 26.

While most accounts seem to understand the Philippine debt crisis as either the culmination of economic corruption at the “behest” of Marcos cronies or the imposition of neo-imperialist financial policy on the Philippines, I have sought to highlight private-public and global-local entanglements. Multi-lateral organizations, foreign private banks, and private domestic banks, were all deeply implicated in creating and sustaining financialization. Moreover the legacy of crisis is sovereign liability. Financial institutions in the Philippines adjusted to a more volatile global financial environment, in part by foisting their losses on an increasingly debt-ridden state. While bank rules, norms and practices changed decisively in this period, the re-configuration forged through policy and crisis between and among global and local actors opened up new opportunities for the banking sector.

26 This is not to suggest that the success of the banking sector does not have a positive impact on development. This question is beyond the scope of this section.
A general pattern of financial sector liberalization and financial crisis is evident in the Philippines since the 1970’s. Along with much of the world, the Philippine banking sector has transitioned from a state orientation wherein downside bank credit (loanable funds) came from the Central Bank at concessional terms, to a market orientation in which downside bank credit comes from private investors, both in the form of portfolio investments and equity investments. Liberalization has entailed opening to global markets which determine Philippine interest rates, currency, and trade value. While a full critique of liberalization is beyond the scope of this paper, increased foreign market exposure has produced both uneven economic development and instability, leading even former advocates of neoliberal policies to surmise that financial liberalization has failed the world’s poor (Sachs 2005).

While two oppositional accounts have arisen to explain financial crisis in the Philippine context, I maintain that a fine-grained cultural approach and a critical analysis of structure are never mutually exclusive windows on reality. The first account of instability points to crony capitalism, especially interlocking family ownership patterns as cause of systemic instability. The second points to ideologically-driven neoliberal reforms including de-regulation and liberalization of the financial sector and global trade regimes privileging market mechanism as the prime cause of instability. Here, a global-local binary veils the productive space of entanglement: how macro and micro, economic and cultural, global and local processes produce novel constellations at particular moments in time. Rankin (2003) has argued thus for the mutuality of anthropological and geographical approaches to understanding globalization:

Without losing sight of the broader macroeconomic currents of power…practice theory opens up analytical space not just to explore how local societies change as they are increasingly integrated into the global capitalist system, but also to view global processes as local processes, as embedded within communities, neighborhoods and households (718).

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27 Today the Philippine economy is governed by a monetary policy of inflation-targeting which enables the market to define interest rates and currency value. Previously, the government mediated between its domestic economy and other economies through setting interest and currency values in relation to trade prospects. This was called “Financial repression”, a situation in which governments “distorted” capital markets through regulations (i.e. Kohsaka 1991). See Gowan (1999) for a critique of financial liberalization.
Accounts of crises which privilege one level of perception over another and assign scalar causality - how
global forces (liberalization and de-regulation) created a crisis or, conversely, how local forces (crony
culture) created a crisis - fall short of understanding the inter-relations between structure and agency in
real existing events. As Tsing (2000) captures in her account of one instance of finance-capitalism-meets-
crony-Indonesia before the Asian Financial Crisis, scale-making is a key project in any explanation of
economic crises:

Finance capital is a program for global hegemony; franchise cronyism is one particular nation-making
project; frontier culture is an articulation of a region. Each is a scale-making project with its sights set on a
different scale: global, national, and regional. The links among them cross scales and strengthen each
project’s ability to remake the world. At the same time, not one of these three projects is predictable or
ubiquitous in the world (121-122).

I maintain that multi-scalar practices and discourses contribute to the makings of crises. The Philippine
case, therefore, is not a reflection of cultural particularity or hegemonic processes, but crucially both.

In the Philippines, there is a marked ambivalence in economic scholarship regarding financial
liberalization. Balisacan and Hill (2003) offer a nuanced critique, suggesting that the “reform dividend”
ought to be higher for the Philippines, a frontier geography in the liberalization phenomenon, instituting
reforms ahead of many other countries in the region (Cook 2008). Thus while the relative stability of the
banking sector in the 1997 Asian Financial Crisis has moved some to conclude the success of
liberalization (Noland 2000) Philippine-based scholarship points to modest gains, specifically moderate
inflation, better bank regulation, lower bank profits and more professional management (Balisacan and
Hill 2003). Notably absent from this appraisal of financial liberalization, is the effect on development
financing, on for example, savings mobilization and financial intermediation. This absence stands as a
critical reminder that the post-crisis period not only changed the role of the state in development, but also
the perceived role of the banking sector in development. Asset-and-liability management (Minsky 1986)
became the central priority in bank practice, and crisis-management became the core focus of financial
regulation.
A Banker’s Activism

Formalizing remittance flows, a crucial component of the M&D framework positions banks as development actors, key to the nation’s ability to “maximize the economic benefits and minimize the social costs of migration” (JMDI 2011):

..the shift of flows to formal institutions encourages greater savings and improves the allocation of investment resources. The formalization of remittance flows also provides a means of opening the access of lower-income families to a broader range of financial services, thereby providing them greater opportunities for improved earnings and management of their financial risks. The provision by financial services of inclusive and integrated services for remittance customers, such as checking and savings account services, credit and mortgage products, could greatly improve their economic prospects (Hernandez-Coss 2005, 2).

As this quote suggests, formalizing remittances is theoretically important in order to 1) increase capital for financial institutions, making more money available for investment and 2) connect im/migrant families to the banking system, enabling households to benefit from savings accounts and other financial products. The World Bank’s chief intervention in the remittance phenomenon has been to improve price signals and information asymmetries (Ratha 2003, 2007). They have also initiated bilateral banking talks in order to push banking prices down, including between the Philippines and the US (Martinez 2005).

The increasing volume in remittances through the banking system (see Table 4) is one indication that formalization has been widely successful in the Philippines. I argue that this increasing volume is partly a result of a “banker’s activism” in regards the migrant market as a line of business. Heterodox economist Hyman Minsky explains that:

Banking is a dynamic and innovative profit-making business. Bank entrepreneurs actively seek to build their fortunes by adjusting their assets and liabilities, that is, their lines of business, to take advantage of perceived profit opportunities. This banker’s activism affects not just the volume and distribution of finance but also the cyclical behavior of prices, incomes and employment (Minsky 1986, 225-226).

Scholars have explained the rise of Migration and Development in relation to the volume of remittances (Ratha 2007; World Bank 2011), the criminalization of informal channels after 9/11 (Grabel 2009, Iskander 2010), or the crisis of ODA and neoliberalism more generally (Hudson 2008, Kunz 2011; Lo 2008). I argue that a banker’s activism towards a migrant consumer market has been a key factor in the recent, wide-ranging interest in the remittances phenomenon. This banker’s activism is noticeable in the push for remittance formalization. The BSP suggests that remittances foster economic growth by
“financ[ing] the households’ need for goods and services, push[ing] local production and domestic activity, provid[ing] additional funds for bank-lending activities and increas[ing] supply of foreign exchange” (D2D 2011). Each of these perceived benefits capture a different scalar understanding of the remittance phenomenon- its usefulness for the household, the firm, the bank and the nation. However, formalization as described above is particularly crucial to the latter two.

Table 4: Remittances to the Philippines

<table>
<thead>
<tr>
<th>Year</th>
<th>Remittances to the Philippines</th>
<th>$ Billion</th>
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<tbody>
<tr>
<td>1980</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>1990</td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td>2000</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>2009</td>
<td>17.3</td>
<td>17.3</td>
</tr>
<tr>
<td>2010</td>
<td>18.8</td>
<td>18.8</td>
</tr>
</tbody>
</table>

In $ Billion; Salva 2011

In the context of asset and liability management, remittances enter the banking sector as an important line of business, even for GFIs. I asked the vice-head from the remittance division at the Development Bank of the Philippines (DBP) (previously with a private remittance company in Canada) why DBP is interested in remittances. His answer:

The private sector can already lend at 7% but we are lending at 8%. The interest on ODA is very high- it’s 4% + the foreign exchange spread + 2% for administrative costs. We need to grow our depositor base (private conversation, October 11 2011).
GFI{s} have two major sources of loanable funds - loans and grants from bi-lateral and multi-lateral organizations (usually earmarked already for projects) and deposits, for example Local Government Unit (LGU) accounts. In relation to changing conditions - the price of ODA - this GFI aims to re-orient their operations to meet liquidity needs through increased reliance on deposits. Remittances here emerge as a potential source of loanable funds. DBPs attention to “growing their depositor base” can be partly explained through an engagement with financial reform and crisis as I have outline above. In particular, GFIs now operate in a market framework which requires asset and liability management in a competitive environment with other financial institutions - some of which have a decisive head-start in regards the migrant market.

The mid-2000’s mark the moment of bank interest in consumer markets in the Philippines. In an interview with an international trade publication, the remittance leader at the time, Philippine National Bank, discussed their strategy: “I foresee that in the next ten years retail and consumer finance will be key to improving the profitability of the bank. I don’t see significant improvement in the margins from the corporate sector” (in BMI 2005, 15). He then goes on to explain the success of their remittance business: “Before an OFW is sent to work, we have pre-seminars28 on what to do once they are abroad. We capture the market immediately by letting them open an account with us.” As the article makes clear, “the remittance business is about location, location, location” (Ibid). And PNB with its 97 branches abroad and 334 domestic locations across the Philippines is well-poised to take advantage of the geography of migration.

The privatization of the Philippine National Bank in 1995 (see Box 11) constitutes a major loss of branch networks abroad that the Philippine government built in the debt-driven growth period of the Marcos era. In a follow-up group interview with DBP colleagues from the same remittance division, the President and long-time government banker told me this in relation to government bank branches abroad:

28 See Chapter 5 for more on Pre-Departure Orientation Seminars and the role they play as a public-private marketing platform
Maybe that thing never cropped up at the time there was a plan to sell PNB, but now we are seeing the advantages of being there as a government bank. Very sad. I am in Hong Kong and then PNB is there, a private bank, who are also my colleagues before. And then I’m now here as a government bank. And yet he’s doing business for the embassy. I’m a good for nothing government bank (DBP, personal interview, October 19 2011).

For someone who worked for the PNB for 25 years (15 years as a government banker and 10 years as a private banker) before he took up the DBP position in the remittance business, PNB’s extensive branch-network abroad is a geographic privilege. “Not just a remittance center, a branch!” he exclaimed in regards the Queens, NY PNB branch that caters to Filipino-Americans in Little Manila. According to PNB, their US market accounts for 50% of their remittance business (BMI 2005, 15). Moreover because of the branches, they are able to cross-sell to all their remitters: "It makes more sense to go into the remittance business with a view to cross-sell. In the US, our branches can accept housing loans even though the collateral is in the Philippines. In Europe and Middle East, most of our clients are buying insurance, while in Asia they are buying deposit products" (Ibid). DBP has only one brick and mortar remittance center abroad- in Hong Kong (which offers free remittances to DBP bank accounts) the rest are tie-up operations with private companies, a significant barrier to courting migrants. Furthermore, PNB’s Philippine branch network is a testament to the nation-building enterprise of the Marcos era-encompassing not only commercial cities, but father flung areas which were underserved by profit-oriented banks.

Planter’s Bank, a thrift bank known for Small and Medium Enterprise lending offers a view into the remittance market that similarly underscores the importance of geography and the privilege of infrastructure:

What we envisioned at the time when we decided to go into remittance, was to introduce the bank to this, to the OFWs and then since our bank is in SME it could be a way for us to introduce ourselves to them so that when they have enough savings and they think of business then they can come to the bank and borrow. However, when we got a consultant in to help us set up a remittance business, we saw that it would really require a lot of infrastructure. Setting up linkages with money remittances abroad. And then they were targeting initially the Middle East market. Then we also saw that it’s very difficult to compete if you did not have the branch network. We only have a total of 70 branches. Unlike if you deal with the likes of BPI, Metrobank, RCBC, PNB, these are the big banks. And so we can't compete with them. They have remittance offices in key cities abroad (Planter’s Bank, personal interview, Oct 14 2011).

From these two accounts, it is clear that the remittance business requires significant capital outlay, a substantial barrier to newer, less established entrants. While most Philippine banks court remittances and
cross-sell financial products, the financial product offerings vary between organizations. In the case of a GFI which is barred from consumer-lending, remittances propose a way to grow their depositor base, an important capital stream. As loans and grants are largely tied to particular projects and conditions (i.e. sourcing inputs from the aid-granting country), remittances offer a way to build a deposit base, which could (in theory) translate into more autonomous lending in the national interest. DBP, like the other banks, are engaged in the pre-departure seminars for outgoing im/migrants. They offer migrants two accounts with ATM cards- one for savings and one for beneficiaries. These have no initial deposit or minimum balance. According to DBP, when they entered the so-called migrant market in 2005, they did not really expect much. However, DBP claims that their efforts to court the migrant market have been relatively successful. They track OFW accounts separately from other clients and report an average daily balance of P5000 (~$115) totalling P200 million (~$4,650,000) (DBP, personal interview, October 19 2011).

In talking with the President of BPI Direct, the market leader, business acumen and social responsibility, not surprisingly, are the major reasons for their success in the remittance business.

At about 2004 we were cognizant of the social costs of migration and what we were saying was that it would seem that Filipinos have already forgotten the age-old values of saving for the future and financial discipline. So what we thought we could do at that time was, why don't we put up a program, a holistic program for the Overseas Filipinos. And we called this the Expat Pinoy program. Why Expat Pinoy? Even as early as 70's 80's, you know, because of the foreign exchange that was brought in by the overseas Filipinos, they have already been heralded as the mga bagong bayani, heroes… although they were supposed to be the new heroes people looked down on them. They were of a lower social class. And what we were saying was if you would look at the foreigners here, the expatriates, you would look up to them. ‘Oh he must have certain skills that he's providing here’ and you look up to them. And we were saying that's exactly what our overseas Filipinos are doing- they have skills and talents and are providing a service to other people, to other countries. The first thing we had to do was uplift the dignity of the Overseas Filipino. And that's where we coined the term Expat Pinoy (BPI Direct, personal interview, January 18 2012).

The Expat Pinoy program has three components: values-education, financial empowerment, and entrepreneurship and self-reliance. These three components aim to build a financial subject who is empowered via technology to make the most of their time abroad by properly managing their money.

Values-education is primarily about budgeting and introduces migrants to the importance of banking:

It’s just like you, when you withdraw from the ATM you put cash in your wallet, how long does that last? Not very long I presume. Right? However money in your bank account lasts a little longer. You cannot build a banking relationship on a cash card. Or on a cash pickup kind of transaction. Which is why we
don't promote a cash card either. It has to be a deposit account. That is your first relationship; that is your gateway to financial freedom, if you will, or the betterment of your life because that is the one that will start a banking relationship (Ibid).

Here the link between banking and development is explicit. Migrants who have access to banking can participate more actively in their own upward mobility. The comment aligns well with the World Bank’s focus on formalization as important for financial inclusion: “The provision by financial services of inclusive and integrated services for remittance customers, such as checking and savings account services, credit and mortgage products, could greatly improve their economic prospects” (Hernandez-Coss 2005, 2). The second component, financial empowerment, is enabled primarily through technology:

Now BPI was always had the forefront of technology. We were the first to go into ATM, we were the first bank to go into internet banking, mobile bank, APS attendant card... We're the first.. in all those aspects. While other banks followed suit if you look at our internet banking it’s still the most complete in terms of functionalities, you will be able to see the details of your account you can actually do investments online, time deposits online, look at your balances, transaction history, pay your bills. So what we're saying is that you do not have to relinquish your role in terms of your family's finances, in terms of getting involved in what they're doing. Because all of that you can manage online (BPI Direct, personal interview, January 18 2012).

As the above quotations suggest, bankers see themselves as capable of providing a necessary service for migrant workers to improve the quality of their lives and the lives of their families. They help migrants achieve “financial freedom” by providing tools – bank accounts, financial education, investment options – to make dreams come true. Notably, BPI here gestures towards a form of financial subjectivity that puts the migrant at the center of family decision-making, privileging the breadwinner abroad in the allocation of resources. Kunz (2011) argues that the privileging of the remitter in the remittance transaction is an explicitly gendered phenomenon in the Mexico case, positioning migrant men as decision-makers and beneficiary women as consumers, subjected to coercive entrepreneurship models. In the Philippines wherein migration involves both men and women – in fact where the feminization of migration is a defining feature of the Philippine migration phenomenon as household work and other forms of caring labour have become important segments of contract work (Barber 2004; Kelly 2009) – it is unclear whether Kunz’s proposition holds true. More research in this area, especially a gendered breakdown of migrant banking, could be important in assessing the evenness of financial inclusion. Nonetheless, whether household financial decision-making falls to men or women, BPI considers financial
management from abroad via technology a signifier of empowerment- even if some members of the household will be disempowered in this framework. This understanding of empowerment perhaps stands as a counterpoint to NGO models of financial literacy which place the household, not the migrant, as the base unit of accounting.

BPI Direct tells the remittance story without reference to the actual remittance transaction. The core interest of the bank is servicing the migrant market. BPI’s role in relation to migrant communities abroad is described in terms of enabling migrant workers to manage their finances. This involves cross-selling for deposit accounts (both peso and foreign currency) and ‘safe’ investments in housing, auto loans and franchising. They also offer OFW accounts without a maintaining balance. According to my interlocutor, 80% of the remittances which pass through BPI Direct end up in a BPI account, rather than being picked up in cash through the Philippines’ very extensive pawnshop network. He attributed this to BPIs extensive domestic branch network. While BPI does not have the privilege of an overseas branch network like PNB, they have constructed a network of remittances centers and tie-ups. As another BPI interlocutor, a “Roving Expat” explained, BPI’s strategy with tie-ups involves overseas marketing:

Our assignment is really to market to Overseas Filipinos… We can visit companies employing Filipinos, if that’s the case. If they would allow. If there’s this company in Japan hiring Filipino trainees. If that’s the case, we can coordinate with them through the embassy or through the Filipino community something like. So we can get access to the Filipinos. Like when I was in Taiwan it was very difficult to penetrate the Filipino migrant workers there. Because they’re being housed in a dormitory. The company provides for their accommodation so it’s very difficult to gather them in one area… Of course what you need to do is educate them first on the available products… For themselves or their beneficiaries back here. So that’s it. Talking to them individually would be very difficult, right. And you can’t control their time. Sometimes they work even during at night. So it would be best to coordinate with a Filipino agency. For example the one in Taiwan is MECO- Manila Economic and Culture. It’s like the Philippine embassy there. So that’s what you do. You coordinate with them there (BPI Direct, personal interview, January 18 2012).

As a vector of the private sector, this interlocutor spent five and eight months respectively in Taiwan and Japan on a “marketing blitz”. Notably, the interlocutor also gestures towards an entanglement of public and private goals. The bank depends on community organizations and the embassies to access their target

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29 A branch has a local banking license and can do a wider variety of transactions. A remittance center is a wholly-owned subsidiary of a Philippine bank, usually staffed by local hires. A tie up is a partnership with an existing bank or firm.

30 He said that others can spend upwards of five years abroad depending on the situation. Usually people are sent abroad to either build the remittance network or for marketing because data suggest that remittances from a certain location have declined.
market, migrant workers. BPI thus recognizes this entangled space; indeed, it has become central to their business strategy.

Paying attention to the historical context, not only of migration but crucially of financial reform, situates the remittance phenomenon on political ground, that is, a mutable landscape subject to diverse sets of interests and desires. Just as I have previously argued for a finer-grained approach to social and economic entanglements, this chapter points to the importance of disentangling assumed relationships between financial institutions and economic and social development. The Philippines has a long history of finance-led development solutions evident in the history of liberalization and bank privatization (see Table 3, pg 43) which has not on the whole contributed to more sound and diversified lending. M&D can be understood, in part, as a continuation of this financial development paradigm (Rethel 2010), which expects that the development of financial institutions, in the form of remittance formalization for example, translates into genuine people-centred development.

The push to formalize remittances is not developmental in itself. Rather, the distinction between formal and informal remittances is a truth claim. The claim reflects a particular valuation of remittances as well as the power to make one’s claim ‘real’. Problematizing informal remittances and valorizing formal remittances (as does the World Bank) produces these same categories. Moreover, the production of the informality/formality distinction is made on the basis of assumptions about how remittances contribute to or detract from development.

Ananya Roy (2011) suggest that informality is not a stable truth, but rather a mode of discipline which works to enact particular material and semiotic boundaries. As she argues in the case of informal settlements, this kind of boundary-making parades as an ontological distinction (slum vs. suburb) when, in fact, it is an “idiom of urbanization, a logic through which differential spatial value is produced and managed” (Roy 2011, 233). According to Roy, both the urban developer and the slum-dweller engage in illegal and extra-legal urban projects. The difference, then, between formal and informal urbanization has more to do with the power to mobilize “infrastructure, services and legitimacy” than in any topological
truth about the characteristics of informality (ibid). Likewise, the notion of formal and informal remittances, like other binaries, purports to equate particular mechanisms with development.

Dymski (2004) in a chapter on remittances to Mexico argues that the economic scholarship on remittances is patently at odds with real existing practices of financial intermediation- not only in a developing country context but also within the US banking system:

…economists’ models of banking and credit markets assume that banks routinely provide… productive credit. Thus it is taken for granted that banking systems that function well play this role… If banks are not providing productive credit, it is not a topic for an analysis of the links between remittances and investment (58).

Rather than assuming financial intermediation will happen provided remittance formalization is successful (or worse, assuming that bank lending practices are always developmental), this chapter has outlined the historical development of the banking sector and situated interview data on remittance capture and the migrant borrower in relation to this historical context. Paying attention to limits of financial intermediation for development in the Philippines is a crucial, and often overlooked, component of the Migration-Development Nexus.

Locating financial institutions within the context of liberalization and privatization is crucial in order to re-frame the role of finance in Migration & Development. The MDN remittance conversation is constrained by ideological assumptions regarding the role of capital in development, especially the assumption that development is made possible, not through institutional practice, but via the circulation of capital itself. While both Hutchcroft and Dymski’s work provide important interventions, pointing to an always-embedded economy, subject to history and politics, feminist scholarship suggests the importance of economic embeddedness, not only within state institutions, but also “cultural and political meanings” (Nagar et al. 2002, 279) and often-neglected sites such as the household and the body. These sites of analysis are crucial to the remittance phenomenon, not simply because remittances are decidedly human-scale (i.e. person-to-person transactions), but more importantly because of shifting cultural and political meanings in development work, specifically the emergent importance of social capital in development discourse and policy. Feminist scholars have long engaged with how the ‘social’ interfaces
the ‘productive’ sphere, drawing attention to how women’s work in social reproduction both makes possible ‘productivity’ and contributes to social well-being (a good in itself). A feminist critique of economic globalization, especially of Structural Adjustments in the 1980’s and 90’s, was crucial to understanding the extent to which social reproduction has become the “primary and therefore fundamental terrain for the restructuring needed in a new phase of accumulation” (Dalla Costa and Dalla Costa 1993).

Roy (2010) points out that millennial development can be defined by a relationship with social capital: “If the early years of international development emphasized physical capital (investment in infrastructure) and if the McNamara years were focused on human capital (investments in education and other basic needs), then millennial development foregrounds social capital” (66). Her study of microfinance institutions provides an incisive critique of World Bank-style development which imagines social capital (and especially women’s social networks) as a means to improve market efficiencies, rather than the cultivation of social relations for its own sake (as development).

In the mainstream MDN social cohesion, specifically individual and community empowerment as the basis for economic development, is similarly understood as an end in itself. While in some ways, the notion of social capital salvages cultural practices as important in development rather than inimical to modernization, the mainstream version importantly makes distinctions between good and bad cultural practices. In the remittance phenomenon, as I have pointed out already, these good and bad distinctions include both how a remitter sends money (formal or informal channels) and how families spend remittances (consumptive or productive). While the acknowledgement of culture makes room for the assertion that social institutions matter, notably hometown associations and savings clubs in pooling money for development, there is a danger in positioning social capital as a means, rather than an end, in development:

The traditions, norms, and associations bundled together as social capital by millennial development turns out to be a hierarchical, stratified, and power-laden world….The conversion of social capital into economic capital and ultimately into global finance capital is thus underpinned by the practices of discipline and punishment. This is the key to poverty capital in the age of millennial development (Roy, 2010, 68).
As in Roy’s analysis, a vision of migrant empowerment sits uneasily among two paradigms: one that places human and social development at the center, and another that understands migrants (and the social relations of migration) as key to building a better marketplace. While these two perspectives remain entangled within the Philippine MDN, this chapter has paid particular attention to how banks have arrived at the migrant market and how bankers, moreover, understand themselves in relation to the MDN.

I have sought in this chapter to re-position the banking sector in relation to the remittance phenomenon by pointing to public-private and global-local entanglements. Through crises and reform, the banking sector has gained geographic and relational privileges, including favorable proximity to OFWs and the migration phenomenon. Previously public assets have become central in privatized remittance geographies. Financial sector liberalization has unfolded alongside the migration phenomenon. And as a result, the financial sector is well positioned to benefit from remittances. A “bankers’ activism” vis-à-vis their varying lines of business is an important causal factor in the makings of a migrant market. At the same time, bank interest in migrant remittances has not emerged in a vacuum (in relation to migrant demand, for example). Rather, financial sector crisis and reform since the 1970’s have helped create the conditions that make a migrant market possible. Notably, re-organizations in the banking sector have been cultivated through state and super-state policies in regards the financial system (i.e. structural adjustment directives which privileged the financial system in development rather than social welfare systems) as well as the history and geography of nation-building itself. As my interlocutors attest, the bank constitutes the migrant market both by appealing to ideas about and desires of migrants and their families, and also by engaging a set of infrastructures (i.e. branch networks) which have been cultivated in part by the state. Ironically these are some of the same infrastructures that aim to protect and uphold the rights of Overseas Filipinos, such as pre-departure orientation seminars that enable PNB to “capture the market immediately” and embassies which are useful for “marketing blitzes”. While the mainstream might applaud a state which is successfully enabling the private sector (after all, the neoliberal paradigm is premised on the dictum that the private sector drives development), a critical approach questions the development paradigm itself which places the private sector at the center.
The following chapter seeks to explore lending practices, risk management and the promise of financial inclusion in more detail. The presumption that financial institutions organize productive investment is far from true either in the Global North or the South. In paying attention to how bankers understand the migrant market, I hope to illuminate some crucial cultural patterns and practices in the financial sector which both discipline the remittance phenomenon and construct new market subjects.
Chapter 4
The Story of Liabilities: Financial Management and the Promise of Financial Inclusion

As the previous chapter suggests, risk-shifting from the private to the public sector was an important pre-condition for the strengthening of the Philippine financial sector. This chapter explores risk in more detail, first by outlining a history of risk management and financial intermediation, both in theory and practice, and second by placing the migrant market in relation to already-existing financial practices. Throughout, I make two arguments. First, banks are not able to mediate between savers and borrowers without shifting risk or building disciplinary capacity. Second, in the struggle over risks and hedges, migrants and their families become sites of subject-making. While each mode of risk management no doubt has a particular development effect, I am more concerned in this chapter with how financial inclusion interfaces with the production of a financial development paradigm premised on particular modes of risk-management.

Geographies of Risk: Understanding Migrants as a Risky Market

For Leyshon and Thrift (1997), although attention to risk in economic practices existed prior to the 1970’s, the closing of the gold window in 1972 and the emergence of money markets (generating market volatility) signaled a new era in risk knowledge and management. They highlight the paradoxical element of this era of instability: risk management, including the standardization of risk indices and the emergence of rating agencies like Moody’s and Standard & Poor’s, are necessary for profit but also create new forms of risk. They point to Gidden’s (1991:118) contention “that the international monetary system is an institutionally structured risk environment which is constituted through risk, rather than risk being an incidental factor” (294). While some studies suggest that remittances are a form of insurance (Yang & Choi 2007), the fact of risk and uncertainty have not yet been elucidated as a factor in the remittance phenomenon at other scales. In interviewing banks and regulators in the Philippines, I noticed a marked
preoccupation with risk, not surprisingly since risk-based assessments and risk management techniques are central to banking practice.

In talking with bankers regarding their practices of financial intermediation for migrants and their families, it was clear that banks are centrally concerned with managing risk. The following interview exchange among government bankers illustrates this point:

DBP Mostly the workers or the families would want to engage in like the sari sari store\textsuperscript{31}, the grocery store or the franchise. They want to engage in that or agri-business like piggery. Or like transportation. They buy jeepneys or taxis. These are the most common type of business that they would want to engage in.

DBP(2) Not that high-fluting business like restaurants. Not big.

DBP Many are first time business people. Bound to fail, no? You really have to educate them first.

MG So in DBPs perspective it’s risky to engage with OFWs?

DBP Generally banking would see them as risky, so we’re trying to do something that would alleviate the risk so that they can get financing.

This exchange came up in a group interview (October 19 2011) about a recently announced OWWA Livelihood program wherein returnee migrant workers are able to avail of business loans ranging from P300,000 to a P2 million ($7000- $46,000). Because OWWA guarantees a portion of the loan amount (potentially up to 50%), the partnering GFIs do not have to require full collateral. At the time of fieldwork, however, the implementation of this guarantee was not yet clear. So while many people had been applying since it was first made public, the GFIs were still waiting to understand how liability would be divided and risk managed. What is interesting here is the acknowledgement of the inability of GFIs to act as intermediaries without state guarantees in some form. To be bankable as small entrepreneurs, the risk posed by migrant borrowers is mitigated outside of the banking institution proper. This, I argue is central to banking the migrant market. GFI interlocutors explained why migrants are considered risky borrowers:

DBP Normally in terms of loans, the OFWs are not really bankable because of the, you know. They don't really know how to service a loan. How to pay. They're just interested in borrowing, but not interested in paying.

\textsuperscript{31} A variety store selling food, shampoo and other household goods which is usually a home-based business
DBP(2) And they don't have assets necessary to back up their loan.

This understanding of migrant borrowers as “not really bankable” and “bound to fail” is at the centre of intervention in the migration and development framework. While educating migrants and their families about business is one popular means of confronting this problem (i.e. Financial Literacy) the question of institutional capacity, to my knowledge, has not been adequately understood.

**Financial Intermediation in Theory**

As Dymski (2004) explains, the mainstream and most optimistic accounts of bank intermediation supposes that banks hold the majority of savings and thus finance the majority of business working capital. Furthermore, in theory, through consumer credit (especially homeownership) start-up capital would be available through the banking system. In theory, all scales of business financing are managed by banks. This theoretical understanding of financial intermediation poses challenges for thinking through the Philippine case. Notably, this theory suggests that full bank financial intermediation is not possible without widespread homeownership. Thus if we follow this theory of financial intermediation, ‘development’ would entail cultivating the real estate sector prior to cultivating new businesses. This stage-based theory of financial development, which Dymski likewise does not ‘buy’, tends towards a financial intermediation that, in practice, regularly occurs outside bank institutions proper.

According to Dymski (2004), bank disintermediation started to occur in the US in the 1960’s with the rise of non-bank intermediaries (shadow banking) and mutual funds for household savings. Bank disintermediation spurred the end of a segmented market approach (the division between investment and savings banks) as banks sought to regain their position in a changing market. This entailed bank consolidation and produced a period of polarization in financial services between middle-income and low income communities beginning in the 1980’s.\(^\text{32}\)

\(^\text{32}\) The most recent financial crisis, however, suggests that US banks increasingly broadened the consumer banking market – providing mortgages in particular to those whose income streams were not necessarily stable. The inter-relationship between “financial inclusion” and financial instability is something which deserves a much more in-depth analysis than is possible here.
In first-tier markets, credit often facilitates the accumulation of new human or physical assets that enhance future income; in the second-tier nexus of pawnbrokers and pay-day loans, credit contracts often lead to households’ decumulation of assets to meet current income crises. Aside from the onerous cost of credit, the main problem in lower-income communities is the absence of mechanisms for capturing financial savings, and then for channeling savings into the financing of investment (Ibid, 63).

According to Dymski the problem with US-style banking is chiefly uneven development: “financial structures amplify growth and decay in urban neighborhoods” (Ibid). As he describes above, prime bank clients were able to turn homeownership, in particular, into a personal asset which could be leveraged for new business thereby “enhancing future income”. Sub-prime borrowers were forced into sub-prime credit situations which locked them into debt.

What Dymski’s account here brings to the fore, is the extent to which finance-led development amplifies already-existing uneven development. While he suggests an absence of mechanisms (in low-income communities) for channeling savings into investments, I propose that the story of “mechanisms” is much more complex. The following section attends to the creation of such mechanisms given uneven development. In particular, I am concerned with how “harnessing remittances for development” becomes as a mode of financialization wherein the financial sector itself becomes the fulcrum of improvement. I argue that in this context a number of ‘hedges’ that mitigate or shift risk have emerged in relation to a migrant market.

In a previous quote in Chapter 2, Planter’s Bank stated an interest in remittances in order to grow their SME lending, something that makes perfect M&D sense. Despite these noble intentions, this interlocutor was also the most explicit in describing the trouble with migrant borrowers:

If you go to any bank we would normally not do a start-up- because we’re scared. But like for instance, [bank name] has come up with tie-ups for franchising, that’s what we also do. Franchising in the Philippines is a very strong source because many people want to go into business but they don’t know how to do it. Now they look at the franchise and it’s good because you have somebody to guide you, to train you, to set things up for you. You know. So that’s why we have franchising fairs here. And all the banks are there (Planter’s Bank, personal interview, Oct 14 2011).
Quite obviously, despite the SME focus, start-up capital is not available.\textsuperscript{33} Furthermore, as she details, the franchise has emerged as a central ‘hedge’ in business creation in the Philippines:

The franchise will do everything they can to make that successful because part of the package... is training, site selection, ok and then providing with the ingredients, material for business. Many of these are food. Filipinos will always eat everywhere. So maybe they have that concerns etc. so they provide already the ingredients. So when banks are able to tie-up with the franchisee they are actually able to help. Let's say the franchise owner has identified they want to franchise from you, like Jollibees (although Jollibees is very expensive). But let's say Figaro or any, or noodles. So here comes the bank. And the franchise owner says okay we have a client, maybe you can look at them and help them. It’s a tie-up already. So the banks can immediately get feedback... It’s like what we did with San Miguel Corporation. We have a lot of contract brewers for chicken-poultry- they were modernizing so we provide funding for modernizing. It’s a tripartite agreement. They identify and say okay there’s a live contract... so on the basis of, because they have a contract we can easily see their cash flow (Ibid).

Franchising is central in stories that circulate about returnee OFWs and constitute a very important dynamic in the M&D framework that has been underexplored. As BPI also confirmed in their interview, there is a distinct pattern of lending attached to the remittance transaction:

\begin{itemize}
  \item [BPI-] We look at the overseas Filipino as a separate customer segment so we're able to track basically what from the bank's point of view, among our customers, what were the balances, total balances, total portfolio of the overseas Filipino segment before, and what it is today. That's how we track the growth of that portfolio. And it has been really growing.
  \item [MG-] And it’s growing in terms of accounts?
  \item [BPI-] Its growing in terms of accounts, in terms of volume, in terms of products that they're able to avail of.
  \item [MG-] Things like time deposits//
  \item [BPI-] //Time deposits, investments, housing loans, auto loans. So that's what we track.
  \item [MG-] Does that help the OFW if they come in to apply for a loan, they have a record…
  \item [BPI-] Yes. What we're saying is actually, that's why we were recommending remittances through the banks. Especially through an account rather than just a pick-up. Because that account becomes a proxy of your earnings and then, you know, it then becomes a record or basis for approval of credit. Yes we do that. And with all the different activities we've been doing, we have noticed the growth. A very substantial growth in that customer segment. After financial empowerment ok, what we say is that you're not going to be there forever. Eventually you'll be coming home and you have to be reintegrated into society that's why the third component- entrepreneurship and self-reliance – we were actually promoting not any specific franchise, but we are actually promoting
\end{itemize}

\textsuperscript{33} Businesses have to show 3-years of financial viability before the bank will issue a loan. Start-up capital, she told me was available through a government-affiliate up to P300,000 (Planter's Bank, personal interview, October 14 2011).
franchising as an option. Because that way you have somebody to help guide your family, set up the business before you come home while you're still earning.

BPI’s understanding of the remittance transaction is not passive; they are evidently very active in their attempt to penetrate a migrant market for consumer lending. They understand their role in relation to the migrant market as an advocacy, as I described in the previous chapter, by helping migrants establish banking relationships. However, when it comes to business loans, the franchising option emerges as the most viable means of entrepreneurship “because that way you have somebody to help guide your family”. Two entwining truths seem to govern this phenomenon. The first is that migrants lack the education and capacity to do business. The second is that the corporate sector, the franchise, is best positioned to help migrants and their families. In the following section I expand on a history of mandated lending in an attempt to place financial intermediation and techniques of risk-management within a historically-constituted political economy.

**Experiments in Lending: The Agri-Agra Law and Microfinance**

The promise of harnessing migration for development is constrained by lending practices and risk management which, themselves, have a history in the Philippines. Two moments (1970’s and 2007) are explored in relation to emerging practices for a migrant market. The first, highlights a history of risk-shifting between the public and private sector since the 1970’s in relation to economically marginalized groups (i.e. lending mandates to the agricultural sector) demonstrate a longstanding geometry of power between Philippine banks and the state. The second, underscores the ‘success’ of microfinance in the Philippines which has made the cash-flow based approach a viable alternative to asset-based lending. Both efforts at financial inclusion reveal an entrenched pattern of power relations and affect what is possible in “harnessing remittances for development”. Ongoing practices for financial inclusion not only position financial institutions as key stakeholders in development, but also delimit both understandings of migrants and their families and understandings of development.
A 1975 Marcos-era decree instituted the Agri-Agra law wherein banks were mandated to lend 25% of their portfolio to the agricultural sector- 10% to agrarian reform beneficiaries and the other 15% to the sector as a whole. However, compliance with these mandates has not occurred, as compliance is to the letter rather than the spirit (Medalla and Ravalo, n.d). In other words, banks have been able to indirectly comply with the mandates by investing in non-agricultural proxies, notably government securities (Rural Bank, personal interview, September 27 2011) which was a high-yielding, safe investment in the post-crisis period (Hutchcroft, 1998). The cost of non-compliance is so low that even when the yield on securities dropped so as to be uninviting, commercial banks sometimes opted to pay the fine. According to a regulator, certain economic sectors are not part of the business strategy of commercial banks: “They would rather pay the P500,000 [$11,000] penalty than put million in loans that might fail… instead they just calculate the costs to business, the impact on their financial statement” (BSP, personal interview, October 4 2011). From his post in the SME division of bank regulation, he suggested that commercial banks are not interested in financial intermediation for migrant households, rather that they have taken to remittances as a tool for “proliferation”(BSP, personal interview, October 4 2011) – a stark counterpoint to the picture of financial inclusion as told by BPI.

The new Agri-Agra law, beginning in 2011, has continued mandated lending but narrowed the scope of potential beneficiaries and raised the fine for non-compliance. The renewal of the law is an attempt to finance the agricultural sector, which accounts for only 18% of GDP but, conservatively, 36% of the labour force (in Clausen, 2010). It is common knowledge that agriculture is the most underdeveloped sector and, some people argue that its development would stem the out-migration phenomenon (ERCOF at the D2D, 2011).

In an interview with a rural bank (September 27 2011), one which has more exposure in urban and peri-urban areas, the standoff between the public and the private sector in regards to mandated lending was most explicit:

\[
\text{RB} \quad \text{They're forcing us to lend to the [agricultural] sector but I think there's more also for them. There's much to be improved on. Like for instance, this typhoon… for instance and we really}
\]
need stable cash flows for us to be able to get our payment. And for a country that is susceptible to calamities, for farmers who don't have their own land, for the technology assistance given them. I think that the middlemen are still the ones who earn the most. And us, forcing us to lend to the farmers, I think there's still a gap there… I don’t believe in forcing banks to lend. If they make the agricultural sector viable in the first place, banks will be there to lend. It’s our duty to lend but it’s making us… Make us see the potential- the risk to reward ratio is null, it’s very risky. For you to just force banks to lend. I mean, there's a gap there.

MG So you mean it’s the government's responsibility? Is that what you think?

RB Yes a bit more.

MG When you say 'they'...

RB Yes that's because they're the ones forcing the banks to lend and for me what are you doing on your end. I mean forced lending is now... It’s been done so many years, from previous governments and it really hasn't pushed through. And I think there is- what infrastructure, better roads for them to deliver the produce, to protect certain industries first while they're starting, what steps is the government doing in that regard?

This captures a longstanding geometry of power. The rural bank suggests that rather than mandating the banking sector to absorb the risk of typhoon season and an evident lack of infrastructure, the government ought to contribute to the alleviation of risk. For a small bank, which is quite committed to lending as evidenced by its 95% loan to deposit ratio (commercial banks as a sector averaged 64% in 2010 (BSP 2010, 2), the mandate perhaps comes with real risks of insolvency. Rural banks, as a sector, have not been able to adjust their non-performing loans and assets as easily as commercial banks (BSP 2010, 1). Furthermore, smaller banks did not likely access the state privileges, discussed in Chapter 2 that big banks enjoyed in the post-crisis period. Unevenness in the banking sector itself also plays a role in risk allocations.

Talking with another bank regulator in the office of Inclusive Finance, opposition to mandates is not confined to the bank.

Access to credit for OFWs should be, we can't mandate access to credit for them, because number one, they need to build capacity in business. Some of them might be really willing to get capital for business but they're not really equipped to do business yet. So it might be necessary to also equip them. And in that equipping you can probably package it with some kind of loan, some kind of program....The question would be first- I think would be 'do they need lending?' Again because if you want them to engage in productive activities in the Philippines, they have to change the mindset. As you mentioned the remittances go into real estate not really business which can generate more capital, or more, I mean, more income for them. Because it’s their mindset, you know, that's the only thing they know where to invest in right now.
So I think the role of consumer education, or OFW education. Where to put your money, how to save, where do you use your remittance if you’re the family member receiving that remittance…. Because you have to really match your credit flow with the need of the OFW and the capacity for them to use that credit, you know, productively, to benefit themselves and even, you know later on in the process the economy (BSP, personal interview, October 21 2011).

Again, the viability of the migrant sector as a borrower comes to the fore: migrants do not have the “capacity” for business. Interestingly, the banking sector and bank regulators urge more capacity-building for marginalized sectors – including infrastructure and education. While I have previously discussed the place of values-formation and financial literacy in the MDN, the conversation on mandated lending highlights the history of risk management in the Philippine context. The state has, in a sense, passed the buck on investing in marginalized sectors and Philippine banks, in turn, have passed the buck back by finding ways around the mandates. The issuance of Treasury Bills has for years diverted investment capital meant for underdeveloped sectors of the economy (Rural Bank, personal interview, September 27 2011).

Beginning in 2007, the BSP institutionalized financial inclusion. It was decided that microfinance was a “flagship strategy”, a committee was struck, and a consultant hired from the private sector (BSP, personal interview, October 21 2011). The microfinance revolution – notable for its group-based lending (sometimes with joint liability), high interest rates and low volume borrowing – has encouraged financial institutions to move away from asset-based collateral, towards a cash-flow strategy, which allocates loans on the basis of ability to pay back. Commercial banks have been slow to engage with cash-flow based lending despite some encouragement from regulators. In the name of financial inclusion, cash-flow based lending is not subject to the same kinds of risk assessments. Banks can figure out the best way to make loans so long as they make known their model of risk-assessment (BSP, personal interview, October 4 2011).

Talking with bank interlocutors, lending patterns which require collateral for 70% of the real value of the property asset or 50% of the value of other chattel (household goods, livestock etc.) remains the norm except, it seems, in the areas of microfinance and, now, franchising. As the Planter’s Bank

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34 See Roy (2010) and Rankin (2001) for critical perspectives on microfinance.
interlocutor explains, in forging tri-partite agreements between bank, borrower and corporation, cash-flow based lending becomes possible. A corporate ‘hedge’ seems to provide enough risk mitigation for conservative banks to move beyond asset-based lending. While this may signal a more inclusive financial system, it’s crucial to note the limits of existing mechanisms of channeling savings into investment.

As Roy (2010) points out, microfinance sits on a fault line between “those who advocate pro-poor markets and those concerned with how market failure impacts the poor” (65). While assessments of microfinance portfolios have been attuned to financial indicators, including risk monitoring, perhaps at odds with development, the market-based approach likewise necessitates advocacy in terms of the bottom line. Indeed, while mandating lending to the agricultural sector has been largely unsuccessful, target compliance rates are achieved for MSME lending (BSP 2010, 67). Banks indeed lend 10% of their total portfolio to micro, small and medium size businesses (8% to SME and 2% to Microenterprise). Smaller banks and NGOs continue to be at the forefront of retail microfinance while commercial bank involvement is primarily in wholesale lending to microfinance organizations (BSP, personal interview, October 4 2011). As Susan Johnson (2004) keenly captures in her definition, “financial intermediation requires the conversion of savings into loans and a set of rules, monitoring and enforcement mechanisms to enable the organization to perform this function” (267). She points to the fact of discipline and monitoring implicit in managing risk between savers and borrowers. For Rankin (2001), a defining feature of microfinance is gendered notions that the poor always pay back as part of their commitment to family and community values. Thus while cash-flow based lending in microfinance distributes risk in such a way that enables credit to the poor (perhaps to those who had no credit access previously), this nonetheless occurs through techniques of social monitoring and shaming.

Even for GFIIs which cannot participate in real estate or franchising markets, the cash-flow approach is also implicated in the production of new forms of social monitoring. Many advocate that banks ought to look explicitly at remittance receipts as a record of cash-flow in order that remittance receivers can avail of bank credit. The Development Bank of the Philippines hope that at some point,
OFWs will be able to get financing for new businesses as a function of opening a bank account— which tracks remittances and, moreover, communicates how responsible an OFW is as a sender and saver:

So whenever [name] speaks to a PDOS it’s something like that: this [bank account] will be your ID to us…. The moment your beneficiary goes to us, we will see your transaction, okay, he remits regularly, he receives 20,000 pesos but he remits something like 15,000 and then he saves something for himself. This is the best kind of borrower that we should be helping. Responsible OFW. But if we see that your income is 20,000 and you are just sending 1,000 and then nothing in your savings account, how will we, ano? Where is the missing 18,000 pesos? (DBP, personal interview, October 19 2011)

Thus BPI and Planter’s Bank, mentioned at the start of this chapter, are not alone in the application of a cash-flow model to banking the migrant sector, and likewise to new monitoring and disciplinary models in relation to the migrant borrower. As critical microfinance scholars have exposed, mediating between savers and borrowers requires not simply monitoring but also a mechanism for enforcing payback. In the case of franchising, while the risk still falls chiefly on the borrower, the role of a franchise, within a tripartite agreement, is perhaps as disciplinarian, something that should be examined in more detail.

Both mandated lending and microfinance provide windows into geometries of power between banks, state actors, and other units. While financial intermediation for migrants and their families cannot be assumed as an addendum to formalizing remittances as Dymski (2004) points out, this section has equally highlighted some emergent risk-management strategies implicit in the creation of mechanisms to channel savings into investment. In particular, I have sought to highlight that remittances enter into a financial system with established lending and risk-management patterns. Financial inclusion, whether mandated by the government or market-driven, happens within a historically-constituted geometry of power and involves techniques of monitoring and discipline. The MDN- in seeking to harness remittances for development- constitutes another moment in inclusive finance with attendant modes of exacting payback that deserve much broader study and analysis, in particular on the consequence of certain hedges— notably franchising—not only on migrants and their families, but crucially the economic landscape and the possibility of genuine development.

**Financial Development as a Proxy for Development**
Financial inclusion of marginalized economic sectors and actors is an important goal, but one that has a much more ambivalent relationship to development than acknowledged in the mainstream. Bringing remittances into the banking system may indeed be developmental, connecting migrants and their families to better financial services and enabling financial intermediation. However, this cannot simply be assumed. In the context of the migration phenomenon as a mode of financialization, homeownership\textsuperscript{35}, franchising, and financial instruments hold a particular promise; not only to fulfill household dreams, but equally to “enhance future earnings” (Dymski 2004).

Palley (2010) explains that financialization is not the dominance of finance over the ‘real economy’ but crucially the solution of finance to economic stagnation caused by neoliberalism:

This process of financial innovation and deregulation expanded the economic power and presence of the financial sector and has been termed “financialization”. Financialization is the concept that marries Minsky’s ideas about financial instability with new Marxist and structural Keynesian ideas about demand shortage arising from the impact of neoliberal economic policy on wages and income inequality (30).

Harnessing remittances for development is not the first instance of financialization in the migration phenomenon. Rather, if we are to take seriously the notion that financialization is the solution of finance to economic stagnation, the migration enterprise can be understood as a progression of financialization in itself. Financialization is evident in the Philippines’ turn towards financial indicators of development, specifically foreign currency reserves, GDP growth, and peso appreciation. Financial sector reform and the massive out-migration phenomenon are, thus, connected vectors within a paradigm of financialization that has emerged through crisis and reform since the 1970’s. The more recent turn towards thinking remittances as a way of accumulating assets for future income (both at the scale of the household and the bank as I have discussed above) can be understood as another critical moment in financialization. This

\textsuperscript{35} Housing is crucial in relation to the remittance phenomenon and needs to be studied in much more detail than was possible here. But see Ortega (2012) for an excellent account of real estate in the Philippines. The housing market – largely new development – is 50\% migrant sales according to many interlocutors. Housing seems a primary engagement thrift and commercial banks have with migrants and their families as suggested in the interview data. Furthermore, interlocutors suggested that new developments are often sold in bulk to banks, enabling creditors to effectively set the rates and lending terms without competition, a power dynamic that has received scant attention.
current moment, I suggest, reflects not only new modes of governance in migration, but also the continuation of a particularly neoliberal form of Philippine development.

Given Palley’s (2010) understanding of financialization as the solution of finance to economic stagnation, the migrant market phenomenon can be understood within the neoliberal moment not only as a mode of disciplining bodies and individuals (Kunz 2011) but also as a means of avoiding systemic crisis. It is this idea which is so often reflected in the language of “keeping the Philippine economy afloat”.

Palley’s (2010) insight about how financial markets since the 1980’s- especially rising debt and asset-inflation- “filled a hole in aggregate demand caused by wage stagnation and widened income inequality”, seems an especially appropriate image in the Philippine remittance context. The Philippine economy is consumer-driven largely as a result of remittances from abroad; changes in household consumption in the national accounts are thus correlated to the migration phenomenon (NSCB 2011). Just as credit markets in the US has “filled a hole” since the 1980’s, the remittance phenomenon has likewise benefited aggregate demand36.

Reading financial change and migration as connected vectors thus suggests the importance of paying attention to the measures and matrices of development- increasingly financialized since the beginnings of labor export as a financial solution to economic undercurrents. In tracking the emerging migrant market, I want to reiterate that financialization is not new- a product of the post-Washington consensus on poverty, but more akin to a qualitative shift in financialization. This shift is both a down-scaling of development – in particular a critique of household spending patterns – as well as a re-imagining of the role of finance in development more broadly – including the logic that locates banks as central agents within a particularly neoliberal development paradigm.

The focus on finance as development, I have argued precludes a more substantive understanding of the power dynamics and political history of economic institutions in the Philippines. Financialization, in this instance, calls for building a better capitalism through liberating capital by mobilizing new asset

36 While developing countries necessarily reflect a different development trajectory than industrialized countries, the comparison here is confined to highlighting a similar experience of economic stagnation in the neoliberal era.
streams and instruments. This version of ‘development’ is primarily concerned with developing stable and predictable economic structures (property markets, capital markets, labor markets) which, as Polanyi (1957) reminds us, necessitates a great deal of planning. While financial assets can be developmental for many migrants and their families, financialization proposes an alternate understanding of development, placing the financial sector itself, not families, as the fulcrum of improvement. Moreover, within mainstream policy discourse and practice, while the financial sector becomes the fulcrum of improvement, families remain discursively central despite that their development is not ultimately measured.

Within the financial development paradigm, migrants and their families become sites of subject-making projects. The migrant market phenomenon rests on understandings about the specific needs and desires of migrants and their families. Financial institutions describe their service as technical and specialized, including a spatial strategy in order to overcome the geographic challenge of migration – making money management tools accessible via the internet so that migrants can do things like pay their college fees directly from abroad (BPI Direct, personal interview, January 18 2012).

Likewise, in a rural bank, there are moves to include computers in local branches such that people can connect with family members abroad while in the bank (Rural Bank, personal interview, September 27 2011). These are examples of migrant needs- which are premised on family separation and the fact of distance. Perceived migrant desires also play a significant role in how people understand the migrant market. According to the private bankers I spoke with, migrants desire houses, cars, education for their children, and franchise businesses (food-related – i.e. Jollibees- a MacDonald’s equivalent – being the most mentioned). Given ‘realities’ of needs and wants, consumer loans and money management tools are, quite naturally, the primary ways bankers ought to service the migrant market. Many people I spoke with tended to simplify the ‘migrant’, often privileging the contract worker identity. Notably, bankers did not acknowledge, without my prompt, the volume of remittances that come from immigrants (those who

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37 Again, I do not mean here to discount the importance of services for migrants and their families. The point here is to draw attention to the kinds of subjections involved.
have settled in their destination country). In response to the actuality of permanent immigrants who may remit money without intention to return, a commercial banker suggested that many still plan on retiring here (BPI Direct, personal conversation, January 18, 2012). Perhaps financial institutions tend to maintain that consumer financial products are always developmental for migrants. In serving the migrant market, banks support a constituency in their development and, thus, development itself.

GFI, on the other hand, attribute a broader set of desires onto OFW borrowers, also in line with the kind of livelihood financing that they might provide: “… the sari sari store, the grocery store or the franchise… agri-business like piggery. Or like transportation. They buy jeepneys or taxis…” (DBP, personal interview, October 19, 2011). Both of these accounts, the middle-class migrant consumer (desiring houses, cars and fast-food chains) and the migrant small entrepreneur (desiring tricycles, sari sari stores and piggeries) belie institutional limits. I have here suggested that the limits of M&D, while often attributed to the capabilities and desires of migrants and their families, also arise from institutional constraints in financial intermediation and risk allocation.

This chapter has explored how banks understand the emerging migrant market in the Philippines in relation to the remittance phenomenon. I have suggested that remittances are part of a larger story of financial change in the Philippines— which has unfolded alongside the migration phenomenon. I have argued that remittances ought to be understood in relation to financialization which positions finance as a development solution, often without taking inequality, uneven opportunity, social reproduction and various other economic ‘infrastructures’ into account. In the last chapter, I expound on the social and political ‘infrastructures’ that condition remittances, in particular, the ways in which one organization, TIGRA, is cultivating new ‘infrastructures’ in order to re-frame Migration & Development.

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38 This is disputed but roughly 60% of remittances are in the form of USD and CAD (see BSP 2011).
Chapter 5
Making Economic Choices Matter

As I explained in the first chapter, my relationship with TIGRA has both facilitated and inspired this research. By paying attention to TIGRA as an MDN actor, I hope to gesture towards a “politics of economic possibility” in the MDN. Perhaps still latent, given the longstanding geometries of power I have discussed previously, nonetheless, I think it’s crucial to recognize the importance of much NGO work in the Philippine context in cultivating sites of “a politics of becoming” (Gibson-Graham 2006, 24). I reflect on the progression of TIGRA’s work, both from my own experience as TIGRA and via my scholarly agenda to interrogate the discursive and material dimensions of the MDN in the Philippines. Both positions – TIGRA staff and activist-scholar – share an engagement with the dangers and opportunities of a remittance-based politics.

The Transnational Institute for Grassroots Research and Action (TIGRA) based in Oakland, CA seeks to engage an immigrant politics towards a day in which “migration is a choice and not a necessity for economic survival”. Without discounting the role of government in making this possible, TIGRA’s focus has, since its genesis in 2005, been on the role of the private sector in migration. Early on, founder Francis Calpotura saw remittances as a strategic opening in immigrant politics, one that not only spoke to immediate needs of immigrant families, but also to historic inequalities between Global North and Global South countries (Private conversation, June 21st 2012) Since its founding, TIGRA has sought to transform both ideas about remittances and the material conditions which structure remittance transactions. Their interventions have included a Western Union boycott in 2006, the creation of La Liga Global- a global economic justice union- in 2008, a financial education curriculum for remitters, a number of local ordinances on transparency in remittance markets, an accreditation program aimed at promoting corporate social responsibility within the money transfer industry, and a Transnational Fund that allocates money for development and social justice. More recently TIGRA has broadened its
framework to also include non-remittance related project such as a phone-card campaign, settlement services for newcomers, and Dream Act\textsuperscript{39} related advocacy.

Remit4Change is a capstone project that mobilizes many TIGRA initiatives in the constitution of an alternative remittance system. Still in its infancy, the R4C system aims to challenge a money transfer industry with high profit margins, but also to initiate a revenue stream for development work already being done. R4C aims to set new standards in the remittance industry through a process of company accreditation- much like fair-trade certification. Accreditation involves adhering to principles of fair pricing, community reinvestment, screens on investments (companies cannot invest in projects that cause displacement), and workplace non-discrimination.

TIGRA has forged accreditation partnerships with several private companies in the US who have agreed to put pre-tax profit per transaction into the Transnational Reinvestment Fund (TRF). This amount ranges between $1 to 1% of the remittance fee. Each time a remitter uses an accredited product, the company puts this money into the TRF where it is earmarked by the remitter for a particular project, geography or organization. The remitter, usually at the time they register to use the product, pick an entity from a list of beneficiaries, or if they have no preferred beneficiary, a country they wish to support (usually their home country). In the Philippines, there are five NGOs who have become beneficiaries- Atikha, Batis Center for Women, ERCOF, Feed the Hungry, and Unlad Kabayan\textsuperscript{40}. The fund is cut into three: 86% for the beneficiaries, 7% for TIGRA and 7% for the New World Foundation in New York for its role in administration. Based on remitter choice, NGOs receive money from the Fund in the form of periodic grants, issued by the NWF.

Through broad-based partnerships with remittance companies, community-based organizations, and foundations, TIGRA seeks reform within the money-transfer industry while also building grassroots im/migrant power around the knowledge-practice (Casas-Cortes \textit{et al.} 2008) of the ‘community

\textsuperscript{39} Development, Relief, and Education for Alien Minors (DREAM) Act is proposed amendment to US immigration law.

\textsuperscript{40} Four of five of these organizations work with returnee migrants and their families towards livelihood and social enterprise development. Please see www.transnationalaction.org.
sustainer’. While the work of community organizing and grassroots education remains central to TIGRA’s agenda, the R4C system also seeks fairness, transparency and reinvestment from the market, demanding that those who profit from migration invest in development.

In my scholarly engagement with TIGRA, I enact a feminist understanding of ground-level actors as “theoretically-meaningful” (Silvey and Lawson 1999). This does not preclude critique; rather, I see TIGRA’s work as inherently engaging discourse in the MDN, “underscoring the point that all activism and academic production is in fact collaboratively constituted” (Silvey & Rankin 2011, 700). I am reminded, here of Casas-Cortes et al.’s (2008) suggestion that “knowledge-practice”, a movement’s “claim to truth-making” and its know-how and experience, ought to fundamentally alter a scholar’s engagement. Rather than bringing categorical definitions and ready-made problems to my understanding of TIGRA – alignment frames, political opportunity structures, or the boomerang effect (see Keck and Sikkink 1998) – I take up Casas-Cortes et al.’s (2008) challenge towards a “relational mode of engagement”; I am studying alongside TIGRA. In this framework, TIGRA and the activist-scholar, while perhaps differently situated, share an engagement with political questions: What is at stake in the Philippine MDN? How might remittances expand (or narrow) the space of politics? As such TIGRA, a social movement organization is not an object to be explained, but a collective actor also “producing their own explanations and knowledges” (Casas-Cortes et al 2008, 21).

In the context of the financialization of development, I believe that TIGRA’s work constitutes a timely intervention in discursive and material remittance practices. Moreover, in highlighting some moments in TIGRA’s Philippine project, I hope to elucidate tension in the space of “economic becoming” in the Philippine MDN. While I maintain that remittances enter into fields of established possibilities and entrenched interests in the banking sector, in particular in regards to risk management and financialization, I have also sought to keep open the possibility that remittances are part of a politics of economic possibility. The mainstream remittance landscape reflects Roy’s (2010) concern that financial inclusion requires a certain “conjuncture of debt, discipline and dependence” (139): in the MDN a conjuncture of asset-building as development, the disciplining of financial subjects, and continued
migration-dependence in economic policy. However, this current conjuncture, as a “particular constellations of relations [that are] articulated together at a particular locus” (Massey 1993, 67) is also subject to contestations. Thus, the analytical framework of “power-geometries” (Ibid) in the MDN provides a way into thinking not only the current conjuncture but equally the possibility to re-shape power in the MDN.

Gibson-Graham (2006) also acknowledge that any economic politics has to engage already-existing patterns:

Any contemporary economic politics confronts an existing object: an economy produced, through particular modes of representation and calculation, a bounded sphere,... This economy is not simply an ideological concept susceptible to intellectual debunking, but a materialization that participates in organizing the practices and processes that surround it, while at the same time being formatted and maintained by them. A project of instituting a different economy must restore this obdurate positivity to its negative grounding. I must, in Laclau’s terms (1990), produce a “dislocation”, enabling a recognition that other economies are possible (xxiv).

Gibson-Graham here point out the difficulty of “a politics of economic becoming” but nonetheless are part of a growing body of scholarship and ground-level practices that are theorizing and manifesting non-capitalist economies.

The growing literature on the social and solidarity economy (Fontan & Shragge 2000, Gibson-Graham 2006, Amin 2009) has importantly drawn attention not only the myriad projects in existence that deserve recognition and support as alternatives to capitalist practice (cooperatives, LETS, barter networks, gifting, etc.), but also grappled with the relationship of alternative practices to wider shifts in government responsibility to social well-being. Fontan & Shragge (2000) capture this tension by asking “What’s at stake: social change or social control in a global economy?” (7) They go on to argue that:

Without the traditional left demand for economic redistribution through the state, the social economy will be relegated to the role of a social manager of poverty at the local level. In the context of globalization and the resulting polarization of wealth and income, the reformists favour the development of micro-economic tools such as financial and production cooperatives and community organization which are subject to the pressures of playing an integrative role within the liberal economy (8).

The antidote to the marginalization of the social economy for them is to link it to “a vision of social change that is at once the creation of new democratic social institutions and the same time is able to be part of wider mobilizations for social and economic justice, making claims on the state and the private
sector” (Ibid, 9). Both Shragge and Fontan (2000) and Gibson-Graham (2006) point to an overlapping set of elements that can help to re-orient social economy practices such that they contribute to social change rather than social integration in a cut-throat liberal economy. Gibson-Graham charts three modes of a politics of economic possibility: language, the subject and collective action. Likewise Shragge and Fontan point to the need to “make the vision explicit”, to become a “training ground in how people can act to control and manage their own organizations”, and to engage the political through “resisting attacks on the poor and raising new political and social demands” as well as building power through state organizations (10-11). While I was first introduced to TIGRA through the Solidarity Economy, I think bringing this framework more explicitly into my understanding of TIGRAs work41 can help in interpreting some tensions that I have observed within the Philippine Project since last September.

A Politics of Economic Language

Good data, which would ostensibly make migrant money visible and actionable, is a key part of MDN discourse. Data and data systems are top priorities in the MDN. By most accounts, there is a persistent information gap about the geography of remittances, notably that provinces and cities have scant knowledge of the importance of remittances in their regional economy. Mapping the geography of remittances in the Philippines, it is argued, could provide a baseline for making the M&D case among LGUs in particular. Some LGUs, notably those in CALABARZON42, attest to the importance of having remittance figures that pertain to their jurisdictions (ERCOF &IOM 2011 ; JMDI 2011). Ostensibly, knowledge of a remittance-receiving constituency, including remittance volume and particular migrant geographies, would prompt LGUs to take seriously M&D, incorporating migrants and their families within local planning processes.

In the second REDC meeting Richard Cavosora, a TIGRA colleague, inquired about the possibility of commercial banks making regional and municipal data available (REDC 2012). On a daily

41 I have also been engaging TIGRA colleagues on social and solidarity economy literature, for example in circulating two articles for discussion as ‘input’ to TIGRA’s emerging Philippine strategy.

42 Cavite, Laguna, Batangas, Rizal, Quezon
basis bank headquarters report their foreign exchange transactions as part of risk-based assessments. These numbers then become the basis for national figures on remittances by country (effectively by currency) (BSP, email exchange, September 15-16 2011) (see BSP 2011). Cavosora inquired about the possibility of getting foreign currency figures disaggregated by bank branch, that way the figures reported would include a geography of payout locations. The representative from the Association of Bank Remittance Officers (ABROI), responded by saying that it would be difficult to include the geography of cash payouts- facilitated by tie-ups (many of them pawnshops) as well as those withdrawn from ATM machines. Cavosora then challenged the ABROI rep stating “it would be difficult, but not impossible. Banks are required to pay attention to transactions for Anti-Money Laundering compliance, something not related to run-of-the mill risk assessments. Why not report for development?” While the point was not taken further, Cavosora’s challenge attempts to widen the space of politics about remittance data. Rather than accepting the scope of current data – limited to foreign currency reports at the scale of bank headquarters – could reforms in bank reporting regulation be an appropriate M&D intervention? His question offers a nuanced understanding of the job of government regulators, not only to engage in systemic risk management, but also in the case of AML to engage in global security. Posing AML as a comparative here is an interesting discursive move, in effect suggesting that the government is more responsive to foreign ‘asks’ than domestic developmental imperatives.

Both data interpretations and data limitations are sites of discursive struggle. Economic data acts as a mechanism by which phenomena is made visible and therefore actionable (Mitchell 2005). Just as community activists in the US in the 70’s and 80’s fought for more disclosure requirements in mortgage lending as a precursor to community reinvestment agreements, remittance research and survey data is important to those making claims in the MDN. TIGRA seems to recognize that the power to make truth claims depends on making visible economic phenomenon. As such, data emerges as a potent site of struggle, not only data interpretations, but equally the politics of data responsibility as well. In the fourth REDC meeting (2012)– which I participated as a TIGRA-affiliate –ABROI presented an overview of the

43 See Brillo (2010) for more on AML and the politics of security post 9/11.
remittance phenomenon from their perspective. However, the statistics employed in the presentation were culled from government and World Bank data— the BSP Consumer Expectations Survey, results from the National Statistics Office’s OFW survey, and the World Bank online platform on remittance pricing. Apart from bank-based anecdotal evidence about how migrants spend their money, none of the presented data originated from bank data at all. Yet, could this be a site of engagement, given that banks have some knowledge advantage in terms of their proximity to the remittance infrastructure, specifically the capacity to track overseas-based accounts separately from other business?

While the thrust of ABROI’s REDC presentation was to underline that banks have consistently lowered remittance fees, a ‘developmental’ practice, a politics of language might take issue with bank data. In particular, their presentation hinges on a truth-making project: banks suggest that in lowering fees they are already taking responsibility for development work and that moreover, they have few other responsibilities to development, including data collection. For TIGRA, who seeks to challenge accepted roles of the private sector in development, this presents a site of discursive struggle that can be engaged directly.

Notably, TIGRA’s language politics around data does not explicitly critique the quantification of M&D wholesale\(^4^4\), but rather seeks to re-frame the role of data in affecting changes in the remittance landscape. Data in TIGRA’s view is not simply a means to influence power (LGUs for example), but, perhaps equally a site for thinking differently about development, notably in making more overt political demands regarding the responsibility for development. By challenging accepted notions about the role of the private sector in development, TIGRA engages in an explicit social-economic entanglement. The private sector’s role in development is not limited to a bounded sphere called ‘economic’, but crucially ought to engage in the political and social dimensions of the MDN.

TIGRA calls this engagement “critical collaboration” because it seeks not simply to oppose existing discourse and practice, but rather to engage current geometries towards the production of more

\(^4^4\) Critical scholars might understand the need for data in the MDN as part and parcel the financialization of development, as numerical indicators of volume come to stand in for actual development investments.
migrant and immigrant agency in migration. This sometimes entails discursive concessions - that is playing the mainstream game enough to be recognized as having “skin in the game”, to use Calpotura’s figure of speech (Email conversation, November 10 2011). The geographic language of the MDN aptly illustrates this point. The “public transcript” (Roy 2010) of the Philippine MDN, tends to borrow heavily from a globalizing economic discourse of the ‘ecosystem’. This language as expressed by Prahalad (2004), understands the economy as a system, like the human body or an ecological region. Such systems have an internal logic, mechanisms of self-regulation and feedback, and a natural equilibrium. As such, critical scholarship has rejected this language of ‘ecosystem’, given that economics is not a bounded-sphere, discrete from political, social, historical and geographic forces. TIGRA- however- sometimes uses the term ‘migration ecosystem’. Perhaps invoking mainstream language here performs an instrumental function in building relationships with the private sector, making possible critical collaboration with those who understand themselves as part of the migration ‘ecosystem’. Some TIGRA staff, however, have reacted to the language of ‘ecosystem’, stating that ‘ecosystem’ implies there is a symbiosis happening between actors and forces in the migration field when there is not, preferring instead to use ‘migration landscape’ to denote the relationships between actors, and institutions in the MDN (Private conversation, June 15 2012).

A language politics, as enacted by TIGRA, seems to perform a particular strategic function in re-shaping how we imagine migration, development and the remittance phenomenon. Notably, this language is often reworked to meet current challenges and conditions. As mentioned in a previous chapter, TIGRA in the Philippines has recently shifted its strategy from a remittance-led framework to one that, while it still includes a remittance politics, is considerably broader. This shift likewise coincides with increased attention to individual subjects as a result of TIGRA’s engagement in the Pre-Departure Orientation for US-bound Filipino immigrants.

**A Politics of the Immigrant Subject**

Because Remit4Change is transaction-based, it depends on building scale in order to generate new revenue and effect noticeable change. During the initial pilot testing of R4C (summer 2010 in the
US) approximately 2000 people signed up for the program. In 2011, the system recorded just over 4000 transactions, amounting to just under $4000 in TRF money. With billions of transactions from the US to developing countries every year, R4C aims at a much larger number of transactions (and therefore a much larger TRF) lest partners (both private sector and NGO) fail to see the benefits of such a program. Based on this pilot period, and in part due to an opening in the Philippine migration landscape, TIGRA started a Philippine Project with the express purpose of marketing R4C to US-bound immigrants in the mandatory Pre-Departure Orientation Seminars conducted by the Commission on Filipinos Overseas (CFO). This approach is made possible by the migration infrastructure in the Philippines wherein government is mandated to inform and protect its nationals in regards to migration, even the 57,000 each year who become US green card holders (Monger & Yankay 2012).

Since February 2011, TIGRA has been able to show a short video about Remit4Change, as well as distribute voluntary survey forms to nearly 300 people a week in the 10 minutes prior to the start of the PDOS. PDOS, as essentially a marketing avenue, has entailed a complete shift in how TIGRA approached R4C. Previously TIGRA promoted R4C through organizations. PDOS, on the other hand, presents an opportunity to engage individuals. Furthermore, as TIGRA spent time at the PDOS, it became clear that remittances were far from the minds of new immigrants, and that moreover, they too had needs. TIGRA-Gabayan has thus emerged both as an attempt to meet people’s needs as newcomers and to begin to engage the idea that “economic choices matter”. Nesting a remittance politics within a larger conversation on what needs to happen in the economy, and how each of us can participate in a politics of economic becoming is the crux of TIGRA’s current direction.

In a sense, what PDOS made obvious, is that many Filipino immigrants are not ready (owing to many factors- material and immaterial) to be “community sustainers” in the ways TIGRA had discussed it previously. Social capital (and remittance bounty) cannot simply be assumed. “Harnessing remittances for development”, again, is not a mechanistic process but rather entails a politics of the subject. As critical development scholars remind us- this is not just a behavioral or mindset change, having to do with disciplining immigrants to channel their money appropriately, but crucially this means cultivating an
“uncoercive rearrangement of desire” (Roy 2006, 25). This means making sure that “social processes... ways that organizations are created, how decisions are made, and who holds power and control” (Fontan & Shragge 2000, 11) remain at the crux of a remittance politics. That immigrants to the US have needs beyond remittances is obvious and yet, the fact of needs has only begun to seep into TIGRA’s strategy for change. PDOS has enabled TIGRA to actively engage a wider set of desires, causes, and needs in the migration field, which ought to, in turn, reshape a politics of economic change. For one, social capital becomes not only something that is mobilized ‘for development’, but crucially as something which is important in itself.

While attention to immigrants as complex people is crucial in a remittance politics, there’s a distinct tension regarding how TIGRA can maintain its relationships with the private sector- notably accredited remittance partners- without instrumentalizing immigrants as remitters. A core way that TIGRA has been able to forge agreements with the private sector (making demands and ‘winning’) has been through the projection of social capital- both as ‘naturally-occurring’ (i.e. Filipinos send money to their family because of love and duty) and cultivated by and through civil society organization within TIGRA’s network. Admitting that social capital, and consequently the volume of remittances, are part of larger social processes and even sometimes ‘unproductive’ processes (as opposed to a stable source of future returns) may compromise relationships with the private sector. Social economy organizations, like TIGRA, are susceptible to having to play by corporate rules (i.e. focusing on market returns) until a broader power center is established that can re-orient the game.

While this tension is not (and may never be) resolved, Fontan & Shragge’s reminder to pay attention to the role of state-civil society relations in the social economy can help. In particular they suggest cultivating overtly political relationships: “looking for a new approach in which the state still plays a central role but in which the local can begin to build power and processes of controlling those organizations and programs identified with the social economy” (10). In other words, besides cultivating social capital by and through an incremental, organizing approach with individuals, social economy organizations can and should identify state spaces which are important to the social economy and then
foster more democratic engagement in these spaces. By tapping into state infrastructure, the project of growing a social economy can be enhanced. This importantly does not mean civil society should take responsibility for social services; rather, as I think the TIGRA example demonstrates, getting the state involved can help to scale up the social economy.

**Real Politique: Negotiating Power in the MDN**

The space of PDOS, as I have discussed previously, has been a crucial marketing realm for contract-based workers that are required to attend PDOS through the POEA. Banks have accessed this space in order to encourage their target audience to open a bank account—a strategy that by most accounts has been successful in growing the migrant line of business (DBP, personal interview, October 19 2011) (BPI, personal interview, January 18 2012). Not only are banks, telecom companies and others actively marketing in this space, some PDOS are fully administered by third parties outside of the state itself (DBP, personal interview, October 19 2011). The CFO, by constrast, does all its PDOS in-house as well as small-group counseling for special emigrant groups—notably youth and those with marriage or fiancé visas. The CFO nonetheless relies on financial sponsorship, largely for the cost of printing immigrant guidebooks. Landbank of the Philippines, a GFI, as CFO’s financial sponsor has the exclusive right to talk to participants in CFOs pre-PDOS. Because TIGRA has a working relationship with Landbank in the remittance business, TIGRA has also been granted access to this coveted marketing space.

That TIGRA’s moment in the pre-PDOS is dependent, not on mutual development desire (between CFO and TIGRA), but rather on TIGRA’s relationship with a bank and in turn, that bank’s sponsorship of the CFO’s PDOS, is a crucial geometry of power. Partnerships based on financial transactions between government and other entities continue to take priority over partnerships that are development-oriented, despite that the CFO is the prime government mover in M&D. This current geometry, however, is also perhaps a site of important political negotiation about what role the government plays in the MDN. CFO’s PDOS is service-oriented, aiming to provide out-bound emigrants with the information they need for their transition. CFO’s other engagement, connecting the migration enterprise to Philippines development (i.e. serving as a hub for diaspora philanthropy) is only beginning
to be incorporated into the space of PDOS. Thus while Landbank can actively promote their remittance and banking services (arguably developmental), CFO itself has yet to really engage outbound immigrants on development issues more broadly.

Very recently, a tension has arisen which begs the question of the role of the state in the social economy. Since TIGRA’s remittance-led strategy has morphed into TIGRA-Gabayan, they have sought to distance themselves from Landbank, preferring a more independent image that reflects TIGRA as a social movement. Thus while TIGRA would like to engage with PDOS participants on non-remittance issues, the space of pre-PDOS is already patterned on a particular geometry of power in which financial development takes precedence over other recognizable forms of development. The literature on the social and solidarity economy would perhaps understand this geometry as an important political site—where TIGRA could negotiate for the promotion of a wider social vision wherein development takes on more explicitly human and social connotations.

TIGRA’s new framework, “Making Economic Choices Matter” is concerned not only with the ability of an individual or a household to make smart financial decisions, but also with cultivating a set of infrastructures for making possible otherwise impossible choices. Of course, the ultimate economic ‘choice’ here would be the decision to stay in the Philippines rather than go abroad, a choice made possible by livelihood, employment, and quality of life changes. In the shorter term, “Making Economic Choices Matter” gestures towards the creation of political, social and economic institutions which can alleviate risks, make demands, and cultivate synergies where they matter most. It is a concept-in-progress, something TIGRA has yet to fully formulate, and yet it resonates with past and present work. R4C is an innovation in the social economy because it rejects the functional discourse of remittances, and instead negotiates with the private sector about the social surplus. While a focus on surplus

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45 ‘Guidance’ in Filipino

46 Gunn and Gunn (1991) define social surplus “as that portion of the product of a society created in a given period of time, and neither consumed by those who produced it nor used for reproduction of the means of production” (18). This definition is considerably different from notions of ‘profit’, ‘rent’ and ‘wages’ which are not ‘surpluses’ in mainstream economic theory but rather just compensation based on the given factors’ contribution to production. Social surplus is thus an explicit call to recognize the social in the economy: “surplus- not social surplus- exists in
appropriation, the theft of surplus labour remains crucial, Gibson-Graham (2006) importantly pay
attention to surplus distribution- that is once appropriated, how might this surplus “potentiate community”:

If social surplus is what builds communities and cultures, then the decision-making processes that
configure surplus appropriation and distribution will play an important role in determining their ethical
color. Can we conceive of mechanisms by which the surplus produced by one set of ‘us all’ might be
appropriated and distributed by a larger more encompassing ‘us all’, thus acknowledging that the co-
implication of existing is the sharing of the world? (92)

The concept of social surplus reminds us of this crucial idea – that the economy exists for the social
rather than the other way around. TIGRA’s “Making Economic Choices Matter” reflects an always-
embedded economy, and as such matters not simply as a set of indicators, but crucially as a conjuncture
of human relationships.

**Conclusion**

This thesis has sought to re-position the financial sector in development by paying attention to
how remittances are not only a household-scale phenomenon, but crucially constituted by understandings
and practices at other scales. Each chapter has tackled different elements of this argument. Chapter 2
suggested that remittance discourse and participation is constituted by power dynamics between public,
private and NGO actors in the MDN. Chapter 3 argued that conditions of possibility in the remittance
phenomenon have been cultivated via crisis and reform in the banking sector since the 1970’s. Chapter 4
argued that efforts at financial inclusion for migrants and their families interface with longstanding risk
management practices and attendant modes of monitoring and discipline. Finally, Chapter 5 argued that
a remittance politics is also emergent among NGOs. This politics attempts not only to change migrant
and migrant family financial behavior but importantly tries to politicize the migration landscape by
seeking to make financial institutions accountable to development.

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this [orthodox] economic theory, even if the term is not used. People do receive the interest, rent or profit earned by
the factors they own. Others save from high salaries, and some even manage to save from wages. Unconsumed
income of all kinds, pooled in firms and aggregated in financial institutions, is made available for new
undertakings....The immediate goal is profit, but the systemic outcome is privately appropriated surplus” (17-18).
Crucially remittances are multi-scalar, that is, engaging a broad set of interests and desires beyond household decision-making. My research demonstrates that banks do not simply ‘serve’ the so-called migrant market but rather constitute the migrant market and understandings thereof. Further, I argue that this is a political act that impacts the subjectivity of migrants and their families as well as, ultimately, what development might look like. Although I have veered away from enumerating the implications of this ‘migrant market’ for development due to insufficient data, I have made speculative gestures in this regard, specifically pointing to discrepancies in meaning: development in relation to the migrant market can either privilege social and human well-being or situate the marketplace and the financial sector as sites of change.

NGOs and bankers diverge considerably in their understandings of migrant needs and desires, as well as what constitutes migrant empowerment and agency in development. TIGRA, in articulating a politics that makes economic choice matter, propose new sites and scale of intervention in development, not limited to changing household financial decision-making. Here, the social-economic binary falls away, recognizing that migration is fundamentally social and economic. In this emerging epistemology, NGOs sometimes engage an analysis that acknowledges the ‘benefits’ of migration on the social sphere and the ‘costs’ of remittances on the economy. For TIGRA, and other NGOs, the MDN has validated their work in building and articulating a Philippine economy that does not depend on labor export. In relation to the MDN, they have been asserting an alternate geometry of development- in particular the importance of social economy “vehicles” and “projects” such as cooperatives and social enterprises.

Furthermore, some NGOS are very aware that building alternative ‘infrastructures’ in development necessitates a politics of the subject wherein “many migrants want development” (Villalba, private conversation, December 21 2011). In this emergent epistemology, the element of desire plays a decisive role. Rather than prescriptions about who does what in development (i.e. migrants are underperforming consumers or investors), the starting point is that indeed there is development desire. Feminist scholarship might suggest that it is important to keep this element of desire- and figure out a politics of this desire in order to build an “infrastructure of feeling” which Gilmore (2010) describes as
that which contributes to a sense of tradition, as well as the conditions of possibility in a given situation. Gilmore’s work, based on years of activist-scholarship in relation to the Prison-Industrial Complex in the US, is notable here for its ability to track through material, discursive, and affective conditions which make an abolitionist politics possible. As she describes, differentiating between reforms that normalize prisons from reforms that build a feminist, abolitionist “infrastructure of feeling” is crucial to social change. Likewise, my work with TIGRA and my research in the Philippines gestures towards the importance of paying attention to “infrastructures of feeling” in the migration field beyond those which normalize the migration phenomenon. The goal must become building infrastructures of all kinds that further cultivate a politics of economic becoming.

Throughout this thesis I have sought a feminist perspective, placing an always-embedded economy within understandings of subject formation and structure-agency debates. In particular, the migrant market, which emerges explicitly in qualitative data, cannot be easily dismissed as part of a neoliberal project wholesale. Rather, a more nuanced feminist reading might hold onto the possibility that the migration phenomenon can produce path-breaking conjunctures. I have focused on illuminating an always-embedded remittance phenomenon at the scale of financial mechanisms because I see the potential of remittances, not as an inevitable logic for development, but as a terrain of struggle which can be worked into infrastructures for change. Harnessing remittances for development indeed comes up against financing structures in the Philippines; but these structures are not stable truths but rather “accomplishments of truth” (Roy 2010, 56). Alternative modes of risk mitigation— including state investments in infrastructure, loan guarantees and collective and consensual risk-sharing –deserve much broader study, analysis and application. Likewise, the cultivation of mechanisms for appropriating and distributing social surplus, towards an eventual exit strategy in Philippine migration, deserve much broader acknowledgement and support.
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