

VII. Methodology

The RETA 6212 on Southeast Asia Workers' Remittance Study is based on a series of predominantly primary sources. Four different protocols were created for this study, designed to cover four major facets of remittance transfers in the Southeast Asia region: (i) remittance senders, (ii) remittance recipients, (iii) money transfer organization, and (iv) financial institutions. Other potentially relevant institutions, such as migrant support networks, government officials, media outlets, and so on were also interviewed.

Consultants based in each country administered surveys and conducted interviews, serving individually as national study team leaders, and collectively as part of the regional team overseen by a study team leader.

Field work (data collection) for this research project started on 15 February 2005 and concluded in 1 July 2005. During that period interviews, surveys, data set development, and secondary literature were consulted to prepare the first report, which was elaborated in mid-July and a final draft presented at the end of August 2005. The surveys were administered 1 March–1 May. Data processing and analysis followed during May–June.

The analytical framework of this study focuses on migration, remittance volumes, the remittance transfer marketplace, financial sector regulations, and financial intermediation as related to development.

The principal objective of the study was to learn about the trends and patterns of remittances, and issues concerning development as related to these funds, in the Southeast Asian context.

A. Interviews

Person-to-person interviews were carried out with policy officials, money transfer companies, and immigration experts. In each country a minimum of twenty influential individuals were interviewed. People interviewed included central bank officials, public officials working in the management of overseas workers, company managers, commercial bank officials, and immigrant group advocates.

Table 7.1: Number of Individuals Interviewed

Country	Total
Hong Kong, China	26
Japan	26
Singapore	26
Malaysia	30
Indonesia	18
Philippines	10

B. Survey Samples

The team generated a survey questionnaire to migrants or families of migrants in each country under study. The questionnaire is an international protocol containing more than 30 questions and adopted in other parts of the world, particularly in the Caribbean, Germany, Latin America, United Kingdom, United States, and West Africa.

Because of funding constraints approximately 500 surveys were conducted. Although the sample size is smaller than a typical nationwide survey, for migrant populations of less than one million individuals concentrated in specific geographic areas, the sample is representative with a 4% margin of error. However, although the results are statistically significant, the sample size needs to be considered as a limitation when analyzing an individual sender of a recipient country (ie, a Filipino in Japan) and the findings are to be interpreted within such limitation.

Another limitation to consider is that due to lack of census data about migrant population sizes, it was difficult to discern the appropriate sampling size.

The statistical analysis of the surveys was drawn predominantly from the samples carried out in Japan, Hong Kong, China, and Singapore. The data collection offered better choices for statistical analysis and its validation. With regards to recipients of remittances, Indonesia's survey was also used for statistical analysis.

Table 7.2: Sample Size of Remittance Senders

	Indonesia	Malaysia	Philippines	Other (Nepal, India, Bangladesh)	Total
Hong Kong, China	262		262		524
Japan	134	42	256		432
Malaysia	210		100	200	510
Singapore	151	151	127		429
	647	193	669		1509

Table 7.3: Sample Size of Remittance Recipients

	Indonesia		Malaysia	
	#	%	#	%
Japan	17	3		
Hong Kong, China	43	8		
Korea, Republic of	15	3		
Taipei, China	26	5		
Singapore	63	11	100	
Malaysia	378	69		
Brunei	8	1		
Total	550	100	100	

1. Hong Kong, China, Survey Methodology

Market surveys were carried out among Filipino and Indonesian migrant workers. The survey was administered using typical procedures, through a "supported self-completion" basis. Questionnaires were handed out to respondents but supervised by trained researchers, who were available to provide explanation and guidance. The forms were checked for completeness, and a small token was given to respondents.

The questionnaire was based on the regional questionnaire, but partly tailored for the Hong Kong, China, market. For validation purposes a small pilot survey (20 questionnaires) was carried out for each of the Filipino and Indonesian target groups. The survey was

conducted in English for Filipinos and translated in Bahasa for Indonesian migrants, using Bahasa-speaking interviewers.

The surveys were carried out over 4 Sundays (the normal day off for the migrants) at their main gathering places (Central for Filipinos and Causeway Bay for Indonesians). A total of 265 valid responses were obtained for the Filipino survey and 259 for the Indonesian survey. These represent sampling rates of 0.22% and 0.28%, respectively.

2. Japan Survey Methodology

The survey conducted in Japan included three migrant groups: Filipinos, Indonesians, and Malaysians. The sample size was based on a margin of error of 5–6% with 250 samples for the Philippines. The remaining was shared by Indonesia and Malaysia, taking the proportion of Indonesian and Malaysians with the remaining number of targeted sample (approximately 500 in total) into consideration.

The places where the survey was administered included Tokyo and Nagoya where majority of these migrants reside. Churches, language schools, remitting places like the PNB, and other places of concentration were chosen to conduct survey for Filipinos, Indonesians and partly for Malaysians. Moreover, restaurants and retail stores, including in the suburban area of Tokyo, were also included for the Filipinos and Indonesians.

Prior to the surveys, focus groups were formed to validate the questionnaires and garner general information about migrants and remittances. This exercise showed that the survey data of Malaysians show a clear bias in that the majority might be composed of students. Therefore, the survey results for Malaysia, especially numeric data, should be considered as a reference data.

3. Malaysia Survey Methodology

The survey in Malaysia was conducted by two market research companies: City Advertising Enterprise based in Taman Seri Serdang and AriSu Management Consultants. The market survey was conducted by personal interviews where migrant workers from Indonesia, India, Bangladesh and Nepal live or work.

Filipinos in W. Malaysia were interviewed on Sundays where they gather at the St. John's Church in the vicinity of Kuala Lumpur. Interviews were also conducted at their Training Centre in Jalan Ampang where the Philippines Embassy conducts classes every Sunday.

One major difficulty in conducting this survey was caused by time and budget constraints in working with a larger sample of Filipinos and Indonesians. The sample size is thus not representative of its population and the analysis presented in the report concerning Malaysia is only a descriptive snapshot of a purposive sample.

4. Singapore Survey Methodology

A total of 429 surveys were completed for Filipino, Indonesian, and Malaysian workers. All surveys were conducted face-to-face including prescreening. The Filipino worker survey was conducted largely at the PNB branch in Lucky Plaza. A few were also conducted at various remittance companies also located in Lucky Plaza. A total of 127 surveys were completed over three weekends in April 2005.

Indonesian domestic helpers and Malaysian workers (work permit and employment pass holders) were intercepted over key areas island-wide. Screening questions were asked to ensure that the respondents have worked and lived in Singapore for at least 6 months so that they had sufficient remitting experience.

A total of 1,531 Indonesians and Malaysians were approached for the survey, of which 302 were completed successfully for a 20% success rate. The main reason for survey failure (32% of total or 42% of all Indonesians) was the refusal of Indonesian domestic helpers to participate, which was due to time constraints or employer disapproval. Of the Malaysians approached, 15% did not pass screening because they had not remitted money in the past 6 months compared with 9% for Indonesians. The sampling captured those Malaysians working and living in Singapore and not those who commute.

A total of 302 surveys were successfully completed, comprising half each of Malaysian workers (work permit and employment pass holders) and Indonesian domestic helpers. For this section, Malaysian employment pass holders are also defined to include Malaysian “S” pass holders. Fieldwork was conducted over 3 weeks from mid-March to mid-April 2005.

5. Indonesia Survey Methodology

A household survey was conducted to support the analysis of Indonesia as the recipient country of remittance sent by Indonesian migrant workers working in the Southeast Asia region.

Due to budget constraints the survey employed a small number of respondents, thus experiencing a higher margin of error. Based on the discussion, the regional team suggested a sample size of 500 respondents, which represents a 4% margin of error, where the average sample size will be about 540 respondents. In the implementation, the total respondents were 550 households.

A purposive sampling technique was used because there is only a few major provinces, counties, and cities identified as the source of migrant workers. The top five provinces are West Java, Central Java, East Java, East Nusa Tenggara and West Nusa Tenggara, and followed by North Sumatra, West Kalimantan, East Kalimantan, South Kalimantan, South Sulawesi, and North Sulawesi. The market survey was conducted on April 2005 by the Institute for Economic and Social Research collaborating with local surveyors.

6. Philippines Survey Methodology

Basic demographic and remittance profile of remittance beneficiaries was studied through a survey of remittance beneficiaries conducted at the Philippines Duty-Free Shop, which is a usual stopover of arriving overseas Filipino workers (OFWs) and their families who welcome them at the airport. The survey covered the OFWs who arrived and visited the Philippines Duty Free Shop during the period 15 March–30 April 2005. A sample size of 300 was targeted, which yielded a total of 274 valid survey returns.

The questionnaire was administered in English but also translated. The survey is statistically representative of families of migrants. However, it is not a representative sample of Filipinos with families in Southeast Asia.

C. Remittance Transfer Cost Data Set

The collection of data for this report consisted of pricing information from banks and money transfer companies involved in the transfer of money abroad. Data on money transfers were gathered through direct contacts with over 100 money transfer companies operating in Hong Kong, China, Japan, Malaysia; and Singapore. The main kinds of information collected to build the pricing data set included fee, foreign exchange charged as commission, interbank exchange rate, and other charges that could apply. The transfer cost of a remittance is generally derived from the sum of the fee and the commission on the exchange rate. The commission is estimated from the spread between the interbank exchange rate and the exchange rate applied by a company.

D. Estimating Weighted Averages

The estimates on weighted averages were derived from applying survey data results to the number of migrant senders and average sent. The mid-point of the range sent was calculated resulting from the survey individual responses about the average sent. The midpoint was multiplied by the frequency percent distribution reported by migrants and then multiplied by the migrant sender population.

Thus, the weighted average is

$$REMITTANCES_{ij} = \sum \{ [(Sent_{ij} \times Freq_{ij}) \times Dist_{.ij}] \times Migr_{.ij} \}$$

$REMITTANCES_{ij}$ = Total remittances from host country i to home country j

$Sent_{ij}$ = Average amount sent

$Freq_{ij}$ = Frequency of sending)

$Dist_{.ij}$ = Percent distribution of that group

$Migr_{.ij}$ = Migrant sending population

The tables below illustrate the estimate of the amount sent by Indonesians in Japan. The first table offers the cross tabulation between the mid-points in the frequency of sending and the average sent.

The resulting percentage is applied to the average amount sent and the frequency of sending the times population figures.

For example, to calculate the total amount sent by all those Indonesians who send US\$280 four times a year is \$3,025,512.00: $\{[(280 \times 4) \times 15\%] \times 18009\}$. The number of Indonesians sending remittances from Japan is 18009.

Table 7.4: Percent Distribution of Average Amount Sent by Number of Times a Year Sending that Amount

Mid-point Range Sent	4	7	11	16	Sum (average frequency: 9.5)
280	15	1	11	1	28
421	19	1	2	1	24
514	5	1	2	0	8
748	9	6	2	0	18
1869	15	5	2	0	22
Total	64	14	20	2	100

Table 7.5: Weighted Average Remittance Sent (US\$)

Midpoint Range Sent	Frequency of Sending				Sum (average frequency: 9.5)
	4	7	11	16	
280	3,088,954.37	415,820.78	5,880,893.90	950,447.50	10,336,116.55
421	5,702,684.99	623,731.17	1,960,297.97	1,425,671.25	9,712,385.38
514	1,742,487.08	762,338.10	2,395,919.74	-	4,900,744.91
748	5,069,053.33	5,544,277.08	3,484,974.16	-	14,098,304.56
1,869	20,593,029.14	11,088,554.15	8,712,435.40	-	40,394,018.69
Total					79,441,570.09

Note: Migrant population: 23,000; adult sending population: 18,009 (90% adult migrants, 90% send money).