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Unilateral Facilitation Does Not Raise International Labor Migration from the Philippines

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I. Introduction

Wage rates of workers using the same skills and doing the same jobs differ by as much as 10 to 1 depending on the country in which they work (Ashenfelter 2012). Moving from a developing to a developed country results in immediate large increases in income for the migrants, with gains that far exceed those of any other development policy intervention (Clemens, Montenegro, and Pritchett 2009; Hanson 2009; McKenzie, Gibson, and Stillman 2010; Gibson and McKenzie 2014). Why do so few people emigrate, and what policies can governments in developing countries pursue to make it easier for their citizens to escape poverty through international migration?

There is a growing literature in development economics that addresses the question of why households do not make objectively profitable investments, such as using more fertilizer (Duflo, Kremer, and Robinson 2011), reinvesting profits in their businesses (Fafchamps et al. 2014), keeping enough small change (Beaman, Magruder, and Robinson 2014), and continuing in school (Jensen 2010). These studies have shown that often a relatively small and

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Significant income gains from migrating from poorer to richer countries have motivated *unilateral* (source-country) policies facilitating labor emigration. However, their effectiveness is unknown. We conducted a large-scale randomized experiment in the Philippines testing the impact of unilaterally facilitating international labor migration. Our most intensive treatment doubled the rate of job offers but had no identifiable effect on international labor migration.

Even the highest overseas job-search rate we induced (22%) falls far short of the share initially expressing interest in migrating (34%). We conclude that unilateral migration facilitation will at most induce a trickle, not a flood, of additional emigration.

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