

World Bank Research *Digest*

VOLUME 9 ★ NUMBER 2 ★ WINTER 2015

Facilitating Labor Migration from the Philippines

Labor migration brings big gains in income. Can source countries increase such migration through policies implemented unilaterally?

Moving from a developing to a developed country results in immediate large gains in income for the migrants—gains far exceeding those from any other development policy intervention. Yet very little development policy (or research) is devoted to trying to allow more people to take advantage of this opportunity. We swoon over interventions that raise poor people's incomes by the equivalent of a few cents a day, yet ignore the possibility that they would be far better off if they could move somewhere else.

The Philippines is well known for its bilateral efforts to facilitate migration through arrangements with different countries. These efforts, coupled with a well-regulated private recruiting industry, have resulted in an annual deployment of about 2 million Filipinos to countries around the world. Yet even in the Philippines—with a per capita income of only \$2,600 (\$4,400 in PPP terms)—more than 95 percent of the labor force is not working abroad.

How effective are *unilateral* efforts by source countries to facilitate more international migration? A recent paper by Beam, Yang, and McKenzie reports on a project that investigated this question through several years of experiments in the Philippines. The project tested several interventions designed to overcome different potential constraints to migration:

- *Information about how to apply*—providing details on typical overseas costs, steps needed to apply for work abroad, enrollment on an overseas job-finding website (designed as part of the project), and ways to avoid illegal recruitment.
- *Information about how to finance migration*—providing details on typical placement fees for work abroad and a list of Manila-based financial companies that offer loans for such fees.
- *Job-matching and website assistance*—helping people enroll on a jobs website, developed and set up in collaboration with several Manila-based recruitment agencies, where applicants could match with recruiters.
- *Passport assistance*—fully subsidizing the costs of obtaining a passport. (The project learned that recruitment agencies prioritize applicants with passports and that getting a passport is surprisingly time-consuming.)

The work was done in Sorsogon, a province that sends relatively few migrants overseas. The main sample consisted of 4,151 individuals selected through door-to-door surveying in randomly selected barangays. These individuals were randomly placed in treatment groups receiving different interventions, including combinations of interventions, with the group receiving all the interventions called the “full assistance” group.

The key results are these:

- *Demand for migration is much lower than income differences would suggest.* Only 34 percent of the sample said at baseline that they were interested in

(continued on page 8)

IN THIS ISSUE

Facilitating Labor Migration from the Philippines ... page 1

Can developing countries increase labor emigration through unilateral policies?

Incentives and Teacher Effort ... page 2

An analysis of school survey data from Lao PDR looks at what kinds of incentives can increase teacher effort

Electoral Accountability and Local Public Spending in Indonesia ... page 3

Indonesia's phased introduction of direct elections of local leaders allowed analysis of how electoral accountability affects public spending

Why Don't Poor Countries Do R&D? ... page 4

Poor countries invest far less in research and development as a share of GDP than rich ones do. That may be a rational approach

How Effective Are Efforts to Raise Voluntary Enrollment in Health Insurance? ... page 5

In the push toward universal health coverage, how much can measures to raise voluntary health insurance enrollment help?

How Insecure Property Rights Affect Migration in China ... page 6

Institutions help shape the decision to migrate from rural to urban areas in China. One of them is land tenure security

The Challenges of Public Service Delivery in the Pacific Islands ... page 7

A new paper contests the conventional view that public sectors in the Pacific island countries are too big

Incentives and Teacher Effort

School survey data from Lao PDR show that nonmonetary incentives can be effective in motivating teachers to increase their effort

Teachers and their classroom performance affect the ability of any education system to produce learning results, and incentives feature prominently in this process. For example, even when teachers are well trained, they may not be motivated to do their best because good performance is not aptly rewarded, with salaries being determined primarily by seniority, or because performance is neither monitored nor measured.

To improve performance, some countries have linked at least part of teacher pay to performance criteria such as student test performance. Opponents of this approach argue, however, that the work of teachers is multidimensional, with only some of its aspects measured by student test scores, and that linking pay to student performance would lead to teachers teaching mainly to the test. Moreover, research suggests that nonmonetary and implicit incentives, such as work conditions and peer pressure, may be sufficient or even more powerful in raising teacher effort.

The Lao People's Democratic Republic offers a particularly interesting case for analysis. This country has witnessed steady economic growth rates averaging 7 percent in recent years, but it remains one of the poorest countries in East Asia, with limited quantitative evidence on its education system. A recent paper by Dang and King investigates the link between teacher incentives and effort in Lao PDR using a nationally representative primary school survey fielded by one of the authors.

Basic summary statistics reveal interesting patterns in the data. For example, teacher morale is higher and absenteeism lower than in other countries at higher income levels. Thirteen percent of teachers offer tutoring lessons to their students, more than half

of them for no fee. Teachers generally spend an average of 13 hours a week preparing for class and grading homework. Nevertheless, teachers report frequent delays in salary payments. They report a delay of 1.8 months on average, with a maximum of up to 7 months.

The school survey collected richer information related to monetary and nonmonetary incentives. The authors use reported delays in the payment of individual teacher salaries to capture monetary incentives, and the extent of teacher autonomy, parent-teacher association (PTA) activities, and a school principal's authority to measure nonmonetary incentives. Interestingly, these incentives represent the current practice in Lao PDR's education system and are relatively amenable to policy influence in this country as well as in other developing countries, but most have not been analyzed in previous studies.

The authors also investigate novel measures of teacher effort that include the number of after-school hours a teacher works, whether or not a teacher offers after-school tutoring, whether or not after-school tutoring is for pay, and how many students a teacher tutors after school. The first two main outcomes—after-school work hours and after-school tutoring activities—are jointly estimated with a new simultaneous ordinary least squares–probit model with school random effects, an approach that can provide more efficient estimates than a single-equation estimation approach. Other econometric models, such as multinomial logit and negative binomial models, are also used.

The authors find that both monetary and nonmonetary incentives correlate with increased teacher effort in after-school work hours and after-school tutoring activities. In particular, one month of salary delay is associated with a 40 percent decrease in the odds of teachers providing tutoring lessons free of charge and a 30 percent decrease in the number of their tutees. The existence of a PTA is associated

with a 0.12 percent increase in the probability that teachers offer tutoring, while the freedom to develop teaching materials correlates with teachers working three additional hours a week. Incentives such as teachers having autonomy over the teaching method or the principal having the power to dismiss teachers lead teachers to substitute effort away from the less visible activity of preparing for classes and toward the more visible activity of after-school tutoring.

One limitation of this study is that the school survey did not collect data on student performance such as test scores, so the impact of incentives and teacher effort on student achievement cannot be investigated. But related studies point to the general positive influence of increased teacher effort (as measured by lower absenteeism, for example) on student learning, which suggests that a higher probability of teachers providing tutoring or longer after-school work hours are likely to result in nonnegligible and beneficial effects on students.

Promising avenues for future research include more investigation into the strategic behavior of teachers under different incentive mechanisms. Moreover, because of measurement issues related to self-reported effort, direct observation methods akin to those used in time allocation studies—methods that are admittedly costly to implement—would help strengthen the quality of future studies.

Hai-Anh H. Dang and Elizabeth M. King. 2013. "Incentives and Teacher Effort: Further Evidence from a Developing Country." Policy Research Working Paper 6694, World Bank, Washington, DC.

Electoral Accountability and Local Public Spending in Indonesia

A shift to direct elections of local leaders in Indonesia was followed by increases in local spending on health. Will they be sustained?

The relationship between institutions of political accountability and government performance has long been a concern. There is growing recognition that fiscal decentralization alone will not lead to more efficient allocation of resources. Political institutions shape incentives, and fiscal decentralization requires political institutions that not only balance accountability and representation at the local level but also help align local political incentives with national interests.

A recent paper by Skoufias, Narayan, Dasgupta, and Kaiser looks at how institutional design for political incentives and electoral accountability affects public revenue and expenditure choices at the district level in Indonesia. After the fall of Suharto, fiscal decentralization reforms assigned local district governments wide-ranging responsibilities over basic service delivery in health, education, infrastructure, and general public administration. In addition, changes were introduced in the way local executive leaders (district heads) were selected.

While fiscal decentralization was implemented in a “big bang” in 2001, the method for selecting district heads was changed in a phased manner. These officials were initially selected by the local legislatures. But starting in 2005 they were selected through direct elections by citizens, with the timing of the first election in each district determined by whether the head selected by the previous system had served his or her full tenure. By June 2005 direct elections had been held in a little more than a third of districts, and by 2007 in around 62 percent. The paper takes advantage of the rare “natural experiment” provided by the staggered implementation of electoral reform in Indonesia to measure impacts

on human development outcomes and the pattern of public spending and revenue generation at the district level.

The paper assembles a large data set, compiled from multiple sources linked at the district level, such as district-level data on electoral information, key outcome measures at the district level constructed from the annual national socioeconomic surveys of households (SUSENAS), and district revenue and expenditure data for the years 2001–09.

Using the difference-in-differences estimator, the paper reveals that four years after the switch to direct elections the reforms had had no effect on human development outcomes. But the composition of district expenditures appears to change considerably. During the year of and sometimes the year before the elections there is a significant increase in the types of district expenditures that could allow the incumbent district heads running in the direct elections to “buy” voter support—specifically, expenditures in personnel and “other” discretionary categories.

The analysis also suggests that direct elections may have increased the responsiveness of district governments to local needs at least in the area of health. Direct elections have been followed by a significant increase in district expenditures in health—an increase that may be due in part to district heads using their discretion to provide local health insurance for the poor and near-poor. This finding is some of the first, though indirect, evidence that political decentralization, following fiscal decentralization, provides incentives for local governments to become more accountable to poor citizens.

The analysis finds that electoral reforms did not lead to higher revenue generation from own sources and had no effect on the budget surplus of districts with directly elected heads. This suggests that the greater electoral accountability for local governments was accompanied by a generally prudent approach to fiscal balances, a

conclusion reinforced by the finding that the increase in district spending in health was financed by a significant decrease in “other” discretionary spending.

One important question emerging from the analysis that merits further exploration is whether the increases in district spending on health are sustained over time. These spending increases may well reflect the incentive of district heads to win popular support for reelection. But once reelected for a second term, district heads face term limits that may weaken their incentive to continue supporting an expansion of health programs. There is a potential countervailing force as well: rising party loyalty of district heads and the continued reputation of political parties with district voters may eventually become sufficiently strong forces to counteract the individual interests of district heads.

The empirical evidence available, at least from the United States, suggests that political parties are a weak counteracting force against the interests of individual elected officials facing term limits. Moreover, the prevailing perceptions in Indonesia about the weakness of party ideology, lack of party loyalty among district heads, and general voter mistrust of political parties suggest that the role of national political parties as a disciplining device for district heads—able to align local political incentives with national interests and sustain policy changes over the longer term—may take a long time to materialize.

Emmanuel Skoufias, Ambar Narayan, Basab Dasgupta, and Kai Kaiser. 2014. “Electoral Accountability and Local Government Spending in Indonesia.” Policy Research Working Paper 6782, World Bank, Washington, DC.

Why Don't Poor Countries Do R&D?

Poor countries invest much less in R&D than the high measured rates of return suggest they should. But is this in fact rational?

Estimates of the returns from research and development (R&D) for advanced countries are so high, the literature has argued, that they justify levels of investment that are multiples of those actually found. The case may be even stronger for poor countries, where a long literature argues that R&D is essential to the “absorptive” or “national learning” capacity required to exploit technological advance in the advanced countries.

In fact, earlier empirical research in OECD countries showed that the estimated returns to R&D rise with distance from the technological frontier, increasingly reflecting the greater gains from catch-up afforded to follower countries. Extrapolating the estimates to even middle-income countries suggests truly large potential returns, justifying a much larger R&D effort in developing countries than is found in the advanced ones. To reframe Robert Lucas’s famous observation about growth, confronted with the rates of return found in the literature, governments would find it hard to think of anything else.

Yet poor countries invest far less in R&D as a share of GDP than rich countries do (figure 1). The two important exceptions are China and India (following Israel, Finland, and the Republic of Korea previously), whose dramatic trajectories suggest that they, in fact, think about it a lot.

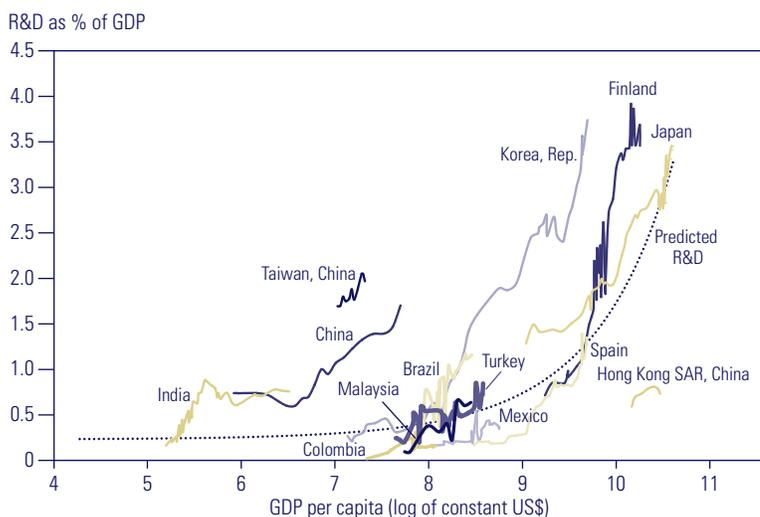
In a recent paper, however, Maloney and Goñi argue that developing country governments and firms may well be rational: there may be countervailing forces that prevent returns from continuing upward with distance from the technological frontier. In particular, the necessary complementarities to R&D spending are likely to diminish with distance from the frontier and hence reduce the efficacy of a given unit of R&D. Education, the quality of scientific infrastructure, and the overall functioning of the national innovation system—which, together, translate spending into knowledge—lag in poor countries. Technological advances at the frontier may not easily translate into advances for a developing country because of different technologies presently applied or because of skills mismatch. To the degree that poorer countries have less sophisticated firms, or simply less accumulated learning by doing, the translation of R&D into market returns is weaker and the quality of the feedback from the private to the research sector diminishes. Both the effective output of R&D per dollar spent

and the likelihood that it will be communicated to the private sector fall among poorer countries, suggesting an important offset to the Schumpeterian benefit to lagging.

The paper estimates the pattern of returns to R&D across the development process as suggestive evidence that such offsetting effects may be important. It constructs a global panel of R&D expenditure across 40 years for 75 countries, a broader sample of rich and poor countries than has been used before. Employing recent advances in instrumental variable varying coefficient estimators to allow returns across all factors to vary across the development space, it confirms the earlier findings of increasing returns with distance from the frontier. However, returns then begin to decline, following an inverted U shape. For countries further from the frontier than, for example, modern-day Mexico, the returns fall off and eventually become negative. These results are robust to several different specifications.

From a policy point of view, this suggests that focusing narrowly on increasing R&D can be counterproductive, diverting resources from more mundane needs such as infrastructure or basic education with little gain. The development of innovative capacity requires an across-the-board improvement in all the necessary factors complementary to R&D. The question arises, then, why China and India are investing so much in R&D if, for countries at their level of development, the likely returns are small. A likely explanation is that they effectively import the complementary factors in the form of multinational corporations that do much of the patentable research. The degree to which the returns to this “offshore” R&D accumulate to the host country remains to be researched.

Figure 1. R&D Spending by Level of Development, Selected Economies



William F. Maloney and Edwin Goñi. 2014. “Why Don’t Poor Countries Do R&D?” Policy Research Working Paper 6811, World Bank, Washington, DC.

How Effective Are Efforts to Raise Voluntary Enrollment in Health Insurance?

An experiment in the Philippines suggests that achieving universal health coverage through voluntary enrollment will not be easy

Much of the world is in the midst of a push toward universal health coverage. One of the biggest challenges facing developing countries is extending insurance coverage to informal sector workers. These workers are very mobile, and since they are also typically self-employed, they do not have employers who can be required to deduct premium contributions from their salaries. Since they are not officially poor or marginalized and because they represent a sizable fraction of the population, many countries are reluctant to fully subsidize their coverage, though some have done so (Thailand is an example).

Many countries have instead used partial subsidies to encourage enrollment either in a new government-run scheme, as in China and Mexico, or in the government's existing social health insurance program, as in the Philippines and Vietnam. Some countries (including China and Mexico) have achieved high coverage levels, but they have ended up almost fully subsidizing coverage. Countries such as the Philippines and Vietnam have not, and these are better tests of the voluntary enrollment model; unhappily for the governments concerned, growth in enrollment among informal sector workers in these countries has been sluggish.

The question naturally arises as to what additional steps governments such as those in the Philippines and Vietnam might take to raise voluntary enrollment rates and thus move closer to universal health coverage. Surprisingly little is known about the relative cost-effectiveness of alternative measures.

A new study by Capuno, Kraft, Quimbo, Tan, and Wagstaff presents evidence from two randomized experiments conducted in the Philippines,

where despite numerous initiatives the informal sector remains the population group with the lowest coverage rate.

The main experiment tested the effectiveness of a combination of information and a premium subsidy in raising enrollment in the voluntary government-run Individual Payer Program (IPP). From a sample of 243 municipalities, 179 were randomly assigned as intervention sites and 64 as controls. In early 2011, 2,950 families were interviewed, and unenrolled IPP-eligible families in intervention sites were given an information kit and a 50 percent premium subsidy voucher valid until the end of 2011. The randomization process worked as planned: the control and intervention sites were “balanced” at baseline—that is, they were similar in terms of variables likely to influence IPP enrollment. By January 2012, 9.9 percent of eligible individuals in the control sites had enrolled, compared with 14.9 percent in intervention sites. This represents an appreciable increase in enrollment but falls well short of the sort of coverage rate that would be considered universal.

In February 2012 a second experiment was therefore launched, focusing on the families in the “treatment” municipalities that had declined the subsidy offer and had chosen to remain unenrolled. The aim was to see what further steps beyond providing information and a subsidy might be taken to raise enrollment rates. All IPP-eligible families that had opted not to enroll had their voucher extended, were sent the enrollment kit a second time, and received Short Message Service (SMS) reminders about the subsidy offer. Half these families, selected at random, were given a further “treatment”: they were told that in the end-of-study household interview

in April 2012 the enumerator could help them complete their enrollment form, deliver the form to the insurer, and arrange for their identification card to be sent in the mail. This assistance “treatment” worked: enrollment was 3.4 percent among families that did not receive assistance from the enumerator but as high as 39.7 percent among those that did.

The dramatic increase in coverage in the second experiment points to the importance of the transport and time costs associated with health insurance enrollment—costs

that were highlighted by one participant who texted in reply to one of the SMS reminders that she had missed the boat and therefore could not get to the provincial insurance office that day. This experiment is also sobering, however: even with all the assistance provided to the treatment group, 60 percent chose not to enroll. With the costs of providing such “hand-holding” factored in, the results are hardly reassuring for policy makers planning to achieve universal health coverage by subsidizing voluntary health insurance enrollment.

Much of the world is in the midst of a push toward universal health coverage. One of the biggest challenges facing developing countries is extending insurance coverage to informal sector workers

Joseph J. Capuno, Aleli D. Kraft, Stella Quimbo, Carlos R. Tan Jr., and Adam Wagstaff. 2014. “Effects of Interventions to Raise Voluntary Enrollment in a Social Health Insurance Scheme: A Cluster Randomized Trial.” Policy Research Working Paper 6893, World Bank, Washington, DC.

How Insecure Property Rights Affect Migration in China

Land tenure insecurity reduced the rate of migration from rural to urban areas in China during the 1990s and early 2000s

Over the past 25 years China has experienced an economy-wide structural change as more than 250 million of the country's farmers shifted from work in small-scale agriculture to nonagricultural employment. At the level of the household, or family, the shift of labor from agriculture to industry and the commensurate movement out of rural areas often proceed incrementally, with individual family members migrating to urban or manufacturing areas while leaving other members behind. Through this gradual process family members remain economically linked, and this arrangement often benefits the household by relaxing credit constraints and providing an alternative source of income.

The decision to migrate, however, is shaped by institutional arrangements, both locally and in migrant destinations, that affect the costs and benefits of migration and off-farm employment. If poorly functioning institutions limit the functioning of land, labor, or credit markets, they may raise or lower the expected benefits to individuals and households from moving out of agriculture.

In a new paper Giles and Mu examine how weakness in land tenure security influenced the level and patterns of rural-to-urban migration in China between 1995 and 2003. The paper develops a model suggesting that the ability to improve claims to land, through residence in the village and continued work in agriculture, may reduce the benefits of migration for farmers who want their households to maintain a claim to land. The authors find that risk of "land reallocation" in the following year reduces the annual probability of migration out of a farmer's home county by 2.8 percentage points, which accounts for 17.5 percent of the annual share of village residents

ages 16–50 who worked as migrants during the period.

Establishing a causal relationship between land tenure insecurity and migration is not straightforward. Reductions in a farm household's land may simply reflect a choice by the household to farm less (or not at all) and to allocate labor to nonagricultural pursuits. Outcomes of a land reallocation initiated by village leaders may reflect unobserved bargaining between village leaders and farmers, and prior research has found that reallocations substitute, though imperfectly, for a market: households interested in farming receive land from those shifting into other activities.

Reallocating land is a costly exercise for village leaders and can often be unpopular with some households, either because they lose land or experience changes in their landholdings or because they must spend time and effort in the reallocation process. Further, any perceptions that a village leader seeks advantage through the process may erode support among village residents. The village leader thus faces a potential political cost, reflected in the possibility of losing the next election. The authors suggest that two additional institutional features, recent demographic change and the composition of lineage groups, also influence the costs of reallocation and the possibility of losing the next election.

To estimate how the probability of facing a land reallocation varies with election timing, and then the effect of reallocation risk on individual migration decisions, the authors exploit data from retrospective household and community surveys on elections, land institutions, and individual employment histories that they conducted in 2004 with the Research Center for the Rural Economy at China's Ministry of Agriculture. These data were then matched to household and village panel data from four provinces (Anhui, Henan, Jiangsu, and Shanxi) spanning the period 1995–2003.

The authors first confirm evidence from the political science literature

suggesting less conflict, more land rental, and more transparency in governance in villages with a dominant lineage group. Interestingly, leaders of these villages are also more likely to face a challenger and lose a subsequent village election if they implement a land reallocation. The authors posit that when residents are already willing to transfer land through rental, land reallocations are viewed as unnecessary and village leaders are more likely to be punished for forcing them on the village. Establishing this relationship, the authors use election timing and heterogeneity across villages in size of the largest lineage group to identify the risk of reallocation.

Demonstrating that reallocation risk is associated with a 17.5 percent reduction in the probability that someone age 16–50 will migrate for work, the authors provide evidence that insecure property rights shaped the movement of labor out of agriculture. The results suggest that strengthening property rights over agricultural land may be essential for removing biases in the movement of labor out of agriculture during the process of structural change and urbanization. As migration for work generally contributed to higher earnings and consumption for China's rural residents, one direction for future work would be to examine the effects of insecure property rights on measures of income and well-being. As rural areas continue to depopulate with greater movement of labor to urban areas, rural institutions, including those governing land, can be expected to change in response to migration-induced social and demographic changes.

John Giles and Ren Mu. 2014. "Village Political Economy, Land Tenure Insecurity and the Rural to Urban Migration Decision." Policy Research Working Paper 7080, World Bank, Washington, DC.

The Challenges of Public Service Delivery in the Pacific Islands

The public sectors of Pacific island countries are typically seen as being too big. But is this really the case, given these states' characteristics?

The Pacific island countries tend to have large public sectors relative to those in other small states. Their public expenditure averages 55 percent of GDP compared with 34 percent for other small states, while their public service wage bill averages 17 percent of GDP compared with 10 percent for other small states. The relatively large size of these public sectors has led to the view that they are “too big,” an excess regarded as problematic both because it is unaffordable (requiring unusually large aid flows to sustain) and because it “crowds out” private sector development (locking the economies into low growth trajectories).

Yet the Pacific island countries are caught in a kind of paradox. At the same time as their public sectors are considered too big, assessments of any particular function typically recommend greater staffing to help remedy inadequate capacity. How can their public sectors be both too big and too small?

A new paper by Horscroft sheds light on this paradox. It examines evidence on economies of scale in public service provision and looks at how particular characteristics of the Pacific island countries affect the costs of public service provision.

It is generally acknowledged that small states require relatively large public sectors because they are unable to take advantage of economies of scale in public administration. But in the Pacific island countries too little attention has been paid to how internal dispersion and division exacerbate the problems these small states already face with economies of scale. The paper shows that their populations tend to be more thinly dispersed and territorially divided than those of other small states. The share of their populations living in settlements of

more than 10,000 people, for example, is a quarter smaller than for the Caribbean. Moreover, both the number of inhabited islands and the geographic spread of the Pacific island countries—proxied by the size of their exclusive economic zones—are more than 10 times as great. Their population figures thus understate the challenges they face with economies of scale.

There has also been inadequate recognition of how remoteness from major markets further inflates public sector costs, by pushing up the costs of inputs to public sector activity. The Pacific island countries are characterized by extreme remoteness, much more so than the Caribbean.

Using indicators of remoteness from major markets and geographic spread, the author constructs an index of remoteness and dispersion and shows that these factors do indeed seem to play a role—alongside population size—in explaining the larger size of public sectors in the Pacific island countries relative to those in other small states. These factors also appear to explain some of the large variation in the size of public sectors among the Pacific island countries.

These findings suggest that there is not a good case for treating the public sectors of the Pacific island countries as excessively large when the challenges of public service delivery in such small, remote, dispersed, and divided states are taken into account. The findings also suggest a need to move beyond the preoccupation with public sector size in public sector reform agendas in the Pacific island countries. It would be more appropriate to refocus those agendas on how effective and efficient their public service delivery is, given both their particular contexts for service delivery and the

resources available to them.

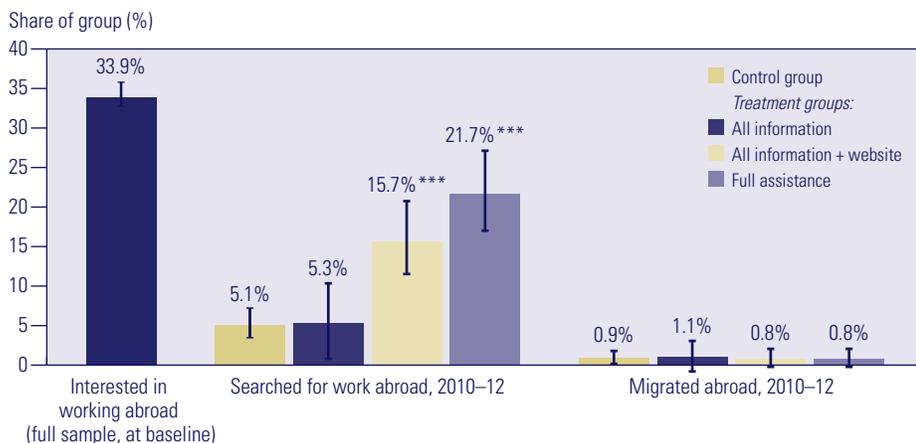
Returning to the paradox at the heart of the discussion, the paper suggests that the size of public sectors in the Pacific island countries may well be appropriate—or possibly even insufficient—when the challenges of public service delivery in these states are taken into account. Assessments of specific functions reflect this when finding that these public sectors are too small: their limited ability to take advantage of economies of scale means that in many areas of public administration there are

simply not enough public servants or resources available to carry out functions adequately.

The size of public sectors in the Pacific island countries may well be appropriate—or possibly even insufficient—when the challenges of public service delivery in these states are taken into account

(continued from page 1)

Figure 1. Reported Interest in Migration, Search Effort, and Migration by Treatment Status



Source: Based on data from baseline survey in early 2010 and endline survey in 2012.

Note: Searching for work abroad includes asking family or friends, applying with a recruitment agency, applying online, or searching another way. Sample includes all baseline respondents with completed endline surveys. Error bars indicate 95 percent confidence intervals. Asterisks indicate that difference from control group is statistically significant at 10 percent (*), 5 percent (**), or 1 percent (***) level.

working abroad, and only 5 percent of the control group searched for work abroad over a period of more than 2 years (figure 1).

- While many individuals lack information about wages and costs of work abroad, giving this information has little impact.

- Alleviating frictions in matching and barriers to getting passports leads to more search effort, but no more migration. Individuals who got all information and the website assistance were three times as likely to search for work abroad, but only 0.8 percent of them actually migrated. The full assistance package led to 21 percent searching for work abroad and also had positive impacts on receipt of job offers—but still led to no overall increase in migration.

Taken together, these results suggest that even in a context like the Philippines, where there is a lot of infrastructure in place to support migration, unilateral efforts to facilitate migration may have limited impacts. The challenge is thus how to spur demand for more migrants. Given the enormous development gains possible through international migration, investigating policies that attempt to do this appears to be an important area for research.

Emily Beam, Dean Yang, and David McKenzie. 2013. "Unilateral Facilitation Does Not Raise International Labor Migration from the Philippines." Policy Research Working Paper 6689, World Bank, Washington, DC.

Recent Policy Research Working Papers

6960	The Domestic Segment of Global Supply Chains in China under State Capitalism <i>Heiwai Tang, Fei Wang, and Zhi Wang</i>
6973	Learning Dynamics and Support for Economic Reforms: Why Good News Can Be Bad <i>Sweder van Wijnbergen and Tim Willems</i>
6977	The Dynamics of Centralized Procurement Reform in a Decentralized State: Evidence and Lessons from Indonesia <i>Audrey Sacks, Erman Rahman, Joel Turkewitz, Michael Buehler, and Imad Saleh</i>
7012	School Autonomy and Accountability in Thailand: A Systems Approach for Assessing Policy Intent and Implementation <i>Gustavo Arcia, Kevin MacDonald, and Harry Anthony Patrinos</i>
7016	Barriers to the Implementation of Environmental Policies at the Local Level in China <i>Genia Kostka</i>
7046	The Impact of Exogenous Shocks on Households in the Pacific: A Micro-Simulation Analysis <i>Caesar B. Cororaton and David S. Knight</i>
7054	Water Quality, Brawn, and Education: The Rural Drinking Water Program in China <i>Lixin Colin Xu and Jing Zhang</i>
7061	The Critical Mass Approach to Achieve a Deal on Green Goods and Services: What Is on the Table? How Much to Expect? <i>Jaime de Melo and Mariana Vijil</i>
7062	Performance of Renewable Energy Auctions: Experience in Brazil, China and India <i>Gabriela Elizondo Azuela, Luiz Barros, Ashish Khanna, Xiaodong Wang, and Yun Wu</i>
7072	Diet Quality, Child Health, and Food Policies in Developing Countries <i>Alok Bhargava</i>
7091	Protected Areas and Deforestation: New Results from High Resolution Panel Data <i>Brian Blankespoor, Susmita Dasgupta, and David Wheeler</i>
7119	Importing High Food Prices by Exporting: Rice Prices in Lao PDR <i>Dick Durevall and Roy van der Weide</i>

Working Papers can be downloaded at <http://econ.worldbank.org>. To download the *World Bank Research E-Newsletter*, go to http://econ.worldbank.org/research_newsletter

The World Bank Research Digest is a quarterly publication disseminating findings of World Bank research. The views and interpretations in the articles are those of the authors and do not necessarily represent the views of the World Bank, its Executive Directors, or the countries they represent.

The Research Digest is financed by the Bank's Research Committee and managed by DECRS, the research support unit of the Development Economics Senior Vice Presidency (DEC). The Research Digest is not copyrighted and may be reproduced with appropriate source attribution.

Editorial Committee: Indermit S. Gill (managing editor), Aslı Demirgüç-Kunt, and Shiva S. Makkı. Editor: Alison Strong; production: Roula Yazigi. For information or free subscriptions, send email to research@worldbank.org or visit http://econ.worldbank.org/research_digest.



The World Bank
1818 H Street, NW
Washington, DC 20433, USA