

Pre-departure policies for migrants' origin countries

By Toman Barsbai

Key Points

- International migration generates large benefits for migrants and their family members who stay behind. But migrants' socio-economic integration in destination countries is often imperfect and many migrants face the risk of exploitation.
- Migrants' origin countries should therefore consider policies to increase the benefits of international migration.
- Pre-departure orientation seminars for migrants and financial education can improve migrant's decision-making. Likewise, behavioral interventions can reduce migrant mistreatment.
- These policy options are low-cost and have shown promising impact in the contexts they were evaluated. It may pay off to experiment with them in other contexts.

International migration allows individuals from developing countries to substantially increase their incomes. By working in the US, for instance, the average worker from a developing country triples her real annual income (Clemens et al., 2009). These income gains easily exceed those from any development policy in origin countries.

By going abroad, migrants do not only help themselves. They send remittances to family members who stay behind. Remittances have become an important source of income in developing countries. In 2017, remittances to low- and middle-income countries amounted to US\$ 466 billion – equivalent to more than three times the amount of official development assistance (World Bank, 2018).

Yet, migrants and their family members staying behind may not fully reap the benefits of international migration. Migrants' socio-economic integration in destination countries is often imperfect. As a result, many migrants earn below their income potential. In addition, less-skilled migrants – in particular temporary guest workers – face the risk of exploitation and abuse including physical and sexual violence. The conditions that migrants experience abroad may hence not reflect the conditions that migrants expected when making the decision to migrate. In the worst case, migration might even lower an individual's welfare.

Policy makers should therefore be interested in policies that increase the benefits of international migration. In this policy brief, I take the perspective of migrants' origin countries and review policies that target migrants before departure. For pre-departure policies constitute the main policy option for migrants' origin countries. Once they leave, migrants are primarily in the policy realm of destination countries. My focus is on policies that have been rigorously evaluated. For more comprehensive reviews that also cover post-departure policies, I refer the reader to McKenzie and Yang (2015).

Facilitating more international migration

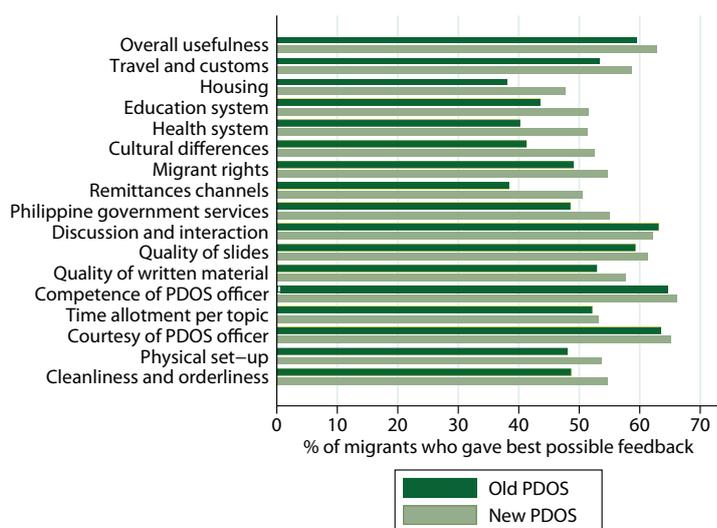
On average, international migration generates large benefits. Simply facilitating more migration would thus be an integral part of policies to enhance the development impact of migration. Indeed, many people would like to leave their country. According to results from the Gallup World Poll, about 630 million of the world's adults express a desire to move permanently to another country. The figure is even higher when it comes to temporary migration. About 1.1 billion individuals would move to another country for temporary work (Esipova et al., 2011). The actual number of migrants, however, is much lower than that. There were slightly more than 240 million migrants in the world in 2015. Restrictive immigration policies of destination countries certainly explain large parts of this discrepancy. But bureaucratic, financial, and informational barriers in origin countries might also prevent many individuals from migrating. So can unilateral policies implemented in origin countries facilitate more migration?

Beam et al. (2016) evaluate several migration-facilitating interventions in the Philippines. The interventions address (i) information barriers by providing information about job search, financing migration costs, and passport processing, (ii) job search barriers by helping individuals to identify suitable jobs abroad online, and (iii) documentation barriers by helping individuals to apply for a passport and paying for the passport application. Households in the randomly selected treatment groups received one or a combination of the three interventions. Households in the control group did not receive any intervention. The study finds no evidence that any of the individual or combined interventions facilitates international migration.

In a related study, Beam (2016) evaluates a similar set of interventions in the Philippines. Individuals in the randomly selected treatment groups received information on



Figure 1: Prospective migrants prefer the new over the old PDOS



Source : Barsbai et al. (forthcoming a).

wages and qualifications for jobs abroad or an incentive to visit a job fair where they could connect with overseas employment agencies. Consistent with the results of the previous study, she finds no evidence that the interventions facilitate international migration.

Both studies suggest that unilateral policies may not be enough to facilitate more migration. At least for the context of the Philippines, the interventions do not seem to lower the targeted barriers to migration. Other, non-targeted barriers may also be relevant.

Educating migrants

Another set of policies targets individuals once they have made the decision to migrate and are about to leave the country. These policies typically aim to provide migrants with information about the migration process prior to departure. At times, they also target family members who stay behind in the origin country. There are two major types of interventions in this policy field: pre-departure orientation seminars and financial education.

Pre-departure orientation seminars

Pre-departure orientation seminars (PDOS) build on the fact that upon arrival many migrants face important knowledge gaps with respect to various aspects of their destination country. These knowledge gaps are particularly large for individuals who move from a developing to a developed country and have to navigate a completely different system. Migrants may hence not be able to make optimal decisions, or only after costly learning. The principal idea of PDOS is to reduce these knowledge gaps early on. By providing migrants with relevant information,

PDOS aim to generate changes in knowledge that lead to changes in behavior, which in turn lead to changes in relevant outcomes.

PDOS are conceptually appealing because they are conducted before departure, i.e. at a very early stage in the migration process. Integration policies that take place after migrants' arrival may be less effective as they would need to change already established behavior. PDOS may thus be a cost-effective way of increasing the benefits of migration.

Several governments and non-governmental organizations implement PDOS (IOM, 2011). A prominent example is the PDOS provided by the Philippine government. Every Filipino migrant, temporary or permanent, must register with the government and attend a PDOS before departure. There are different types of PDOS for different types of migrants and destination countries. Hence, PDOS are a policy of considerable scale in the Philippines reaching hundreds of thousands of Filipino migrants every year.

Barsbai et al. (forthcoming a) provide first evidence on the effectiveness of PDOS. They evaluate the effects of a newly developed PDOS for permanent migrants from the Philippines to the US. The new PDOS aims to foster settlement and labor market integration and increase migrants' wellbeing. It also aims to strengthen migrants' engagement in diaspora activities that contribute to development in the Philippines. The new PDOS is a complete overhaul and significant extension of the old PDOS. It goes beyond immediate needs such as travel and immigration procedures and concentrates on issues related to longer-term socio-economic integration such as building a support network or finding a job. The new PDOS also comes with a comprehensive handbook that allows migrants to look up information when they actually need it. Individuals in the randomly selected treatment group attended the new PDOS, individuals in the control group the old PDOS. **Figure 1** illustrates that the new PDOS was more favorably received by prospective migrants than the old PDOS.

Overall, the study finds mixed evidence on the effectiveness of the new PDOS. The new PDOS helps migrants to avoid travel-related problems and to deal with issues related to formal settlement such as obtaining a social security number or opening a bank account more quickly. It also has a large negative and persistent effect on the size of social networks in the US. These results suggest that the new PDOS helps migrants to adjust to life in the US in the first months and, by providing relevant information, reduces the need to make new contacts. However, the new PDOS



has no effect on other important dimensions including labor market outcomes, diaspora engagement, subjective wellbeing, or finances.

The absence of long-term effects is consistent with the fact the PDOS is a mere information treatment. By providing migrants with information, the new PDOS gives them a starting advantage and eventually allows them to adjust to life in the US more quickly. Over time, however, all migrants including those in the old PDOS may be able to access the information they need.

These results may likely be lower-bound estimates of the effectiveness of PDOS in other settings. For most Filipino migrants to the US are family migrants and can draw on substantial support from other Filipinos upon arrival. In addition, many of these migrants are relatively skilled. Compared to lower skilled migrants, they may be more able to find relevant information themselves. In such a setting, the PDOS may be less likely to provide new information.

Financial education

Financial education trainings also aim to educate migrants, but they focus on aspects related to financial decision-making. These trainings are based on the fact that migration substantially increases the average income of migrants and their family members who stay behind. To manage the additional income, they might hence benefit from better financial planning. Financial decision-making modules are often an integral part of PDOS, but are also implemented as a stand-alone intervention.

Doi et al. (2014) evaluate the effectiveness of financial education for Indonesian women who are about to work as domestic workers abroad. The training focuses on financial planning and management, savings and remittances. Individuals in the randomly selected treatment group received the financial literacy training in three different modes: (i) the migrant alone, (ii) a family member alone, or (iii) both the migrant and the family member. The study finds that it matters who you train. Training both the migrant and family has the largest effect on household savings. Training only one member of a household does not generate similar effects. There might hence be complementarities from training both migrants and family members left behind.

Barsbai et al. (forthcoming b) evaluate the effectiveness of a savings module in the PDOS for Filipino domestic workers to Saudi Arabia and Hong Kong. The savings module focuses on a few key messages, especially on prioritizing expenditures and budgeting, creating a joint financial plan with the family prior to departure, and pursuing a savings target.

Individuals in the randomly selected treatment group attended the savings module, those in the control group did not. The study finds that the savings module has a significant effect on the likelihood of having a savings account for migrants to Hong Kong, but not Saudi Arabia. This finding might be explained by the difficulty of opening a bank account in Saudi Arabia. The savings module, however, has no effect on the actual amount of savings. In light of the results of the previous study, the intervention may be more effective when the entire household is engaged and not the migrant alone.

Preventing exploitation

International migration generates large benefits. But not all migrants are able to reap them. Many migrant workers are exposed to hazardous working conditions, some even experience serious forms of exploitation and abuse. Under such circumstances, it will be a stretch to use the notion of revealed preferences in order to argue for positive benefits of migration. Labor right violations happen in destination countries. It is thus difficult for origin countries to enforce migrants' labor rights and implement policies to prevent exploitation. Migrant domestic workers are particularly vulnerable as they live in the premises of their employer and have few outside contacts.

Shrestha and Yang (forthcoming) test whether empowering migrants by providing them with information about their labor rights and the foreign job market can be an effective strategy. They do so for a sample of Filipino domestic workers in Singapore. Individuals in the randomly selected treatment group received detailed information about Singaporean labor laws, job search strategies and current job vacancies in the domestic service sector. Individuals in the control group did not receive any intervention. The study finds that the intervention significantly improved workers' knowledge about their rights and their actual working conditions. It also helped those with poor working conditions to begin with to find a new employer.

Barsbai et al. (forthcoming b) evaluate two low-cost interventions that aim to empower migrant domestic workers in a different way. Both interventions are implemented as part of the PDOS for Filipino domestic workers bound to Saudi Arabia and Hong Kong. The first intervention is a group intervention. Those in randomly selected PDOS classes who had already experienced being a domestic worker in the respective country were encouraged to share their experiences with the rest of the class. The intervention tries to manage domestic workers' expectations of what to



expect abroad and provide them with strategies to cope with potential problems. The second intervention is a behavioral intervention. Randomly selected domestic workers received a pack of dried mangoes (a specialty in the Philippines) and were encouraged to give it as a small introductory gift to their employer's family. They were also encouraged to show a photo of both the domestic worker and her family members in the Philippines. The intervention aims to signal to the employer that the domestic worker comes with good intentions and is a human being with a family, too. It thus tries to increase the moral costs for the employer to mistreat the domestic worker. The study finds no significant effect of the experience-sharing intervention on migrant welfare. By contrast, the gift-and-photo intervention significantly decreases mistreatment by the employer including verbal, physical and sexual forms of violence. It also increases the likelihood that a domestic worker extends her contract with the same employer. In addition, family members staying behind give a more positive assessment of the migration experience. The results suggest that creating a favorable first impression can have a lasting effect by improving the long-term relationship between the domestic worker and employer.

A case for pre-departure migration policies

The evidence base for pre-departure policies is still thin. But this short review has highlighted that origin countries have a number of policy options to increase the benefits of international migration. Many of the interventions summarized above are low-cost and have shown promising impact in the contexts they were evaluated. It may hence pay off to experiment with them in other contexts.

Still, one might wonder whether there is a rationale for origin countries to implement such policies. After all, migrants and their families already reap large average benefits. However, this is not always the case. As discussed above, international migration comes with considerable downside risks and barriers to optimal decision-making. At the same time, there is increasing evidence that international migration creates positive development externalities. Migrant networks have been shown to increase the cross-border flows of goods, capital, and knowledge, thus leveraging trade, investment, and productivity growth in migrants' origin countries. Under these circumstances, there is a case for origin countries to engage in active migration policies to fully reap the benefits of international migration.

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