

Discussion of "Barriers to Labor Migration for the Rural Poor"

Paper by: Abu S. Shonchoy, Tomoki Fujii, and Selim Raihan
Discussion by: Martin Mattsson

National University of Singapore

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Research Question

- Big problem:
 - Employers are looking for labor with the right skills ...
 - Workers are desperate good jobs
 - But traditional job training programs often have small effects
- Research question: How can we connect people with job?
 - Setting is especially poor rural areas of Northern Bangladesh (Rangpur) in 2013-2015
 - Migration possible to ready made garments factories around Dhaka
 - Long standing question: Why don't more people leave?

I was there!



Me drying *bhutta* in Lalmonirhat District (Rangpur) in 2013

Theoretical Framework and Interventions

- To connect workers with jobs maybe multiple frictions have to be resolved at once
- Example:
 - Skills have no effect if there workers live far away from where the jobs are
 - Migration has no effect if workers have no skills
- Four treatment arms designed to reduce four potential barriers:
 - Pure Control
 - T1: Information only
 - T2: Training
 - T3: Training + Stipend
 - T4: Training + Stipend + Paid Internship (On the Job Training)

Observations about the results

- Massive effects!
 - Impressive take-up of basic treatment (>50% for all treatments)
 - Very impressive follow through of unpaid training and moving to Dhaka for internship
- Huge effect of stipend + paid internship on wages: BDT 400 or 1,100 per month
- Big positive effects on household total income

Strengthen the Theoretical Framework

- What are the frictions that each treatment arm helps alleviate?
 - T1: Information friction
 - Not analyzed much in current paper
 - T2: Skills
 - Unclear if this is binding constraint
 - T3: Liquidity to acquire skills
 - Currently discussed as liquidity for migration
 - This wasn't obvious to me, as the payments were for completing the training
 - T4: Value of connections/recommendations (this is not how the intervention is framed now)
 - Important and understudied!

Investigate Value of Connections Channel More

- What share of internship treatment group were employed by that same firm?
 - If it is high, it would suggest asymmetric information is an important factor
- Positive effect on other family members' migration suggest that connections / recommendations / network effects are important
 - Are family members often working in the same firms or same geographical areas as each other?
- If connections are important, it can also explain why people can't just save up to invest in training and migration themselves
 - Increases the scope for government intervention in matching workers and firms across geographies
- Do you think the internship program would have worked on its own? Without the training component?

What is the alternative?

- What would the treated workers have done if they had not migrated to work in industry?
 - Less agricultural work? Less self-employment? Less education? Less unemployment?
 - Simple bar graphs comparing treatment and control could shed light on this
- If other work is reduced, what is the effect on total income (not just salary/wage income) for individuals and households?
 - I think this should be the main outcome variable that enters the cost-benefit analysis

Lots of future papers to write!

- Long-term effects
 - Do the migrants move permanently after some time? Do they bring their families with them?
 - Government cares A LOT about this
 - Do they move back to their villages?
- Effect of migration on marriage and fertility
 - Interesting differences in effects on male and female migrants
- Effect on kids
 - Maybe educational investment increase?
 - Maybe it is bad to grow up with just one parent?

Conclusion

- Really nice paper investigating a very important question
 - The scale of this problem is huge
 - Answering the questions well is very important for policy making
 - This paper makes a contribution to understanding what barriers have to be removed in tandem in order for people to match with jobs
- The initial intervention has the potential for many interesting follow-up studies
- What happened to the training program?
 - Can you add a paragraph in the conclusion as a epilogue?

Minor Comments and Suggestions to be Sent via Email

- I will forward PDF of paper with minor comments
- I couldn't understand the assumptions that went into the cost-benefit analysis
- Currently the literature review is almost entirely about training programs and how this paper is different from that literature
 - I would focus more on what the paper contributes to the literature describing the barriers to rural-urban migration
- Did you write a pre-analysis plan? Would be great to put link to that on cover page
- For husband blocking move, see recent work by Lisa Ho and Suhani Jalota