Do Employers Value Return Migrants? An Experiment on the Returns to Foreign Experience

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*****PRELIMINARY: PLEASE DO NOT CITE*****

Abstract—Return migration is a potentially important channel through which migrant-sending countries stand to benefit from international migration. Yet to date, its consequences for return migrants and domestic labor markets remain poorly understood. What is the value of return migrants, and the foreign work experience they bring, to domestic employers? I conduct an audit study in the Philippines, sending over 8,000 fictitious resumes in response to online job postings across multiple occupations. Resumes describe typical Filipino job seekers except I randomly assign some to possess varying lengths of foreign work experience. I record callback rates for interviews. I find that employers appear to disfavor return migrants; workers with foreign experience receive 12 percent less callbacks than never-migrants, with callback rates declining for every year spent abroad instead of at home. By varying various aspects of resume job applications, I provide evidence against negative signaling, high expectations for wages, overqualification, and high job turnover rates as primary explanations. Instead, I provide evidence of the importance of location-specific human capital and suggest that its value possibly deteriorates as a worker spends time away from the domestic economy.

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I. Introduction

With over 232 million individuals living outside their country of birth,² return migration is a potentially large phenomenon. Although its true magnitude is difficult to confirm since governments do not systematically track the flow of people across borders, there are reasons to suspect return to be substantial. Temporary labor migration programs all over the world are commonplace, and under such schemes receiving countries impose time-limited contracts to foreign workers and often strictly enforce return to origin countries. Common examples include the H1B visa scheme of the US governing high skilled workers, typically IT professionals, and the guest worker programs in the Middle East which cater to lower skilled occupations in construction and the service sector. But even amongst migrants allowed to permanently settle abroad, many still appear to return: Dumont and Spielvogel (2008) for instance compute remigration rates of immigrants in various OECD countries and find exit rates of migrants to range from between 19 percent in the US to over 60 percent in Ireland after staying for five years. Gibson and McKenzie (2011) survey the "best and brightest" students from Tonga, Papua New Guinea, and New Zealand, and find that over a quarter of those who ever migrate end up returning.

The astonishing income gains migrants often attain when they work abroad (Clemens 2011; Clemens, Montenegro and Pritchett, 2008; Gibson and McKenzie, 2011) combined with the enormous amounts of remittances they often send home (Yang 2011), raise expectations for the further role they might play in catalyzing development when they return to their home countries. Experts often cite "brain gain" as a chief benefit: migrants not only bring back their original human capital but also new skills, social connections, and experience acquired in the foreign country.³ These are suggested to earn a premium in the domestic labor market. But whether or not domestic employers in fact value foreign experience in production processes at home is unclear. Foreign work experience may be irrelevant if skills learned abroad are not transferable. In the same way that a foreign consultant may sometimes provide technical recommendations unsuitable to local conditions, skills that a returnee brings may be out of sync

³ Numerous policy reports on international migration mention these benefits of return migration. See for example this report of the UN Secretary-General on International Migration and Development [http://www.refworld.org/docid/44ca2d934.html, accessed Jan. 6, 2015] See also IOM (2008) and Dayton-Johnson et al (2009). Dustmann, Fadlon and Weiss (2011) present the formal theoretical model underpinning the argument.

² <u>http://esa.un.org/unmigration/documents/The_number_of_international_migrants.pdf</u> [accessed Jan. 2, 2015]

with domestic demand. Worse, absence from the local economy could be detrimental if local skills that employers value depreciates as a person spends time abroad.

What is the value of return migrants, specifically of foreign work experience, to employers in the migrant-origin country? I conduct a field experiment in the Philippines, measuring the extent domestic firms value workers with foreign experience. I send over 8,000 fictitious resumes in response to online job postings across multiple occupations. The resumes describe typical Filipino job seekers except I randomly assign some to possess varying lengths of foreign experience. I focus on employment ads for sales, administrative, construction, finance, and IT job categories. I compare callback rates for interviews that are gathered for each type of resume. By comparing callback rates between those who had varying work experience abroad with those with purely domestic work experience, I provide a causal estimate of the value of foreign experience, as perceived by home country employers.

Job applications with foreign work experience receive 12% less callbacks than other job applications, holding other things constant (the mean callback rate is 24%). The callback rate decreases with every year of overseas work experience. A variety of regression specifications confirms the robustness of these results, and the negative effect is consistent across industries. The results apply even when looking at subsamples of only high or low skilled job applicants. Employers disfavor return migrants over never-migrants with comparable skill, experience, and educational background.

I consider potential explanations. While the experimental design explicitly addresses concerns over selection bias, employers may still *perceive* return migration to be a negative signal, indicating negative selection into migration or failure abroad. Employers may believe that return migrants demand high wages or that foreign work experience makes applicants overqualified. Employers may believe that return migrants have high job turnover rates. I varied various aspects of the job applications such as declared expected salary, the quality of resumes, and cover letters to distinguish between reasons for the difference in callback rates. I find the aforementioned mechanisms to play at best a minor role. Instead, I offer location-specific human capital as a most plausible explanation. I provide some evidence that employers value local knowledge, and the value of this location specific human capital deteriorates as a worker spends time away from the local economy.

Such findings stand in contrast with prior work, which generally finds large labor market returns associated with return migration. Prior estimates of the wage premium for return migrants, when comparing them to similar workers, range from 0% to as much as 40%. Yet these studies have difficulty accounting for potential selection biases. Especially in the context of return migration, selection bias is exacerbated by a "triple selectivity problem" (Gibson, McKenzie and Stillman 2013): there is selection on who migrates, who returns from those who migrate, and who participates in wage employment from those who return.⁴ It is difficult to ascertain whether the higher wages of return migrants arise out of the real effect of foreign work experience or borne by selection on some characteristics of return migrants, which an employer observes but the researcher cannot control for. Selection may explain why estimates of the wage premium for return migration vary considerably from study to study.

The experimental design of this research closely follows past studies, in which researchers sent fictitious job applications in order to shed light on important aspects of the labor market.⁵ An advantage of resume audit studies is that the researcher controls everything that employers see about job applicants. Therefore, differences in callback rates can be credibly attributed to an experimental variable, holding other things constant by randomization. A disadvantage is that the measured effect captures only employer *perceptions* of job applicants. If employers have wrong beliefs, then differences in callback rates may not reflect true differences in worker productivity, although this is less a limitation if employers make decisions based on previous experience working with similar workers. Incorrect beliefs are also unlikely to persist in labor markets over time in a competitive market (Aigner and Cain 1977). Another disadvantage of resume audit studies is that the outcome variable is callback rates, instead of actual job offers. If actual job offer rates are the reverse of callback rates between groups then the results from callbacks could be misleading. At any rate, job callback rates empirically map directly to job offer rates, at least for in-person audit studies in the US (Mincy 1993).

In the end, my results cast doubt on the view that return migration is likely to produce large gains for the home country, at least through the channel of foreign work experience. There are other channels, of course, through which migrant-sending countries might value return

⁴ Gibson, McKenzie and Stillman (2013) use the term "triple-selectivity problem" in a slightly different context but their insight about the selection problem in migration applies here.

⁵ Past studies include Bertrand and Mullainathan (2004), Oreopoulous (2011), Booth, Leigh, and Varganova (2012), Carlsson and Rooth (2007), and Lahey (2008) on discrimination; Kroft, Lange, and Notowidigdo (2013) and Eriksson and Rooth (2014) on unemployment spells; and Deming et al. (2014) on postsecondary credentials.

migrants: for their foreign education, for their savings earned abroad, for their entrepreneurial mindset, and for their increased expectations of better political institutions at home. These are beyond the scope of this work. The focus on work experience though is relevant to the extent that labor migration characterizes most of international migration. Most working-age immigrants in OECD countries are employed; the average employment rate of the immigrant population aged 15-64 is 64%, only slightly lower than native-born residents (OECD 2014).

This project directly informs the Philippine government, which desires to maximize the benefits of having almost 10.5 million nationals working abroad. Should it be encouraging return? Should it be emphasizing reintegration efforts that focus on retraining returning migrants to focus on needs of domestic employers? The Philippine migration system is often seen as a model worldwide, hence the results of this work are likely to interest other countries as well, seeking to engage in active labor force migration and circulation.

The rest of the paper is organized as follows. Section II reviews the existing literature, examines limitations, and discusses the setting of the study. Section III describes the experimental setup: how resumes were created, how they were sent, and how the research team recorded callbacks for each resume. Section IV presents relevant summary statistics. Section V shows the main regressions, in addition to robustness checks of the negative effect of foreign experience on callback rates. Section VI explores potential explanations. Section VII concludes by outlining policy implications.

II. Theory and Context

The Literature

The literature on return migration typically proposes two ways in which a return migrant may contribute to the home country economy. One is through accumulated savings that are brought home and then potentially invested in productive activities. The second channel, the focus of this study, is through human capital accumulation abroad. A migrant acquires new skills and connections, and increases her productivity by working abroad, which makes her valuable upon return. But it may also be that skills learned outside the country are irrelevant, that experience is not fully transferable between countries and is then offset by reductions in home country human capital. Hence, compared to the counterfactual of never having migrated, it is possible that a return migrant is seen as a less productive worker upon return.

Empirical studies have tested the human capital model by using non-experimental data to compare the wage paid to return migrants to similar individuals who have never migrated. Co, Gang, and Yu (2005), for example, find a large wage premium of 40% for returning migrant women in Hungary but find none for men. Barrett and Goggin (2010) estimate that Irish returnees earn 7% more than comparable stayers. Looking at a larger migrant-sending country, Reinhold and Thom (2012) find that for every year of experience in the US, earnings increase by approximately 2.2% for migrants who return to Mexico.

An important limitation of such studies is the difficulty of sufficiently controlling for selection biases. Migrants are not randomly drawn from the home country population and neither are return migrants from the current stock of the diaspora. A further complication is that migrants who return may select into wage employment based on certain characteristics unobserved by the researcher. If return migrants appear similar to never-migrants in the data for a researcher but in fact look very different to employers, then the difference in observed wages between the two groups may be due to these unseen factors and not to foreign experience (Gibson, McKenzie and Stillman 2013). Neither is it easy to sign the direction of the bias. The aforementioned studies try to account for the selection problem by modeling selection decisions but rely on possibly restrictive assumptions. This study confronts this challenge by experimentally varying overseas experience in otherwise identical resumes. Hence the different outcomes that result between the migrant and never-migrant group can only be attributed to foreign experience.

The Philippines as an Excellent Setting

Home to an estimated 10,489,628 migrants around the world,⁶ the Philippines is an excellent setting to study return migration. The country is the second largest migrant-sending nation in the world with almost 11% of its population abroad. International labor migration has had a long history: since 1974, the Philippine government has facilitated and promoted temporary overseas employment. Given how commonplace migration is, employers are unlikely to find it strange to receive job applicants with foreign experience.

⁶ From the Commission on Overseas Filipinos 2012 Stock Estimates

Figure 1 portrays the spread of Filipino migrants amongst top 10 destination countries as of 2012. As depicted, Filipinos migrate to a diverse set of countries. Table 1 presents the numbers broken down by "permanent," "temporary," or "irregular" migration. The US is a major destination, hosting over 40% of the stock of total migrants, with most migrants recorded under the "permanent" category. The term "permanent" might be confusing here: it does not mean such migrants never return from abroad, only that their stay is independent of employment, such as when they are naturalized. "Permanent" migration is most prominent in western countries like the US, Canada, Australia, and the UK. On the other hand, "temporary" migration garners a significant share as well. This refers to legal migration often facilitated by the government through licensed recruitment agencies. Workers go abroad with contracts of specified lengths, typically 2 years, with potential of renewing (Theoharides 2013). The Middle East, countries like Saudi Arabia and UAE, are major destinations. Neighboring Asian countries to the Philippines are also popular, such as Malaysia, Hong Kong, and Singapore. Lastly, there is "irregular" migration, which is estimated to be the least common. "Irregular" migrants refer to those without valid residence or work permits, or who are overstaying in the foreign country. The government estimates "irregular" migrants to be around 13% of the stock of overseas Filipinos.

That Filipinos work in a variety of jobs abroad aids this study in investigating the value of foreign experience across occupations. In Table 2, I present the distribution of migrant workers by major occupation group as taken from the 2013 Survey on Overseas Filipinos.⁷ Occupations known as high skilled – managers, professionals, and technicians – represent a fair amount of workers while lesser skilled positions – clerks, sales workers, and laborers – are sizeable as well. This distribution influences the selection of the 5 job categories considered in this study: construction, finance, IT, sales, and administrative – with the first three representing jobs with high skill requirements. While not fully representative of occupations taken abroad by Filipinos, the five categories comprise some of the most in-demand occupations in the Philippines, with the highest number of job postings per month in the job websites considered in

⁷ The Survey of Overseas Filipinos is a nationally representative survey conducted by the National Statistics Office annually. The survey interviews migrant households in the Philippines and gathers information on their family members who have left for abroad, their remittances, their occupation, and their place of work, among other things. A limitation of the survey is it fails to capture information on migrants whose whole family has left for abroad.

this audit study.⁸ In order to send a sufficient amount of resumes, it was essential to select job categories with a high frequency of new job openings.

In terms of the profile of Filipino migrants, they tend to be younger and have higher levels of education (Ducanes and Abella 2004). Compared to 47% of the population, 70% of overseas Filipino workers are aged 25-44. 36% are college educated while the figure is 13% for the domestic labor force. There is also evidence of some slight positive selection of migrants based on unobservable characteristics. For example, Clemens, Montenegro, and Pritchett (2008) estimate at which point in the distribution of home country wages Filipino migrants' wages (before they move) come from. They compare wage residuals arising from Mincer-type regressions of Filipino migrants versus non-migrants. They estimate that the mean residual of movers lie at the 54th percentile of the distribution of the unobserved earnings of non-migrants, suggesting positive selection. Figure 2 reproduces the kernel density plot of the distributions from that paper.

III. Experimental Design

In total, I sent over 8,000 resumes in response to 2,000 job ads in Metro Manila over the course of 6 months with the help of a team of research assistants. A pilot study occurred in April 2014 while the full study was implemented between June to September 2014. Below, I describe how the research team went about creating and sending resumes and recording callback rates. Except for the automation of parts of the procedure in the full study, none of the steps changed between the pilot and full study.

A. Creating a Bank of Work Experiences

We began by building a repository of work experiences that served to represent employment experiences of Filipino job seekers. We gathered resumes from job websites for individuals looking for work in our selected industries. To avoid compromising current jobseekers, we made sure collected resumes had been posted more than 3 years ago. We extracted information on company names, job titles, and job responsibilities and used these as basis for crafting fictitious resumes.

⁸ Accountants, civil engineers, programmers, sales clerks make the list of some of the most in-demand occupations in the Philippines as listed by the Bureau of Local Employment. <<u>http://www.ble.dole.gov.ph/pjf/2013-2020In-demandandHard-to-fillOccupations.pdf</u>, accessed Jan. 8, 2014>

B. Choosing Job Ads and Generating Fictitious Resumes

We utilized two of the most popular job websites in the country. We considered all employment ads falling under sales, administrative, construction, finance, and IT job categories. We restricted ourselves to jobs in the National Capital Region (NCR), ignoring ads from companies that conceal their identity ("Company Confidential") or ads that are associated with staffing agencies that recruit workers for other employers.

For each job ad, we made four resumes and web profiles in the associated job website. Care was taken to make resumes distinct from one another to avoid suspicion from employers. Filipino names were randomly selected from a list of common names taken from the Census. Postal addresses were randomly assigned based on real streets in Metro Manila from the White Pages. Each profile was given a unique e-mail address. We varied resume templates used for each resume based on 15 different designs.

We tailored resumes to satisfy minimum job requirements listed by the job ad. We constructed distinct work histories by building from our bank of work experiences, indicating technical skills where necessary.

We randomized on key elements:

- Gender: For each job in the sales, finance, and IT job categories, we randomly assigned two applicants to be male and two to be female. For administrative positions, we made all applicants female. For construction jobs, we made all applicants male. These latter two categories are overwhelmingly female and male respectively.
- 2. Quality: We assigned two resumes to be high quality and the rest to be low quality. While all resumes were tailored to match minimum job requirements, high quality resumes were designed to be superior. First, high quality resumes listed one of the top four schools in the Philippines as their alma mater. Low quality resumes were assigned a random college or university⁹. Second, we included relevant technical skills beyond requirements in high quality resumes. For example, if an engineering

⁹ For a full list of schools used, please refer to Table A1 of the appendix.

position required proficiency in AutoCAD, high quality resumes were designated to have additional skills in Primavera or Staad Pro while low quality resumes only indicated AutoCAD. Last, high quality resumes were constructed to have two more years of work experience than low quality resumes.

3. Expected Salary: The job websites we used allowed a job applicant to declare an expected salary for the position being applied for. They also allowed a company to reveal a salary range for the job they are hiring for. We randomize the expected salary indicated in our four job applications to be within the salary range indicated by the job ad. If a company declared no salary range, we made our best guess of the appropriate range.

Research assistants were allowed to choose the total number of jobs held for the four resumes, provided that it was equal for the pair of low quality resumes and for the pair of high quality resumes. Total years of experience were based on the minimum years required by the job. As mentioned, low quality resumes received the minimum while high quality resumes received two additional years (however, these would be adjusted again after the assignment of years of foreign work experience). We designed all resumes to have no unemployment spells. The age of each applicant is therefore determined by years of work experience plus 21 years.

C. Random Assignment of Foreign Experience

Once the set of resumes were prepared, we randomly assigned two of the four resumes – one low quality and one high quality – to include foreign work experience. We modified these resumes to include a recent work experience abroad. The added work experience is for an occupation that is in the same industry as indicated in the job ad. Typically, we changed the details of the last job held or added another job to the work history using our bank of work experiences. We used real foreign company names obtained via internet searches.

For the two foreign resumes, we randomized length of foreign work experience in years according to a discrete uniform distribution on the interval [1,10]. Country of foreign experience was randomly chosen with probabilities based on the current distribution of the top 15 destinations for Filipino migrants. Table 3 provides the actual distribution in our resumes of

foreign countries where experience was obtained. By design, it matches the locational distribution of current Philippine migrants.

The two remaining resumes from the set of four served as controls and represent nevermigrant individuals. To make these resumes as comparable to the foreign resumes as possible, we adjusted work experience to add the same number of years in local work experience and an additional job held if applicable. For example, if a low quality resume was randomly selected to have 6 more years of foreign experience, then we add 6 years of local experience to its corresponding pair. If a high quality resume received 9 more years of foreign work experience, the counterpart resume receives 9 more years of local experience as well. In this way, total jobs held and total years of work experience were always equal between pairs of low quality resumes and pairs of high quality resumes. This ensured balance between control and treatment groups.

D. Responding to Job Ads and Recording Callbacks

We sent the four resumes in a random order in a span of two days to each job ad. We then selected another job ad that was as similar as possible in minimum requirements to the original job ad and resent the four resumes. Thus, each resume was sent to two job ads in total. The idea was to balance statistical power with research cost, due to the labor-intensiveness of creating resumes. I account for this feature later by clustering standard errors at the resume level when performing regression analysis.

We recorded whether applications elicit a callback for an interview. Callbacks come in the form of a call or a text message. We used 32 cell phones numbers. Since leaving voice mail is an uncommon practice in the Philippines, we did not use a voicemail-recording service to receive calls, unlike previous audit studies. Instead, research assistants answered phone calls from 9-6PM during weekdays. We disregarded phone calls at other times. For text messages, we considered all of them, regardless if they were received off hours. All requests for interviews were turned down following a prescribed protocol. We only count a callback if an employer explicitly invites an applicant to an interview.

We did not record interview invitations received by e-mail, although this appears rare. In the pilot, we found that whenever employers sent e-mails, they also eventually sent a corresponding invitation for an interview through text message or phone call. As such, we deemed recording e-mails unnecessary.¹⁰

We cleaned our data by removing observations from resumes that we later discovered were unsent. At times, there were errors by research assistants; other times, job ads were taken down before we were able to send a full set of resumes. There were also instances when we sent resumes but these resumes had missing information. We dropped observations associated to such resumes. Our final sample thus includes 7474 observations. We pool data from the pilot and full study.

IV. Summary Statistics

Table 4 provides summary statistics of some variables of interest. Panel A describes job ad characteristics in terms of minimum years of required work experience and salary range. Monthly salaries are in Philippine pesos; the average exchange rate in 2014 is around 45 pesos per US dollar. Characteristics vary by firm industry. Administrative and sales positions offer considerably lower salaries than finance and IT; they also require less experience.

In Panel B, I present resume characteristics. While all resumes are initially constructed to have minimum required experience, resumes generally have more years of experience than what is required by job ads because years of foreign experience are added (and corresponding years of domestic experience to control resumes).

24% of job applications receive a callback from employers. Of these, employers informed 68% via text message while employers called 47%. The average waiting time for a callback is around 8 days after sending an application, and the waiting time is similar whether this is done through text message or phone call. Many callbacks occur within one or two days; 36% of callbacks occur within two days after sending a resume. The median time to wait for a positive response from employers is four days.

By design, resume features are similar across foreign and local resumes. To demonstrate, in Column 1 of Table 5, I regress an indicator for having foreign work experience, on various resume characteristics, accounting for fixed effects by job ad. None of the variables predict assignment to treatment. The results are the same when looking at subsamples by firm category.

¹⁰ Monitoring callbacks that were received through e-mail was especially difficult because of anti-bot efforts on the part of e-mail providers.

We can be confident that any difference in call back rates between resumes with and without foreign experience is caused by foreign experience. Panel B shows a regression with years of foreign experience as the dependent variable. This time fixed effects by job ad and quality of resume is used instead (The next section explains why this might be necessary). Again, characteristics are similar across resumes with different years of foreign experience.

V. Results

Callback rates are lower for job applicants with foreign work experience, holding other things constant. Figure 3 provides an initial illustration, presenting callback rates separately for foreign and local resumes with 95% confidence intervals. On average, employers appear to prefer workers who have spent years working domestically to similar workers who have spent the same amount of time abroad. In addition, callback rates decline as foreign work experience increases. Figure 4 presents a histogram of callback rates as a function of years spent working abroad. The graph is remarkably downward sloping, although the estimates are admittedly noisy. In the following section, I turn to a regression framework to estimate more precise effects.

I estimate the following equation to identify the effect of having foreign work experience on employer callback rates:

(1)
$$Callback_{ij} = \alpha + \beta_1 ForeignExp + \beta_2 X'_{ij} + \delta_j + \varepsilon_{ij}$$

Obtaining a callback from the employer of job ad j is indicated by *Callback=1* for job applicant i. *ForeignExp* describes treatment status of the job applicant and is a dummy variable for having foreign experience. A vector of controls, X, includes covariates for gender, resume quality, log expected salary, day sent (either the resume was sent in the first or second day), total years of work experience, and total number of jobs held. Since randomization was stratified by job ad, I include job ad fixed effects. I cluster standard errors by job applicant since each applicant's resume was sent to two job ads.

A similar equation is used to estimate the effect of length of work experience abroad.

(2)
$$Callback_{ij} = \alpha + \beta_1 ForeignLength + \beta_2 X'_{ij} + \delta_{j,quality} + \varepsilon_{ij}$$

In equation (2), *ForeignLength* is a continuous variable with length of foreign work experience specified in years. The crucial difference from equation (1) lies in using job ad and quality of resume fixed effects, $\delta_{j,quality}$. To understand why this could be necessary, note that length of foreign work experience will be positively correlated with total years of work experience for treatment resumes for each job ad. This is so by construction: when a resume is randomized to have X years of foreign experience, it also obtains X additional years of total work experience (i.e. total years of work experience cannot be less than length of foreign work experience so it is not independent). From a specification using only job ad fixed effects, some of the effect of *ForeignLength* will be estimated out of comparing a resume randomized say with 3 years of foreign experience and length worked abroad. By using job ad and quality of resume fixed effects, total years of experience are held constant because within the same job ad and quality of resume, the comparison is limited to only a control and treatment resume where total years of experience is constructed to be exactly the same.¹¹

Overall, employer callback rates respond negatively to foreign experience. Table 6 reports regression results with and without control variables, although these appear to make little difference in the magnitude of the coefficient of interest as expected (the controls however cause the standard errors go down, improving precision). Having foreign work experience is associated with a 2.8 percentage point decline in the employer callback rate. This represents an almost 12% decline from a baseline callback rate of 24%. Callback rates go down for every year a worker spends abroad that is not spent in the domestic economy. In column 4, I estimate that for every year of foreign work experience, the probability of being called for an interview drops by around 0.5 percentage points.

The effect is not driven by any particular firm industry. In Table 7, I rerun the main regression separately by job ad industry. While not all point estimates are statistically significant, the effect of foreign experience is estimated to be uniformly negative across industries. Further, if one takes into account the different mean callback rates per industry, the relative effects appear similar (except for IT).

¹¹ Nevertheless, I estimate the effect of length of foreign work experience using only job ad fixed effects in a previous version of this paper, controlling for total years of work experience. The results do not differ.

Neither does the negative effect of foreign work experience differ appreciably when looking only at pairs of high quality resumes or pairs of low quality resumes. Heterogeneous effects by resume quality are presented in Table 8. The relative magnitudes of the effect across column 1 and 2 and across 3 and 4 are the same.

Appendix Table A2 provides additional robustness checks on the main findings. Column 1 uses a specification without fixed effects. The regression in Column 2 uses probit, instead of OLS. Column 3 shows the original regression for comparison. Column 4 drops observations from the pilot. Then in Column 5, only observations from job applications sent to the first job ad are kept, dropping those associated to the second job ad. The effect of foreign experience is consistently negative across all specifications.

The results presented here goes against the understanding that return migration for origin countries translate into a "brain gain." It contradicts earlier findings that show a large wage premium for return migrants. Why might firms dislike workers with foreign experience?

In the next section, I consider possible mechanisms. First, firms may think that migrants negatively select into migration or are negatively selected from the pool of existing migrants. Second, firms may think expected wages of return migrants are high and thus be disinclined to interview them. Third, firms may actually value return migrants but believe they are overqualified. Fourth, firms may expect low expected tenure from return migrants who are inclined to take other jobs abroad. Finally, firms may value local knowledge over overseas experience; location specific human capital is important. I find evidence supporting the latter mechanism, and attempt to rule out the other channels.

VI. Mechanisms

A. Negative Signaling

One explanation for why return migrants obtain a lower callback rate is that employers may *perceive* negative selection of return migrants. The emphasis on perceptions is key here because while fictitious resumes cannot self-select and randomization ensures that foreign experience (and not another factor) produces the lower callback rate, the effect of foreign experience can still arise out of perceptions of return migrants as negatively selected from the employers' perspective. I refer to this mechanism as "negative signaling" to distinguish it from "negative selection." That is, I emphasize that the selection problem (as is usually understood) is addressed by the experiment while negative signaling is not.

Negative signaling may arise in two ways from the experiment. Employers may perceive migrant departure by itself to convey a bad signal or employers may interpret migrant return as the negative signal. The following subsections provide evidence that reject both as persuasive explanations of the main result.

Migrant Departure as a Negative Signal

As noted earlier, studies find that migrants are positively selected from the Filipino population. They tend to be younger, better educated. They appear to be selected from the slightly higher end of unobserved wage determinants of non-migrants. These facts by themselves already suggest how employers should be unlikely to see migrant departures as a negative signal. But it is possible that employers' belief run contrary to reality.

We sent cover letters together with randomly chosen job applications to measure the magnitude resumes might transmit a positive or negative signal to employers. 20% of control resumes were sent with a letter indicating that the applicant had recently received a job offer from abroad but had to withdraw due to some exogenous reason. The letters explained that the working visa suddenly could not be processed or that an unexpected sickness of a family member made it difficult to move. The idea was to test whether migration by itself indeed conveyed a positive signal to employers, since the applicant selected into migration but had yet to accumulate foreign experience. Correspondingly, 20% of foreign resumes were sent attached with a letter saying that the applicant had come home because of an exogenous event: the work contract abroad ended and there were some unforeseen complications with signing an extension or a sudden illness in the family had to be attended to. The idea was to eliminate the negative signal associated with return since return had been decided not because of personal failure. We sent no cover letters with the rest of the applications.

Table 9 presents the effect of cover letters on callback rates, holding constant the usual set of control variables in the regressions. Consider first only control resumes, applicants with purely domestic work experience. In Column 1, job applicants declaring declined job offers from abroad received a 3.9 percentage point higher callback rate than those who did not. The positive coefficient is consistent with employers believing in positive selection among Filipinos into

migration. The result confirms what is found in aforementioned studies on the selection of Filipinos into migration. The result indicates that the negative effect of foreign experience found earlier is doubtful to arise out of negative signaling from migrant departure because employers in fact believe departure is a positive sign.

Migrant Return as a Negative Signal

A separate issue concerns whether employers believe return migrants are failures, negatively selected from the pool of Filipino workers abroad. Borjas and Bratsberg (1996) model how, for example, if migrants base their initial migration decision on overly optimistic expectations about employment abroad, it is the less skilled who return home. In particular, negative selection of return occurs when the immigrant flow is positively selected from the origin country; the less skilled systematically obtain worse-than-expected outcomes at the destination then choose to return. Thus, the lower callback rate to resumes with foreign experience may arise from the negative signal that return conveys. Employers may value experience overseas but are concerned that those who return have low ability, along dimensions not completely captured by objective qualifications stated in the resume. Even with the positive signal associated with migrant departure, the negative signal of return may be large enough that it results into a net negative effect on callback rates.

Going back to the results of cover letters, consider now Column 2 of Table 9, which focuses exclusively on resumes with foreign experience. Again, cover letters are randomly assigned to these foreign resumes and attempt to explain return home as an event that is outside the influence of the migrant (i.e. not due to a personal failure). Thus, if return migration signaled that return migrants were negatively selected, then those *without* a cover letter should have had a lower callback rate. But cover letters appear to have had a negligible effect; in fact, there appears to be no difference between those who declared they had to return home for an exogenous reason and those who did not.¹²

Perhaps an even more important reason to doubt negative signaling from return has to do with declining rates of callback, as resumes increase in length of foreign experience. The Borjas

¹² A caveat to the cover letter results is that they may indicate nothing about the content of cover letters and simply capture the effect of having sent one. Ideally, all resumes should have been sent with a cover letter, with some containing a generic message that provides little information. The generic cover letters would have served as the ideal comparison group to the cover letters that had an attached explanation. Nevertheless, that the effects are asymmetric between cover letters in the control and foreign resumes is reassuring. Unless there is a compelling reason why cover letters should have had differential effects between the two groups, it appears that content is driving the results and not the cover letters by themselves.

and Bratsburg model imply that the negative effect of foreign experience must manifest most in applicants who had spent the least amount of time abroad. Since low ability workers are more likely to realize failure earlier on in their tenure abroad and there is less reason to suspect failure among workers who have been able to stay long, the negative signal should be most prominent (and callback rates lowest) for workers with the briefest spells abroad. But the data rejects this. Figure 4 for example suggests that callback rates decline linearly in the amount of foreign experience. The main results in Table 6 suggest that the callback rates are not merely a function of having returned from abroad but also of time spent abroad, declining with longer tenure abroad. Then finally, in Figure 6, I plot fully flexible coefficient estimates that detail the effect of each separate year of foreign experience. The regression used to produce the figure uses a full set of controls and indicate estimated confidence intervals at the 95% level. The coefficient estimates are all negative, except for an outlier at 7 years. More importantly, the coefficients become more negative as years of foreign work experience increases. It is difficult to attribute this pattern to negative signaling from return.

B. High Expected Wages

Return migrants might obtain a low callback rate simply because employers believe these workers demand higher wages than other applicants. Hence, while foreign experience may be valuable, an employer might expect to pay a higher price or incur extra bargaining costs. As a result, the additional cost may turn out to be larger than the benefit of hiring someone with experience abroad, which is why foreign resumes have lower callback rates.

The hypothesized mechanism relies on expected wages being unobservable, but in this experiment, wages are made explicit. As previously discussed, the two job websites we used allow applicants to indicate expected salary. Most companies declare a range for a reasonable monthly salary to expect in offered positions. For each job ad, we randomly assigned expected salary to be sent together with each resume and application. Expected salary was constrained to be divisible by a thousand pesos and in the range of what the company declares. If a company does not state a salary range, research assistants provided a best guess of the appropriate range. As a result, provided that employers believed in declared expected salaries, their perceptions about the cost of hiring applicants with foreign experience should be the same for applicants

without foreign experience. That foreign experience continues to exhibit a negative effect on callback rates in Table 6, even when salary is declared, rules out high expected wages as an explanation. Independently, high expected wages lead to lower callback rates and makes applicants less appealing to employers, but the main result stands, apart from this effect.

None of this is to suggest that employers do not think migrants in general have high expectations over something other than wages that makes them less attractive, such as high expectations over job benefits (e.g. vacation time, daily working hours) or perks or "in being treated in a Western way." This is harder to rule out. Assuming however that expected salary is a good proxy for expectations about other job amenities, the hypothesis suggests that the interaction between higher expected wages and foreign experience should increase the penalty from having foreign experience. Figure 5 provides the relationship between expected salary and callback rates for the group of resumes with foreign experience and the group without. To normalize between job ads, the horizontal axis denotes the ratio of resume expected salary to median of the salary range indicated by respective job ads. Higher expected salary ratios lead to lower callback rates. But the smoothed graph for resumes with foreign experience is a downward shift of the graph of resumes with no foreign experience (except for the rightmost tail). Employers are less likely to interview return migrants at all expected salary levels. Higher expected salaries do not appear to magnify the negative effect of foreign work experience.

C. Overqualification

Overqualification occurs if a job applicant is more suitable for a considerably better job than what is applied for. A job applicant is overqualified if he has educational attainment, or skills, that surpass what is required to achieve sufficient performance.

Employers may prefer applicants who just fulfill minimum job qualifications. Bewley (1999) for instance notes that firms might avoid hiring overqualified applicants for fear that they might quit as soon as they find a more suitable job or become a threat to their managers. If experience working abroad is viewed as surplus human capital, then this could account for the lower callback rates.

Overqualification does not appear to be a compelling explanation for the negative effect of foreign work experience. If it were, then applicants with resumes constructed to have high quality should have had less appeal to employers than those who barely fulfilled minimum required skills and background for the job, low quality applicants. High quality resumes described applicants from elite educational backgrounds, who possessed additional skills, and had 2 more years of work experience. But these resumes have higher callback rates than low quality applicants as depicted from Table 6.

D. Low Expected Tenure

Perhaps employers believe return migrants are flight risks, expected to have low tenure on the job, as return migrants might prefer working abroad and they depart again as soon as a better opportunity opens up. Frequent turnover hurts employers as they incur high recruitment and training costs to find replacements. Various surveys often find high turnover as a main concern of employers. In the Philippines, a recent survey of some 300 executives conducted by a large job website found that 58% of respondents agreed that "job-hopping make resumes look bad".¹³

Holding total years of experience constant, total number of jobs held in a resume provides an indication of an applicant's a flight risk. If employers disfavor migrants primarily because they expect them to have low tenures, then having worked in many jobs for a short period of time must also provide a bad signal to employers.

Revisiting Table 6, I fail to find a negative effect on callback rates of having worked in many jobs, holding total years of experience constant. In fact, the point estimate for total jobs held is positive.

E. Location Specific Human Capital

Finally, I examine location specific human capital as a potential mechanism. Becker (1974) initially proposed that investments in human capital might be country specific, and skills might not easily transfer across geographic locations. The existing causal evidence for the theory is limited but Bazzi et al (2014) find that this could be true: using a large-scale relocation program in Indonesia as a natural experiment, the authors show that migrant farmers are less productive when they move to locations with dissimilar agroclimatic environment as their place of origin. Similarly, the reluctance to hire return migrants in this study might occur because

¹³ See http://www.jobstreet.com.ph/aboutus/preleases119.htm

foreign work experience does not easily transfer to the domestic setting.

Employers may value domestic over foreign experience because the local context requires knowledge of location specific production methods. By spending time away from home, migrants lose this knowledge of the local economy and their human capital depreciates. As a result, one prediction is that callback rates may fall as years of foreign experience increases. This is consistent with the finding in this experiment.

To further test the theory of location specific human capital, we conducted a subexperiment. Keeping all procedures the same, we sent 2000 additional resumes to job ads, except we altered the timing of foreign experience for treatment resumes. Instead of having foreign work experience in the last job held, we indicated it as experience in the first job held in work histories. Therefore, return migrant job applicants declared some recent local job experience after they had returned from abroad. Since everything else was kept the same from the original protocol, the alteration should result in a reduction of the negative effect of foreign experience if location specific human capital is a prevailing explanation. Return migrants would have had foreign experience but they would also have had time to recover their domestic human capital.

I run all the same regressions using data from the sub experiment and show the results in Table 10, comparing the outcome to the original results. I focus mainly on the coefficients for foreign experience. Panel A looks at the full samples while Panel B focuses on specific firm industries.

In contrast with the main experiment, I mostly do not reject the null hypothesis that the effect of foreign work experience is zero in the sub experiment. Some point estimates turn out to be negative, but as suggested by the hypothesis, most appear smaller in magnitude from the main experiment. Indeed, the timing for when foreign work experience was obtained, whether before or recently, appears to matter. In terms of the preferred specification, the effect of having foreign experience in the side experiment is around 2/3 as large as the effect in the main experiment. In general, however, I cannot conclude that the differential effect between the main and sub experiments is statistically significant from zero, although the difference is significant for results in the construction sector and administrative positions.

Nevertheless, the results are suggestive that location-specific human capital is a potentially important explanation to the negative effect found for foreign experience. In this section, I presented evidence against other mechanisms yet cannot rule out this particular channel.

Moreover, the fall in callback rates as years of foreign experience increases corroborates the theory that home country human capital depreciates abroad, at least from the perspective of employers.

VII. Conclusion

Migrant-sending countries and their governments, together with international organizations, typically implement policies that actively encourage migrants to return home with the belief that return migrants increase productivity in domestic economies. Policies usually target the high skilled and include generous financial incentives. From 1974 to 1990, the Return of Qualified African Nationals program, run by the International Organization for Migration, helped place 2000 return migrants from 41 African countries into positions back in their home countries (Lowell, 2011). The program offered free return tickets for the migrant's family, helped shipped personal effects, covered settling expenses plus professional equipment. In India, the Ministry of Science and Technology set up fellowships that cover up to 500,000 Rs yearly for returning scientists, shouldering salary, travel expenditures, conference visits, etc. (Jonkers 2008). In Malaysia, the Returning Expert program continues to offer a low flat tax rate of 15 percent on employment income for 5 years and the ability to import two cars tax-free. McKenzie and Yang (forthcoming) provide an excellent summary of such programs. Similar programs are found in the Philippines, Thailand, China, Argentina, Mexico and others.

To date, however, return migration programs have not been rigorously evaluated for their impact, and take-up rates remain relatively small. McKenzie and Yang (forthcoming) worry that in many cases generous incentives might just subsidize the return of individuals who are likely to return anyway. Financial incentives might feed resentment or even potentially encourage individuals to move abroad in order to avail of benefits when they return.

Even without active encouragement though, many international migrants have no choice but to return to their origin country since most working contracts stipulate that they must return. In OECD countries, this form of temporary labor migration is prevalent (OECD 2014) and likely to continue exceeding permanent labor migration, as polls show richer countries increasingly averse in allowing migrants to permanently stay. For countries in the Gulf Cooperation Council (GCC), a major migration corridor for low skill workers from Bangladesh, India, and the Philippines, there is virtually no path to citizenship even after years of residence. Foreign women can gain citizenship through marriage, but foreign men – the large majority of workers – cannot. It is important to understand the implications of return for these migrants if home country governments are to assist them.

In this paper, I considered the potential value of return migrants to domestic employers by sending fictitious resumes and observing the behavior of employers as measured in callback rates. By sending otherwise identical resumes and experimentally varying lengths that applicants worked abroad, I estimated the effect of foreign work experience on a sample of fictitious job applicants. I find that return migrants obtain lower callback rates than other job applicants, other things equal. The results hold for both high and low skilled migrants and for jobs in different industries. The results hold for both high and low skilled migrants may not fare as well in the domestic labor market as commonly assumed. Further research might be necessary to understand why, although I examined here several explanations and provide evidence against negative signaling, high expectations for wages, overqualification, and high job turnover rates as primary channels. In the end, I am left with location specific human capital for which there is some suggestive evidence.

Caution must be exercised in interpreting available evidence to ultimately mean that return migration has little value for migrant-sending countries. This study looked at select jobs from the two largest job websites in the Philippines. Employers have alternative means with which to recruit workers and employers may behave differently in such settings. In addition, this paper focused on one aspect of return migrants that employers might find desirable, foreign experience. There are other channels return migrants could bring value to their home countries. Returnees could bring home savings, experience of well-functioning political institutions abroad, and raised expectations for their home country (Clemens 2012). In fact, recent estimates from the World Bank hint at the presence of vast amounts of diaspora savings¹⁴ suggesting that migrants might catalyze entrepreneurial activity when they return.¹⁵ Moreover, research reveals that migrants could spur the improvement of political institutions at home (see for example Spilimbergo 2009, Saxenian 2006, and Iskander 2009). These topics are outside the scope of this work.

¹⁴ http://blogs.worldbank.org/peoplemove/files/Note on Diaspora Savings Sep 23 2014 Final.pdf [accessed Jan. 5, 2015]

¹⁵ Note though that this appears contradicted by a government report, at least in the Philippines, that shows 70 to 80 percent of overseas Filipino workers do not have significant savings upon return (Newman, Agunias, and Terrazas 2008).

Nevertheless, this paper shows that employers do not particularly favor return migrants when similar workers with the same set of skills and educational background are available. In fact, foreign experience appears harmful to employment prospects at home. This suggests that the benefits of return migration programs might be overstated at least in countries without severe skill shortages. The fact that domestic employers do not perceive foreign workers to be more attractive makes it more difficult for programs subsidizing return migration to justify themselves from a cost-benefit standpoint.

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Figure 1: A Global Mapping of the Estimated Stock of Overseas Filipinos (Top 10 Destination Countries)

Figure 2: Kernel Density Plot of the Wage Residuals of Migrant vs. Non-migrant Households



Taken from Clemens, Montenegro, and Pritchett (2008)



Figure 3: Callback Rate By Resume Treatment Status







Figure 5: Fewer Callbacks for Resumes with Foreign Experience at all Salary Levels

Figure 6: Coefficient Estimates By Years of Foreign Experience







Permanent Migrants

Major Occupation Group	Both	Male	Female
Managers	3.5	5.2	1.9
Professionals	11.6	10.1	13.1
Technicians and associate professionals	7.6	11.1	4.1
Clerks	5.2	3.1	7.3
Service workers, shop, and market sales workers	16.7	13.6	19.8
Farmers, forestry workers and fishermen	-	-	-
Trades and related workers	12.9	25.1	0.6
Plant and machine operators and assemblers	11.7	21.5	1.7
Laborers and unskilled workers	30.8	10.4	51.4
Total	100	100	100
Number of Workers in Thousands	2,295	1,154	1,141

Table 2: Distribution of Overseas Filipino Workers (in percent)
By Major Occupation Group and Sex in 2013

Country	Frequency	Percent (%)
USA	1413	38.0
Saudi Arabia	521	14.0
UAE	378	10.2
Malaysia	332	8.9
Canada	318	8.6
Australia	131	3.5
UK	114	3.1
Kuwait	99	2.7
Qatar	78	2.1
Japan	76	2.0
Singapore	66	1.8
Hong Kong	62	1.7
Italy	49	1.3
South Korea	42	1.1
Taiwan	40	1.1

Table 3: Countries of Foreign Experience

Table 4: Summary Statistics

All Jobs		Mean	SD	Min	Max
Required Minimum	Years of Experience	2.75	2.06	0	15
Min of Salary Rang	ge Offered	24791	13720	3000	150000
Max of Salary Ran	ge Offered	35624	19871	11000	300000
		Median Mi	in 1	Median Max	Median Min
By Firm Industry	Common Job Titles	Salary		Salary	Required
		(monthly Pl	np) (1	monthly Php)	Experience
	Administrative Assistar	it 17000			
Administrative	Executive Assistant	15000		22000	2
	HR Assistant				
	Civil Engineer				
Construction	Project Engineer	20000		30000	2
	Quality Surveyor				
	Accountant				
Finance	Accounting Manager	30000		40000	3
	Finance Manager				
	Sales Engineer				
Sales	Sales Executive	15000		25000	1
	Sales Representative				
	Web Developer				
IT	Java Developer	30000		40000	3
	Programmer				
Panel B: Resume	Characteristics		~~		
All Resumes		Mean	SD	Min	Max
Total Years of Exp	erience	9.43	3.64	1	24
Total # of Jobs Hel	d	2.88	0.99		1
Expected Salary		29952.10	15456.15	5 2000	190000
Danal C. Callbaak	Datas				
By Firm Industry	Kates	Callback Rate			
All	· · · · · · · · · · · · · · · · · · ·	2/1%			
Administrative		13%			
Construction		30%			
Finance		25%			
IT		30%			
11 Sales		22%			
Sales		2270			
Manner of Callback	K	Percent	Frequenc	V	
Text message only		53%	952	5	
Mobile callback on	lv	32%	577		
Both	2	15%	269		
Total			1798		
Days Elapsed Befo	re First Callback	Mean	Median	Min	Max
Text message		8.4	4	0	89
Mobile		8.3	4	0	89

Panel A: Job Ad Characteristics

T and TY. Durance of Toreign and Local Resultes						
Dependent variable	(1)	(2)	(3)	(4)	(5)	(6)
(w/ foreign experience = 1)	All categories	Admin	Construct	Finance	Sales	IT
Quality (High=1, Low=0)	0.0054	-0.0139	0.0119	0.0028	0.0185	0.0050
	(0.0229)	(0.0487)	(0.0504)	(0.0521)	(0.0557)	(0.0533)
Gender (Female=1, Male=0)	0.0318			0.0487	0.0353	0.0117
	(0.0243)			(0.0417)	(0.0423)	(0.0428)
Ln(Expected Salary)	-0.0098	0.0702	0.1570	-0.2267	-0.0289	-0.2412
	(0.0800)	(0.2367)	(0.1543)	(0.2173)	(0.1576)	(0.2160)
Order Sent	0.0087	-0.0057	0.0205	0.0318	0.0066	-0.0136
	(0.0189)	(0.0424)	(0.0428)	(0.0419)	(0.0422)	(0.0427)
Total Years of Experience	-0.0001	-0.0007	-0.0004	-0.0010	0.0005	0.0003
	(0.0048)	(0.0110)	(0.0109)	(0.0110)	(0.0116)	(0.0106)
Total # of Jobs Held	-0.0025	0.0051	-0.0032	0.0013	-0.0137	-0.0016
	(0.0220)	(0.0396)	(0.0673)	(0.0414)	(0.0627)	(0.0571)
Fixed Effects for Job ad	Y	Y	Y	Y	Y	Y
Observations	7,474	1,502	1,465	1,537	1,493	1,477
R-squared	0.0083	0.0057	0.0199	0.0084	0.0066	0.0104

Table 5: Balance Between Foreign and Local Resumes

Robust standard errors clustered at the resume level in parentheses. Regressions include a constant term. *** p<0.01, ** p<0.05, * p<0.1

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Dependent Variable	(1)
(Length of Foreign Experience)	
Gender (Female=1, Male=0)	0.2798
	(0.2267)
Ln(Expected Salary)	0.1959
	(0.7695)
Order Sent	0.1689
	(0.1767)
Fixed Effects for Job ad-Quality	Y
Observations	7,474
R-squared	0.1859

|--|

Robust standard errors with clustered at the resume level in parentheses. Regressions include a constant term. *** p < 0.01, ** p < 0.05, * p < 0.1

	(1)	(2)	(3)	(4)
	Callback	Callback	Callback	Callback
Has Foreign Experience=1	-0.0286***	-0.0280***		
	(0.0101)	(0.0071)		
Length of foreign experience			-0.0054***	-0.0048***
			(0.0014)	(0.0011)
Quality (High=1, Low=0)		0.0378***		
		(0.0081)		
Gender (Female=1, Male=0)		0.0395***		0.0391***
		(0.0095)		(0.0112)
Ln(Expected Salary)		-0.0588*		-0.0331
		(0.0346)		(0.0396)
Order Sent		-0.0007		0.0085
		(0.0071)		(0.0087)
Total Years of Experience		0.0001		
		(0.0019)		
Total # of Jobs Held		0.0151*		
		(0.0079)		
Mean Callback	0.24	0.24	0.24	0.24
Fixed Effects for Job ad	Ν	Y		
Fixed Effect for Job ad-Quality			Ν	Y
Observations	7,474	7,474	7,474	7,474
R-squared	0.001	0.639	0.002	0.787

Table 6: The Effect of Foreign Experience on Callback Rates

Robust standard errors, clustered at the resume level, in parentheses. Regressions include a constant term. *** p<0.01, ** p<0.05, * p<0.1

Tuble 7: The Effect of Hu	ing roreig	n Enperience on	euneuen n		mausuj
	(1)	(2)	(3)	(4)	(5)
	Callback	Callback	Callback	Callback	Callback
	(Admin)	(Construction)	(Finance)	(Sales)	(IT)
Has Foreign Experience=1	-0.0120 (0.0128)	-0.0453*** (0.0163)	-0.0306* (0.0172)	-0.0429*** (0.0154)	-0.0126 (0.0150)
Mean Callback Rate	0.13	0.30	0.25	0.22	0.30
Controls	Y	Y	Y	Y	Y
Fixed Effects for Job ad	Y	Y	Y	Y	Y
Observations	1,502	1,465	1,537	1,493	1,477
R-squared	0.610	0.659	0.556	0.625	0.710

Table 7: The Effect of Having Foreign Experience on Callback Rates By Firm Industry

Robust standard errors, clustered at the resume level, in parentheses. Regressions include a constant term. *** p < 0.01, ** p < 0.05, * p < 0.1

Table 8: Heterogenous Effects of	Foreign Exper	ience on Callba	ack Rates By (<u>Quality of Resu</u> me
	(1)	(2)	(3)	(4)
VARIABLES	Callback	Callback	Callback	Callback
	Low Quality	High Quality	Low Quality	High Quality
Has Foreign Experience=1	-0.0228**	-0.0310***		
	(0.0093)	(0.0097)		
Length of foreign experience			-0.0046***	-0.0049***
			(0.0015)	(0.0016)
Mean Callback Rate	0.22	0.26	0.22	0.26
Controls	Y	Y	Y	Y
Fixed Effects for Job ad	Y	Y	Y	Y
Observations	3,735	3,739	3,735	3,739
R-squared	0.786	0.787	0.786	0.787

Robust standard errors, clustered at the resume level, in parentheses. Regressions include a constant term. *** p<0.01, ** p<0.05, * p<0.1

Table 9: The Effect of Cover Letters				
	(1)	(2)		
	Callback	Callback		
	For control resumes	For foreign resume		
Cover = move abroad cancelled	0.0397**			
	(0.0199)			
Cover = stay abroad finished		-0.00700		
-		(0.0165)		
Mean Callback Rate	0.25	0.23		
Controls	Y	Y		
Fixed Effects for Job ad	Y	Y		
Observations	3,752	3,722		
R-squared	0.749	0.751		

Robust standard errors, clustered at the resume level, in parentheses. Regressions include a constant term. *** p<0.01, ** p<0.05, * p<0.1

Panel A: All Industries									
	Main Experiment	Sub Experiment	Difference						
	(n = 7474)	(n = 1980)							
With controls									
Has Foreign Experience=1	-0.0280***	-0.0169	-0.0111						
	(0.0069)	(0.0142)	(0.0140)						
Length of foreign experience	-0.0048***	-0.0034	-0.0014						
8	(0.0011)	(0.0022)	(0.0021)						
	()	(*****)	(****)						
Panel B: By Firm Industry									
	Main Experiment	Sub Experiment	Difference						
Has Foreign Experience=1	1	1							
With controls									
Admin	-0.0120	0.0119	-0.0239						
	(0.0128)	(0.0266)	(0.0248)						
	()		()						
Construction	-0.0453***	0.0012	-0.0465						
	(0.0163)	(0.0348)	(0.0334)						
			()						
Finance	-0.0306*	-0.0263	-0.0043						
	(0.0172)	(0.0321)	(0.0327)						
	()		()						
Sales	-0.0429***	-0.0668*	0.0239						
	(0.0154)	(0.0350)	(0.0342)						
	,		()						
IT	-0.0126	-0.0146	0.0020						
	(0.0150)	(0.0317)	(0.0291)						
		· · · ·							
Length of foreign experience									
With controls									
Admin	-0.0025	0.0026	-0.0051*						
	(0.0020)	(0.0042)	(0.0029)						
		· · · ·							
Construction	-0.0081***	0.0029	-0.0110***						
	(0.0026)	(0.0056)	(0.0036)						
Finance	-0.0051*	-0.0071	0.0020						
	(0.0026)	(0.0046)	(0.0038)						
	. ,	. /	. ,						
Sales	-0 0071***	-0.0128**	0.0058						
Sales	(0, 00, 24)	(0.00120)	(0, 004)						
	(0.0024)	(0.0055)	(0.004)						
IT	-0.0018	-0.0044	0.0025						
11	(0, 0023)	(0.0045)	(0.0025)						
	(0.0025)	(0.00-5)	(0.0050)						

Table 10: Comparing Treatment Effects of the Main and Sub Experiment

Robust standard errors, clustered at the resume level, in parentheses. Regressions include a constant term *** p<0.01, ** p<0.05, * p<0.1

Appendix

Table A1: List of Colleges and Universities

For High Quality Resumes: Top 4 Schools

Ateneo de Manila University University of the Philippines

For Low Quality Resumes: The Rest

Abe International Business College Adamson University Ama Computer College Ama Computer University Arellano University Asia Pacific College Asian College of Science and Technology

Central Colleges of The Philippines Centro Escolar University Colegio de San Juan de Letran College of Saint Benilde College of The Holy Spirit Concordia College Dr. Filemon C. Aguilar Memorial College Emilio Aguinaldo College Eulogio Amang Rodriguez Institute Of Science and Technology FEATI University Far Eastern University Holy Angel University Informatics Computer Institute Informatics International College International Electronics and Technical Institute Jose Rizal University La Consolacion University Letran College Lyceum Of The Philippines University Manila Central University Manuel L. Quezon University Mapua Institute of Technology National College of Business and Arts National University New Era University Our Lady Of Fatima University

University of Santo Tomas De La Salle University

Pamantasan ng Lungsod ng Pasay Pamantasan ng Lungsod ng Pasig Pamantasan ng Lungsod ng Maynila Perpetual Help College of Manila Philippine Christian University Philippine Normal University Philippine School of Business Administration Polytechnic University of the Philippines Rizal Technological University Saint Joseph's College of Quezon City San Beda College San Pablo Colleges San Sebastian College St. Joseph's College of Quezon City St. James College Of Quezon City St. Paul College

Systems Plus College Foundation Systems Technology Institute Taguig City University Technological Institute Of The Philippines Technological University of the Philippines Trinity University Of Asia

Universidad De Manila University of Caloocan City University of Makati University of Perpetual Help University of San Carlos University of The East University of Manila University of Perpetual Help University of the East

Note: The top 4 schools in the Philippines (Ateneo, La Salle, UP, and UST) are considered as elite universities in the Philippines. They are more commonly known as "The Big Four." The four are the only schools to consistently rank among the top 800 in the QS World University Rankings.

Table A2: Robustness Check of the Effect of Foreign Experience on Caliback Rates							
	(1)	(2)	(3)	(4)	(5)		
	Callback	Callback	Callback	Callback	Callback		
	OLS w/o FE	Probit	OLS w/ FE	Main only	Only 1 job ad		
Has Foreign Experience=1	-0.0278***	-0.0280***	-0.0280***	-0.0278***	-0.0335***		
	(0.0101)	(0.0101)	(0.0071)	(0.0074)	(0.0099)		
Controls	Y	Y	Y	Y	Y		
Fixed Effects for Job ad	Ν	Ν	Y	Y	Y		
Observations	7,474	7,474	7,474	6,866	3,746		
R-squared	0.007		0.639	0.639	0.641		

Table A2: Robustness	Check c	of the	Effect	of Foreign	Experience	on Callback Ra	ates

Robust standard errors, clustered at the resume level, in parentheses. Regressions include a constant term. *** p<0.01, ** p<0.05, * p<0.1