



International
Growth Centre

International Growth Centre
London School of Economics and Political Science
Houghton Street | London WC2 2AE
United Kingdom

www.theigc.org | @The_IGC

IGC Project Proposal Form

Please save this form as a Word document

**Please note that any missing information on this form could lead to delays if your project is funded.*

Please attach any tables and charts to your email in a separate Word document.

1. Project Title: Estimating the Comprehensive Returns to Indian Migration to the United Arab Emirates

2. Project Dates

Start Date (DD/MM/YYYY): 01/05/2015

End Date (DD/MM/YYYY): 31/03/2017

3. Researchers

Name(s), affiliation(s) and email address(es) of the Principal Investigator and the co-investigator(s).

*Please note that there is a separate section following this for "Additional Participants," which includes Research Assistants (RAs) and other consultants.

Principal Investigator: (Required)

First Name: Yaw Middle Name: Surname: Nyarko
Institution Affiliation: NYU and NYU Abu Dhabi
Email Address: yaw.nyarko@nyu.edu Phone Number: 12125330202 Address:
New York University in Abu Dhabi, P.O. Box 129188, Abu Dhabi, U.A.E.

Co-Investigator(s):

First Name: Suresh Middle Name: Surname: Naidu
Institution Affiliation: Columbia University and National Bureau of Economic Research (NBER)
Email Address: sn2430@columbia.edu Phone Number: 212 854 0027 Address:
420 W 118th street, New York, NY, U.S.A.

Co-Investigator(s):

First Name: Shing-Yi Middle Name: Surname: Wang
Institution Affiliation: University of Pennsylvania Wharton
Email Address: sywangwas@wharton.upenn.edu Phone Number: 1-215-898-7652
Address: 1456 Steinberg Hall, 1620 Locust Walk, Philadelphia, PA 19104 U.S.A.

Other Investigator(s):

DIRECTED BY



The IGC is Directed by the London School of Economics and Political Science (LSE) and the University of Oxford. The LSE is a charity and is incorporated in England as a company limited by guaranteed under the Companies Act (Reg. 70527).

FUNDED BY





**International
Growth Centre**

For each additional co-investigator, please give their names, institution affiliations, email addresses, phone numbers, and addresses.

DIRECTED BY



FUNDED BY



4. Management Body

Will this project be managed by an institution or an individual researcher?

** Only check one box. Please see p. 1 of "Directions for Applicants".*

Please note that the IGC Research Programme is unable to offer research funding for individual contracts. Therefore proposals for individual contracts would only be eligible for funding from the Country Programme.

Institution

Individual

If the project will be managed through an institution, please indicate the institution here and provide contact details for the signatory on the contract.

Please give the full, legal title of the registered legal entity for clarity and contracting purposes.

**The IGC and its Country Offices do not count as managing institutions. Note that the signatory may not be a researcher on the project. Exceptions are only made for very small organizations. Please email igc.research@lse.ac.uk with questions.*

Institution Legal Name: New York University

Institution Address: 665 Broadway, Suite 801, New York, NY 10021-2331, U.S.A.

Institution Phone Number: 1-212-998-2121

Institution Signatory:

First Name: Nancy Middle Name: S. Surname: Daneau

Signatory Title: Director, Office of Sponsored Programs
osp.agency@nyu.edu

Signatory Email:

5. Research Theme

Please choose one IGC research theme that is more relevant to your project.

While some proposals may fit into more than one of these four themes, please choose one theme that is most relevant to your research topic.

Firm Capabilities

6. Country Focus

Please indicate which IGC partner country (if any) will be the focus of this project.

If the focus is a non-IGC partner country, please select “Other” and identify the country below.

If there are multiple focus countries, please list them in order of relevance.

Country 1: India (Central)

Country 2: India (Bihar)

Country 3: No Country in Particular

If Other, please specify the countries:

We strongly recommend researchers discuss their proposals with the relevant IGC partner country team. Proposals supported by the partner country team have a higher probability of success.

Have you discussed this proposal with the partner country team? Yes

7. Research Aim and Objectives

Briefly state the main research question(s).

**Note that this section is restricted to 500 words.*

We aim to measure the impact of guest worker migration from India to the UAE on comprehensive well-being using a randomized design implemented by the United Arab Emirates Ministry of Labor together with 4 major GCC construction companies. In addition to estimating the earnings returns, we can also examine the broader well-being of workers in terms of their subjective happiness and other dimensions of well-being beyond earnings.

The construction companies will over-sample workers by identifying larger numbers of qualified workers than they have permits (visas) to hire. This allows us to us to randomize from among those who have applied to be migrant construction those who will meet the target number of workers of the company and thereby go to the UAE. The remainder will be randomly chosen qualified workers not going to the UAE because of visa quota restrictions, but otherwise similar to those who left for the UAE. We expect to have 2800 workers in our pool - 2000 will go to the UAE (which is the



International Growth Centre

maximum the firms can send because of quotas) and 800 who are equally qualified but can not go because of the quotas. The workers sent to the UAE will also be randomized into a construction skills training program. We will run followup surveys after 6 months and 2 years, and will link the migrants to detailed administrative data on earnings, productivity, remittances, and retention.

The randomization will allow us to address the problem of selection in estimating returns to migration. Individuals who decide to migrate may be positively selected and this can create an upwards bias in the returns to migration in simple comparisons of individuals who migrate with those who do not, but randomizing among the pool of individuals who apply for UAE jobs and have been selected as qualified to go by UAE firms will remove this selection problem.

However, even if the selection issue is addressed, the jobs may have very different amenities such that the higher wages after migration reflect a compensating differential. We will measure other aspects of job amenities, and have non-wage measures of well-being, that will also us to estimate the degree to which higher earnings in the UAE reflect a compensating differential for job amenities or other aspects of an international job including separation from family.

We will also randomize the assignment of workers to dorm rooms during a short training program. This will create random variation in the social networks of individuals, and we can see whether changing their social networks alters their outcomes, including productivity, earnings, retention, and well-being.

DIRECTED BY



FUNDED BY



8. Stakeholder Demand and Project Influence

Does this project build on a previous project?

No

Yes

If yes, what was the title of previous project and how did it generate demand for this current project?

**Note that this section is restricted to 500 words.*

In our previous work "Worker Mobility in a Global Labor Market: Evidence from the United Arab Emirates" we estimated the degree of monopsony power created by restrictive visa systems in the Gulf. An open question, however, was the shape of the labor supply curve for migrants in the source country. Our estimates suggested that firms had some degree of market power even vis-à-vis source country migrants, and the recruitment process was a black box to both us and the literature as a whole. Thus, our project builds on our previous work, but focuses on the recruitment process and the impact of migration on those who move as compared to those who do not rather than solely on the impact of host country policies on the outcomes of migrants.

Please explain how this project is linked to the IGC's goal to promote sustainable economic growth in developing countries. In particular, please detail if this project will address existing growth constraints.

**Note that this section is restricted to 500 words.*

Migration from poor to rich countries offers some of the largest income gains for the global poor. International labor markets are increasing in importance as there is growth in the degree to which firms outsource to countries where labor is cheaper and recruit workers from other countries. These global labor markets are important for the profitability of firms as well as for the livelihoods of workers, who may be able to find much better opportunities by migrating to other countries or by working for multi-national firms. Our research will help understand some of the constraints to international migration.

Please describe the demand for this research. This could include specific requests from policy-makers or general expressions of interest from global or local stakeholders.

**Note that this section is restricted to 500 words.*

In addition to the academic contributions of this research, these questions are extremely important for policy making. Many have argued about the importance of migration to some states in India, for example Kerala. The treatment of workers from India to the UAE is a potentially major political issue in India itself. The UAE ministry of labour is interested in this research, as are organizations such as Human Rights Watch as well as western institutions that have employed migrant labor in the UAE. Media reports focusing on migrant labor in the UAE and in other Gulf countries focus on the long hours and harsh working conditions. Human rights organizations call for more rights and protections for workers (Human Rights Watch 2013), while some economists highlight that more rights and protections may mean fewer migrants being hired (Posner and Weyl 2014). The latter viewpoint emphasizes revealed preference; workers continue to choose to migrate to these opportunities. Our research will provide the first quantitative estimates of the potential trade-off between higher earnings and the measures of happiness and well-being. Furthermore, we will examine how specific firm policies may affect the productivity and well-being of workers.



International Growth Centre

If relevant, please describe the way in which you are planning to engage with policy stakeholders, including government actors, the private sector, civil society organisations or any other relevant bodies.

**Note that this section is restricted to 500 words.*

Our project is in conjunction with the UAE Ministry of Labor. They are interested in the interventions that we are proposing and we will present the findings of our research to them.

This project is likely to be of interest to policy-makers in India who may be interested in promoting international migration and/or ensuring that Indian migrant workers in the UAE are appropriately treated. We would be interested in providing presentations of our results to interested policy-makers in India as well.

DIRECTED BY



FUNDED BY



9. Academic Relevance

Please explain how this project will build on previous research and how it will push the frontier of existing knowledge.

** Note that this section is restricted to 500 words.*

International labor markets are increasing in importance as there is growth in the degree to which firms outsource to countries where labor is cheaper and recruit workers from other countries. These global labor markets are important for the profitability of firms as well as for the livelihoods of workers, who may be able to find much better opportunities by migrating to other countries or by working for multi-national firms.

Our analysis seeks to understand better the cross-border matching process between firms and workers. In particular, we want to answer two key questions. First, we want to estimate the returns to migration for Indian workers. Previous research on this topic has used visa lotteries to estimate the impact of international migration on household outcomes (Gibson, McKenzie and Stillman 2011) and firm outcomes (Doran, Gelber and Isen 2015). Our analysis will use a direct randomization method among workers ex ante identical. Our analysis contributes to the literature in several ways. In addition to looking at earnings outcomes as previous studies have done, our surveys will include non-financial measures of well-being, including the subjective and evaluated happiness of the migrants. Furthermore, the context of our research is quite different. The prior research on visa lotteries are focused on fairly high skilled immigrants who can migrate with their families and have the opportunity to become permanent residents in the host countries. In contrast, our analysis is focused on lower skilled migrants, who travel without their families, and have no opportunity for citizenship in the UAE. Our design enable us to studying a large number of workers and directly and cleanly answer the returns to going away to UAE versus staying in India.

An important issue related to the returns to migration is to what extent the higher wages migrants receive are compensating differentials for location and job disamenities. These disamenities include social distance from friends and family, few opportunities for consumption, human capital accumulation, or leisure, health, risk of injury or death, and physical exertion. Thus, our project builds on the existing literature on compensating differentials, but to our knowledge, we are the first to try to estimate the degree to which wage differences associated with international migration can be explained by compensating differentials.

Our second research question examines how policies that firms put into place affect the well-being, productivity and retention rate of the workers. We will focus in particular on the assignment of workers to their dormitories during a short training program, which can have long-lasting effects on the social networks of these workers during their time in the UAE. This type of policy is relevant for migrant workers in many contexts as migrant workers are often housed in employer-provided dormitories. An existing literature has examined residential peer effects in the context of dorms (Sacerdote 2001) and neighborhoods (Bayer, Ross and Topa 2008). Sacerdote (2001) finds peer effects in college major choice and GPA while Bayer, Ross and Topa (2008) find peer effects in place of work. Our research would contribute to this literature by examining new more detailed labor market outcomes: retention rate of workers, measures of their well-being and productivity. Furthermore, the context is quite unique where we are examining the impact of temporary housing assignments on social networks. While the housing situation that we examine is temporary, it may have very long-lasting effects in a context where social interactions are fairly constrained; in the UAE, migrants work long hours and live in dormitories where their interactions with migrants at

other labor camps within the UAE may be quite limited outside of the networks formed during this period

10. Design

Please provide detail on the proposed research design, method and context of the project. Please include information on planned surveys, any use of external providers, and research assistants.

Attach any charts, graphs, etc. in a Word document attached to your submission email.

**Note that this section is restricted to 1500 words.*

The PI is currently on the research steering committee of the UAE ministry of Labor. The PI and Co-PI's have completed a major work involving close collaboration with the UAE Ministry of labor for internal data to measure the impact of the 2011 reform which ended the Notice of Consent provisions of the UAE "Kefala" labor laws. As a committee member the PI has significant advisory role involvement in research involving a global recruiting firm and 4 of the largest construction firms in the UAE. We are partnering with the global recruiting firm, which helps match workers in India with large construction firms in the UAE. The firm has agreed to implement two key interventions. First, there are many more workers in India who want to migrate to the UAE than job openings, which are restricted by visa quotas from the UAE. We have agreement from the firms to oversample and provide a list of qualified applicants larger in number than the quota of workers they have. The firms do this normally as a part of their business practice as there is always attrition from workers who are chosen in India but for one reason or the other back out and do not leave for their jobs in the UAE. Our work with the firms will be to have them do this oversampling in a systematic manner. Thus, among a pool of applicants that are screened as acceptable candidates for construction jobs in the UAE, we will be able to randomly select a subset that will go to the UAE to the company within a month (treatment group). The remaining individuals will comprise the control group; we cannot exclude them from migrating to the UAE (or to another country) with another firm. We will not and can not restrict them from either re-applying to the same or another job or going to the UAE. We will get our identification of effects through the natural process of delay in finding a new job of those applicants in excess of the UAE quotas allowed but otherwise identified to be equally qualified as those who left for the UAE immediately. Many of this latter group we expect will be in India for at least 6 months, and some probably for longer.

The second stage of randomization is among the set of workers who the recruiting firm will train for three weeks prior to departing India. We will randomize the assignment of these workers into their dormitory rooms for the time frame of training. This will allow us to vary the social networks that individuals have access to when they begin work in the UAE. In particular, there will be three types of rooms – one in which all of the roommates are very diverse in terms of caste and region of origin, one in which all of the roommates are very similar in terms of caste and region of origin, and finally a group that is fairly evenly mixed. The way it currently works, workers coming to the training are assigned to rooms in a haphazard and fairly random manner, occasionally on an ethnicity or language basis. Our work will put structure to the randomization, enabling us to randomly assign some to high entropy rooms (places with high diversity) and those with low entropy using the dimensions mentioned earlier. This enables us to determine the importance of initial social network structure on future outcomes - on measures related to training, learning and social well-being and the standard happiness indicators.



**International
Growth Centre**

We plan to conduct a mid-line survey at 6 months and an end-line survey after two years. This will occur in India and in the UAE. We will combine our survey data with administrative data from the firms (on hours, earnings, promotions, sick time, vacations) and administrative data from the Ministry of Labor (on outcomes including transferring to another firm without the UAE and leaving the country entirely).

DIRECTED BY



FUNDED BY



11. Budget

Please provide an approximate budget, in **Great British Pounds (GBP)**. Please give expenditure details for different budget line items using the categories provided below.

**If you have not yet identified Research Assistant candidates, please give a role description and an estimate of their start and end dates. Please note that all fees must be costed at a fixed daily rate. [For more information](#), please refer to the 'Directions for Applicants'.*

Budget Line Item				
Fees	Name	Number of Days	Daily Rate (£)	Total (£) <i>(per person)</i>
(i) Principal Investigator(s)				£
(ii) Research Assistant(s) <i>(Please list number of people, daily rates, and (if possible) RA names or role descriptions)</i>	Nitin Krishnan (a UPENN graduate student)			£0
Expenses	Detailed Description of Item <i>(Please note which PI will be reimbursed for each expense)</i>	Number of Days or Units	Daily Rate or Unit Cost (£)	Total (£) <i>(per line)</i>
(i) Cost of survey, Experiment, or Field Work <i>(Please note if this will be done by an external firm, and if so, who)</i>	Mid-line (at 6 months) and end-line (at 2 years) of treatment (in UAE) and control (in India). This includes translation, and fielding the survey and a small compensation (such as phone minutes) for the time to take the survey. The baseline is being done by survey firm.	5600	15.44	£86474
(ii) Subscription/Purchase of data <i>(only for the purpose of the project)</i>				£
(iii) Travel: International, Domestic transportation <i>(flights, etc.)</i>				£
Accommodation <i>(per person traveling and per day)</i>				£

Subsistence <i>(per person per day of travel)</i>			£
(iv) Miscellaneous expenses <i>(This category should be direct expenses not captured in the above lines. Please specify items, e.g. books, etc.)</i>			£
(v) Overhead <i>(Only if managed by an institution and not to exceed 15% of all direct costs specific to the project. Overheads typically cover the institution's IT infrastructure, insurance costs, electricity, etc.)</i>	15 %	Sub-total without overhead: £86474 Overhead amount: £12971	
Requested Total Budget:	£99446		

If this is an application for co-funding, please also outline other organisations you have applied to, amounts and the status of these applications.

Organization	Funding Amount (GBP)	Application Status
	£	
	£	
	£	
	£	

12. Timeline of Outputs

Please provide details on the project timeline, deliverable outputs, and a rough forecast of when the requested budget above will be required. Most projects have 2-4 outputs, depending on project length. As part of the IGC's goal to bridge the gap between research and policy, we strongly encourage researchers to include an IGC Blog Post as a project output.

If funded, this will help **determine the project's funding timeline in the contract**, so please be as accurate as possible. Any missing or incorrect information in this section will lead to contracting delays if your project is funded.

*Please note that the last 20% of funding can only be released upon delivery of the final project output.

*Also note that the IGC is currently unable to contract projects beyond the end of its Phase 2 funding (31 March, 2017).

Project Outputs	Output Deadline Date (DD/MM/YYYY)	Total (GBP)	Expected Percentage Share of the Budget
Progress Report 1	30/10/2015	£39778	40%
Progress Report 2	30/05/2016	£39778	40%
Academic Paper	30/10/2016	£19889	20%
Please Select		£	Please Select
Please Select		£	Please Select
Please Select		£	Please Select
Please Select		£	Please Select
Please Select		£	Please Select
Project Total:		£99446	%100



**International
Growth Centre**

13. CVs

Please attach to this document the CVs or resumes of **all people** participating in the project. This includes all Principal Investigators, Co-Investigators, and Research Assistants (if identified). CVs are used both to assess applications and, if selected for funding, contracting projects.

*Please keep all CVs **below 2 pages**, and save them in the format “**lastname_firstname.pdf**”

DIRECTED BY



FUNDED BY





International
Growth Centre

14. London School of Economics and Political Science's Terms and Conditions

Posted with this form are the London School of Economics and Political Science's Standard Sub-contractor Terms and Conditions for the International Growth Centre (IGC).

Please read these Terms and Conditions and, if your project will be managed by an institution check them with your institution's research department.

Please note that amendments to these terms and conditions are only agreed to in exceptional circumstances. The IGC may have separate terms and conditions pre-agreed with some institutions. Please email mail@theigc.org if you have any questions or concerns about the terms and conditions.

Please note that post-award discussions about these terms and conditions may substantially delay project contracting. A copy of these terms and conditions will be sent to all successful project applicants with their contracts.

By submitting this project proposal form, you are acknowledging that you have read these terms and conditions, and agreeing that all individuals working on this project and, if applicable, institutions managing this project agree to the London School of Economics and Political Science's Standard Sub-contractor Terms and Conditions for the IGC.

DIRECTED BY



FUNDED BY



15. IGC Terms and Conditions

Research Ethics and Human Subjects

The International Growth Centre (IGC) has to ensure that all its projects are compliant with human subjects' regulations. Most established research establishments will have such regulations in place to make sure that any human subjects' part of research work, for instance survey respondents, are treated ethically.

If your project is managed by an **institution**, by submitting this application form you are agreeing that, if your application is successful, you will comply with the human subjects' regulations of your managing institution and are able to provide these regulations upon request.

If your project is managed by an **individual** researcher, by submitting this application form you are agreeing that, if your application is successful, you and your research team will comply with the human subjects' regulations of your affiliated institution(s) and are able to provide these regulations upon request.

By submitting this project proposal form, you are acknowledging that you have read these terms and conditions, and agreeing that all individuals working on this project and, if applicable, institutions managing this project agree to the IGC's Terms and Conditions Research Ethics and Human Subjects.