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Timeline
2016-2019

Sample Size
14 sites, 2,500 households

Research Implemented by IPA
Yes

Getting Connected: The Impact of Mobile Phone Connectivity in the Rural Philippines

Abstract

Despite the rapid global expansion of mobile phone coverage, many isolated, rural communities do not have connectivity. In the Philippines, researchers are evaluating the impact of installing cellular towers and providing free SIM cards for mobile phone use on communication activity and frequency, social ties, access to information, migration and labor market outcomes, bargaining power and market prices, and income and employment decisions.

Policy Issue

Despite the rapid expansion of mobile phone coverage throughout the world, roughly 10 percent of the world's population lives beyond the reach of a cell tower.[1] Since commercial operators do not see isolated and relatively poor communities as commercially viable, providing them with mobile phone connectivity––and associated phone-based digital financial and information services––requires innovative technological solutions. Without mobile phone connectivity, people in these communities have a harder time learning about employment

opportunities, including working for wages and where to sell agricultural products. They also have difficulty receiving remittances from their outside family and friends, whom they are unable to contact in case of financial emergency. While previous research suggests that access to mobile phone technology strengthens social ties, increases access to information, and improves economic outcomes, rigorous evidence is still somewhat limited.

Context of the Evaluation

While mobile phones are widely used in the Philippines, some isolated, existing commercial mobile phone operators have not reached some rural areas. Initial field visits to villages in Aurora province on the island of Luzon indicated that many households already own mobile phones, which they primarily use for entertainment (e.g. playing games and listening to music). Most people in Aurora province rely on subsistence agriculture and many receive remittances from outside family and friends. To place calls or send texts, residents must travel outside of their villages, typically several hours away. Currently, people in these villages get news and information primarily from radio stations and satellite television.

Details of the Intervention

Researchers working with IPA have partnered with a team of researchers at the University of the Philippines that designs, tests, and deploys rural mobile phone technologies. They are conducting a randomized evaluation to test the impact of installing cellular towers and providing free SIM cards for mobile phone use on communication activity and frequency, social ties, access to information, migration and labor market outcomes, bargaining power and market prices, and income and employment decisions.

Researchers have randomly assigned 14 sites in the northern Philippines to two different groups:

1. Sites that receive cellphone towers, and the residents of these sites receive free SIM cards; and
2. Sites in the comparison group, which do not receive cellphone towers or free SIM cards at the time of the study.

The research team conducted an initial survey in 2016 and will conduct a follow-up survey in 2019 to evaluate the impact of the intervention.

Results and Policy Lessons

Study ongoing; results forthcoming.

Sources

[1]GSMA Intelligence. 2015. “Rural coverage: Strategies for sustainability.” https://www.gsmaintelligence.com/research/?file=53525bcdac7cd801eccef740e001fd92&do

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