

Discussion about Le Goff and Salomone

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Summary.

- ▶ The paper covers some strands of the literature involving migrants' remittances.
- ▶ 3 questions: (1) determinants of the amount of remittances, especially regarding education and gender; (2) impact of remittances on inequality in recipient countries; (3) impact on growth.
- ▶ The paper also covers the issue of data availability and provides an econometric analysis of the determinants of bilateral remittances.
- ▶ I will comment mainly on the econometric analysis.

Pooling assumption.

- ▶ Maybe you should discuss the poolability of the data combining 5 different sets of remittance data.
- ▶ The good thing is that you have FEs for type of dataset. But I expect heterogeneous coefficients.
- ▶ A key element would be to know what are the remittance data that have been filled up by econometric estimation → in datasets with a significant share of predicted cells, you will most likely replicate partly the used gravity model.

Choice of the fixed effects.

- ▶ You include monodic fixed effects only. Why?
- ▶ I would provide some robustness checks with a more complete set of fixed effects.
- ▶ For instance I would include *ij* fixed effects

Endogeneity

- ▶ Analysis subject to endogeneity due to some omitted factors.
- ▶ One omitted factor: cost of remitting (see Beck and Peria, 2006 using WB data; see also Beine, Lodigiani and Vermeulen, 2011).
- ▶ Cost of bilateral remittances negatively correlated with diaspora. → bias
- ▶ 2 solutions : (1) Instrumenting diaspora. But likely that costs is correlated with other factors. (2) Including costs of remitting (for subsample) and see whether results are robust. See www.remittanceprices.org.