

Review of the Doctoral thesis submitted by Maksim Yemelyanau by Tom Coupé

The thesis submitted by Mr. Yemelyanau consists of three papers, which each provide interesting information on different aspects of the Belarusian economy. Given the lack of in-depth studies on Belarus, this thesis is a welcome addition to the economics literature. I am convinced that together these papers do warrant a thesis defense and can successfully be defended, though I do believe that this thesis can easily and quickly be improved and I would recommend such improvements to be made before this thesis is accepted for defense. I provide below detailed comments for each chapter, together with some suggestions for improvement.

Chapter 1: Inequality in Belarus from 1995 to 2007

This paper is clearly the most polished paper of the three papers submitted and I have little to add to it. I have one main concern. On p. 18, the following is written

“The first graph compares the actual distribution of income of Belarusians with the counterfactual distribution (if Belarusians were Ukrainians). The counterfactual density has lower mean and higher dispersion, meaning that if Belarusians were Ukrainians, they would have lower income, but higher income inequality (what we do observe in reality). The second graph compares the counterfactual distribution for Belarus with the actual distribution for Ukraine. The two densities are much closer than on the first graph, meaning that the differences are mainly due to different betas (government and labor market conditions) than to different z’s (demographic and other characteristics).”

It took me a lot of time and effort before understanding this conclusion, which I think is caused by the statement ‘if Belarusians were Ukrainians’, which can be interpreted both as ‘if Belarusians had the same demographic characteristics as Ukrainians’ as well as ‘if Belarusians were living under Ukrainian circumstances’ – if the first interpretation is true, the conclusions the author makes look wrong, so I assume he means the second interpretation. I would recommend to author to make the meaning of ‘if Belarusians were Ukrainians’ more explicit.

Chapter 2. Second agriculture in Belarus and Ukraine: subsistence or leisure?

p.2 I would suggest to replace, in the below sentence ‘same initial conditions’ by ‘similar initial conditions’

“A case in point is the comparison of Belarus and Ukraine, two countries that have tight economic, historical and cultural links and have started their transition from the same initial conditions”

P 3. I don’t see how figure 1, which shows a similar decline in Belarus and Ukraine, ‘suggests otherwise’. I also do not understand how the last part about correlation is related to figure 1.

“These differences would imply that the second agriculture plays different roles in Belarus and Ukraine³, providing more of consumption-smoothing insurance in Ukraine, where social safety nets are less comprehensive. Surprisingly, the general evolution of the share of urban households that use small land plots suggests otherwise.

Figure 1 here

... However, for the poor the effect of social transfers on SLPs is different: in Ukraine the correlation is negative, meaning that SLPs are used as a substitute for the gaps in the social security. In Belarus it is positive, implying that the poor use the income from SLPs to complement other sources of income, and for leisure.”

P. 5. It would be nice if the literature review is ended by an explicit statement of how this chapter fits in and adds to the existing literature.

P. 7 I don’t understand why pensions should or is ‘targeted’ towards the poor.

“The social support in Belarus was not adequate during this time, though it was better targeted on the poor than the pensions.”

p 9. The author writes first about households but then says that “I estimate the following model for all city-dwellers older than 18 years old in Belarus and Ukraine” which suggest an estimation on the individual rather than the household level – so can several individuals of the same household be included?

P 10 – The author writes: “Many characteristics of the household, e.g. the number of children or the number of earners, are correlated with the social transfers and other income variables, so they have to be excluded.” This needs further explanation.

P 10. The variables in table 1 and 2 need to be explained. Now these tables have the variable ‘Male HH’ and ‘Male’, ‘age of the HH’ and ‘age’, and education of the HH and education. So the question is who is this second person? This is probably related to the mixing of household information and individual information, but this needs to be made much more explicit than it is now.

Second, for probit estimates, coefficients are not the same as marginal effects – the table should indicate what is given in these tables, coefficients or marginal effects. And the text should have a discussion on both the size of the effects and the signs of the effects – now all focus is on significance levels but nothing is said about the size of the effects.

p. 11-12.

I think the conclusion that “*My overall conclusion would be that in Belarus SLPs are more of a leisure than a consumption smoothing mechanism, even for the poor.*” is hard to reconcile with the earlier statement that “*in the 1990s in Belarus up to 60% of the food consumption of the households in the bottom quintile (almost 75% for the bottom decile) was covered by the crop from the small land plots (for those households who have SLPs). By the middle of 2000s this share became twice lower. For the richest quintile, it went down from 50% to almost 20%.*”

Even if only 20 % of your food consumption comes from this activity, it is hard to say that this activity is leisure as the savings one can achieve by this activity are substantial. Even more so if half of all your food comes from this source.

P 12 – I think the author means the correlation ‘with’ rather than ‘of’ in the below sentence: “*The correlation of wages, self-employment income and pensions is negative in both countries, while for social support and assistance from relatives and friends in Belarus it is positive, again implying that there SLPs are not used as a substitute to social security.*”

p 13 – I think it would be good if the author would rephrase the conclusions – not only because it is problematic to say SLPs are just leisure – as mentioned above, in my eyes, the economic impact on the family budget is too high for that. I also do not understand how the absence of state support can be a reason that people do not use SLPs for consumption smoothing. I also do not understand how this paper can say anything about the efficiency of subsidies to the poor to run SLPs.

“*Compared to Russia, where government transfers did not play a significant role in the 1990s because of payment arrears, but whose targeting was improved during the crisis, in Belarus the poor did not get much help from the state in 1998-1999 (this could be one of the reasons why they did not use SLPs for consumption smoothing) and in Ukraine the state was virtually absent at all. Paying state subsidies to the poor who run their SLPs could be an efficient way to help*

them cope with the crisis, as this assistance will provide them with both occupation and insurance of their food consumption.”

Chapter 3: Evidence from the Chernobyl accident: the effect on schooling, labor market and health outcomes in Belarus.

I think that out of the three papers this is the paper with the highest publication potential but at this point, some sections seem to have been written in haste – it feels a bit as if the authors were a bit disappointed with their findings and hence decided not to present their results in detail, which I think is a pity.

P 10 – the data section has lots of details on the education variable but no details on the labor market outcomes or the health outcomes.

P 12 – now the equation is specified in a way that one looks at the current place of residence and the fallout in that region. I have two questions – does fallout vary by year? Now there is a subscript t on the fallout variables. Later on p 13 there is no time subscript anymore. Second, would it be possible to look at the residence at the year of the accident? That should be the more appropriate variable – if there is a variable about where people were born that would probably be a good proxy. It would also be great if it would be possible to obtain a finer geographic disaggregation than oblast level. Is there any data that can show to what extent variation in radiation within an oblast is limited?

P 13 – cannot β_2 be considered as the coefficient that captures the psychological effect of Chernobyl? The young suffer more from the real effects of radiation as they are more vulnerable but the older are more vulnerable to psychological effects as they were more aware of what happened at the time of the accident.

P 13 -14 – in this paper, marginal effects are given in the tables but again no discussion of the size of the effects is provided in the text.