

Essays on International Migration
Zvezda Dermendzhieva
Ph.D. Dissertation

Review

January 2010

Dear Members of the Dissertation Committee,

thank you for the invitation to review the Ph.D. Dissertation Thesis of Ms. Zvezda Dermendzhieva. With great pleasure I have read it thoroughly and now I am ready to provide you with an evaluation of the thesis, as well as with a recommendation on whether Ms. Dermendzhieva should (or should not) be granted a Ph.D. defense and eventually be awarded a Ph.D. degree based on this Thesis.

The Thesis fits into a larger stream of Economic literature on the causes, scope, scale, and effects of international migration. This literature has for many reasons traditionally focused somewhat more on the receiving than sending countries; and perhaps more on the effects on the native populations than the migrants themselves, or on their left-behind families. In this respect this Thesis complements the existing literature by focusing on migrants and their families from the sending countries that have received relatively little attention until recently and yet are very relevant for the scientific and policy discourse in the EU especially in view of the possible further EU enlargement: Western Balkans (Albania) and the Caucasus (Armenia, Azerbaijan, Georgia).

The thesis' main contribution, in my view, is that it provides a rigorous empirical analysis of the significant migration flows that originate from these countries, and evaluates their impact on the labor supply and related decisions of the stayers, i.e. people who decide to stay in the source countries. There are at least three pillars on which the thesis firmly rests: very good data, robust empirical framework, and a sound comparative dimension that enables Ms. Dermendzhieva to provide invaluable scientific insights as well as policy relevant conclusions.

The thesis consists of three Essays:

1. Emigration from the South Caucasus: Who Goes Abroad and What Are the Economic Implications?
2. Migration, Remittances, and Labor Supply in Albania
3. The Labor Market Effects of Out-Migration in EU Accession Countries: The Case of Albania

Critically evaluating these three Essays, there are a few points that Ms. Dermendzhieva could consider in her future work on the studied topics.

As concerns the first Essay, the very well done empirical analysis would benefit from a more structural modeling approach and/or a somewhat more elaborated theoretical argument that would help the reader better understand the tested relationships and hypothesis. In addition, I would suggest to include a clear definition of the household, such that the repercussions of the possible effects of implicit selection into households (whom (i.e. which migrants) do surveyed people (still) consider as household members and whom not) could be better understood and

discussed. Concerning the definition of migrant, it is often the case that “students” are in fact workers. Could one see any differences in the results if migrants who declare educational purpose of their stay abroad are included in the analysis (as migrants)? The results on the effect of age on the migration decision, which seem to be different from what is typically found in the literature, call for further investigation. On another note, it would be desirable to distinguish the gender of the migrants that are measured by the variable “presence of other migrants”. In connection to respondent’s own gender, this would help to disentangle the studied channel of causality from reverse causality caused by tied movers. Another point is what comparative framework is the comparison of migrant and non-migrant households based on. In particular, can one exclude the possibility that migrants are simply high-effort individuals who contribute to household budgets more anyway, i.e. whether they migrate or not? Finally, the smaller numbers of observations in Tables 1.8 and 1.9 need some discussion.

As concerns the second Essay, it would benefit from a discussion of the possibility of sorting into marriage, i.e. could the typical observation that high-effort individuals marry other high-effort individuals interact with the relationship between migration (remittances) and labor supply of the staying spouse? On a more organizational note, the discussion of the LPM model (p. 64) belongs elsewhere, i.e. should have been earlier in the text. The results are in general interesting, and the effect of remittances on elderly males is particularly intriguing. Are these fathers who can afford early retirement if they receive remittances? One sentence explaining why households without migrants can receive remittances would be desirable. Finally, the write up of the conclusions section needs some efforts to improve its clarity.

The third Essay is more on the descriptive and meta-analytical note, but it is very well done and I have no specific comments. Perhaps one suggestion would be to elaborate a bit more on the potential effects of migration on Albanian development and public finance.

To summarize, the presented analysis has a clear potential to be published in refereed journals and Ms. Dermendzhieva demonstrates in her Thesis that she is capable of producing high-quality research in her future career. The Thesis is already now a worthy contribution to the growing literature on migration and its effects on sending countries. Therefore, I am fully convinced that the Thesis warrants a dissertation defense and eventual award of a doctoral degree.

Sincerely Yours,

Martin Kahanec