When the *Manna* Comes from Abroad. Remittances and Youth Labour Market Behaviour in Albania.[*]

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Abstract

Using data from Albanian Living Standard Measurement Study we examine the effect of received remittances on youth labour market participation. Results from OLS estimation suggest the existence of a traditional neoclassical income effect. We control for potential endogeneity instrumenting the received remittances with the per capita number of Money Transfer Operators in each Albanian district in the year before the survey and with the distance from the border. When accounting for endogeneity we find no statistical evidence that remittances, through a traditional income effect, reduce individual labour market participation.

JEL Classification: F22, F24, J13.

Keywords: Remittances, Youth Labor Market Participation.

1 Introduction

This paper investigates the role of received remittances in determining individual labour market behavior focusing, in particular, on young people who belong to the cohort between 15 and 24 years.

Two main features are common to a lot of developing and transition countries: received remittances and high unemployment rate. The increase in migration flows across countries and the development of financial institutions allowed faster and less expensive money transfers so that remittances flows show a constant upward trend. In the past five years international remittances received by

developing countries have almost doubled becoming a major source of development reaching in 2007 $240 billion, up 107% from 2002 (Dadush, 2008). These figures rely on official data based on annual balance of payments records but they may actually underestimate the real size of the actual flow because they fail to capture all informal money transfers. Workers' remittances represent an increasingly important source of income for many poor families whose relatives have emigrated looking for better employment opportunities. In many poor countries remittances are the first source of external financing: recorded remittances account for two-third of foreign direct investments flows to developing countries and are twice official aids.

Developing countries are also characterized by high youth unemployment rate. In the last decade, youth unemployment has been growing. The highest regional youth unemployment rate can be observed in the Middle East and North Africa (25.7%) followed by Central - Eastern Europe (non-EU) and CIS (19.9%), Sub-Saharan Africa (18.1%), Latin America and the Caribbean (16.6%), South East Asia and the Pacific (15.8%) (I.L.O., 2008). In most regions, on average, youth are nearly three times more likely to be unemployed than adults but in all regions: youth have higher shares of unemployment and inactivity and lower employment shares compared to adults.

In most developing countries, one possible answer to the lack of labour market opportunities is international migration. If migrants are drawn from the pool of unemployed, then migration is beneficial not only for the migrants and for household members left behind, but also for the remaining residence population, as it alleviates pressure on the benefit system, and increase wealth of those remaining behind through remittances.

Therefore, at first glance, remittances are beneficial because of poverty reduction and increased consumption opportunities. However, remittances *per se* do not necessarily imply faster growth or development. Their long-run impact on the economic system's pattern could be both positive and negative depending on how they are used. On the one hand, by increasing household income, remittances could ease financial constraints allowing to invest more in education or to engage in new entrepreneurial activities. However, remittances could also generate a standard neoclassical income effect on labour supply: raising individual reservation wages, remittances could decrease labour supply especially in countries with low labour demand, where finding a job requires intensive search that is huge for young persons. If it is the case, a negative effect could be at work because families could be remittances dependent, relying on transfer from abroad to satisfy their needs[1]. Overall, the long run impact of remittances on economic growth depends crucially on how they are utilized. From an empirical point of view, Adams and Page (2003) in a cross - section study on 74 low and middle - income developing countries find a strong impact of remittances on poverty reduction while Chami et al. (2003) conduct a study on a panel of 113 developing countries and find statistical evidence that remittances decrease

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[1] In the seminal paper Kritz (1981) wrote in a very incisive way: *"Do remittances help the development process or, like a drug dependency, does their existence primarily feed the need of further (more) remittances in the future?"*

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economic growth, both within and between countries.

Our work is related to two main strands of literature. The first one is the literature related to labour market behaviour of non migrants household members. In particular, previous works examined the link between remittances and working decision. Lucas (1987) shows that emigration to South African mines from rural area immediately reduces labour supply and decreases agricultural production but through remittances, investments in farm operations increase agricultural productivity. Funkhouser (1992), using two original data sources finds that in Managua remittances have a negative income effect, reducing individual labour supply but they have a slightly positive effect on self - employment of non - migrants. Rodriguez and Tingson (2001) using household survey data from Manila overseas contract workers find empirical evidence that temporary migration affects both labour participation and hours worked by non - migrants household members: non migrants substitute income for more leisure. Although the magnitude of the effect is different according to the gender, having a migrant in the household reduces the probability to work. Amudeo - Dorantes and Pozo (2006), accounting for the endogeneity of remittances with respect to labour supply, show that in Mexico the effect of remittances varies among females and males and their impact on income is different from urban to rural areas. They do not find that greater remittance income reduce labour effort, but they find that remittances varies the allocation of male labour supply across different types of employment. Instead, in rural areas, the increase in remittaces received reduce women labour supply in informal and non - paid activities.

The second strand of the literature related to our paper is the one of the remittances' use. Considering Mexican migrants, Woodruff and Zenteno (2001) show that remittances represent at least one fifth of the capital invested in microenterprises throughout urban Mexican households. The aim of the paper is to investigate the relationship between received remittances and youth labour market behaviour. Using data from the Albanian Living Standard measurement Survey, we examine the incidence of remittances on individual labour market participation. As far as we know, this is the first paper mainly focused on youth labour market behaviour consequent to received remittances. The data set contains a lot of information about money received from household members abroad. In addition a complete record on labour is collected for all individuals being at least 15 years old. We model individual labour market status through a standard probit model including traditional explanatory variables (individual specific characteristics, household characteristics, geographic characteristics) and a variable capturing whether remittances are received. The potential endogenity of remittances in the basic specification is solved using as an exogenous source of variation available money transfer operators and the cost of sending money home. The key identification assumption is the following: the probability to receive remittances from abroad through formal channels depends on the number of money transfer operators available near receiver's place of residence while probability to receive remittances from abroad through informal channels or *brevi manu* when relatives temporary returns in their home country depends on the distance from the nearest cross border.

Labour market disadvantages of young people are an important policy issue. The delay in the entry into the workforce has severe implications in term of poverty, human and social capital depletion, participation in the informal sector and social stability. It is important to disentangle to which extent youth unemployment is due to lack of opportunities or to a pure income effect reducing the incentive to look actively for a job.

The paper is organized as follows. Section 2 presents some evidence on available money transfer channels. Section 3 gives an overview of remittances and labour market in Albania. Section 4 introduces the dataset used for the empirical analysis that is discussed in Section 5. Finally, Section 6 concludes.

2 Remittances and Unemployment in Albania

Since 1990 Albania faces the big challenge to become a market economy and a more open society passing from totalitarianism to democracy. Starting from extremely low income levels and very poor infrastructure, when the communist regime collapsed in 1991 there were a significant decrease in output and a rise in inflation. The following period of recovery was interrupted in 1997 by the crisis of the pyramid investment scheme and suffered from the social and economic shocks accompanying the Kosovo crisis in 1999 when more than half a million of Kosovo - Albanian refugees arrived in the north of Albania. Despite these shocks, starting from a very low income level, Albanian economy has been able to reach a sustained growth, even though it remains one of the poorest countries in Europe (with GDP per capita at around 1,300 US$). One of the consequences of this transition period has been huge migration flows. However, it is important to underlie that Albania has a long history of emigration stretching back centuries. In particular during the 20th century we can observe three different phases: before 1944, from 1945 to 1990 and from 1990 on.

In the first wave the main destination countries were US and Latin America and almost all the people left the country because of economic push factors, economic factors were the driving force of individual mobility. During this period Albanian governments were almost indifferent towards these migration flows.

In the second wave migration was directed both towards US, Latin America and Australia and towards near countries including Italy, Greece, Bulgaria, Egypt, Romania and Serbia. Albanians left their country for political reasons related to the communist regime. Officially migration was forbidden and punished: political and legal barriers were established, migration was considered a crime.

In the third phase started in 1990 after the collapse of the state - socialist regimes in Eastern Europe. Without control on internal and external migrations, single individuals and entire households started to move internally form rural area towards urban area, and internationally. It is possible to identify three regions that drives migration flows. The north (districts of Diber, Mat,

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Puke,Tropoje) was characterized by both internal and international migration. Internal migration was directed towards central richer regions with the Tirana, Durres, Kruje axis and towards southern regions that although very poor were relatively richer with respect to the north, the poorest part of the country with few employment opportunities, exclusively in agriculture, and low income level. Main destinations for international migration were Italy, Greece, Germany and UK. The Tirana - Durres central area was the main destination for internal migration from all the decentralized Albanian area and experienced a significant outflow towards the main international destinations. In the south of the country (districts of Vlore, Berat, Korce) three quarters of the migration outflow was directed towards Italy and Greece and one quarter moved internally from poor rural area towards urban centers.

A common features of Albanian emigrants is their attitude towards saving. On average, yearly savings for long-term emigrants' families was 5,056 euros in 2002, which amounted to approximately 26.9 percent of their yearly income. A significant part of this saving is send home. The flow of migration remittances increased from $377.9 million in 1994 to $1,161 million in 2005 (Table 1).

Given the weakness of Albania's banking system and the geographic proximity of the destination countries, remittances are sent to the country not only through formal channels but also through informal ones. Nevertheless, in recent years the is an increasing tendency to transfer money through formal channels, because of banking sector reforms and the decrease of emigrants' visits to their families in Albania. Formal channels include Money Transfer Operators (MTOs) and the banking system. MTOs are non-bank financial institutions that guarantee a rapid and reliable way for remittance transfers. Once the remitter started a transaction, the money can be collected by the beneficiary in Albania in a few minutes thanks to software platforms and arrangements for settlement of transactions between originator and distributor agents. The MTO dominating the formal market for money transfers to Albania is Western Union followed by Money Gram that in 2004 started to provide its services in Albania. The choice of the channel depends on several factors (legal *vs.* illegal status of remitter, short *vs.* long term migration, development and efficiency of the banking system) and is characterized by a trade-off between speed of transfer and transaction costs (Table 2, Table 3, Table 4). In general, formal channels are used by legal migrants, long term and more educated migrants, while informal channel are preferred by illegal, short term or less educated migrants.

Albanian families used received remittances especially to afford their daily primary needs and to improve quality of life, to construct new houses or maintain traditional family ceremonies. Only a small part of them are deposited in the banking system and little fraction is invested in real estate, production, and the service or agricultural sectors. Additional income coming from remittances helps to alleviate family poverty, but it does not seem to create new job opportunities through investment, which would in turn boost incomes and thereby possibly prevent new migration flows. If remittances are not are not used as incentives to encourage economic and social development they risk to create dependency.

The transition towards a market economy had significant effects also on

labour market. Like many other transition economies, Albania experienced a huge decline in labour force participation rate. The nature of the Albanian labour market is completely changed after the collapse of the communist regime and the subsequent closure of unproductive public enterprises together with the dismantling of the agricultural cooperatives. In particular the past decade has been characterized by a shift from the public sector toward the private sector and self-employment and by a significant decrease in the number of people involved in agriculture even if the agricultural sector is the most important in terms of employment. Although the unemployment rate is higher in urban areas, there is a significant under utilization of the labour force in rural area. In addition there is a significant gender gap in employment rates that is much larger than in the EU and most other transition economies that is persistent over time and across educational levels. A huge disadvantage in the labour market is faced by young people for which employment rates are lower than those of older age groups. Unemployment, although high, is registering a downward trend: starting from over 22% in the early years of transition, it reaches 14.4 % in 2004.
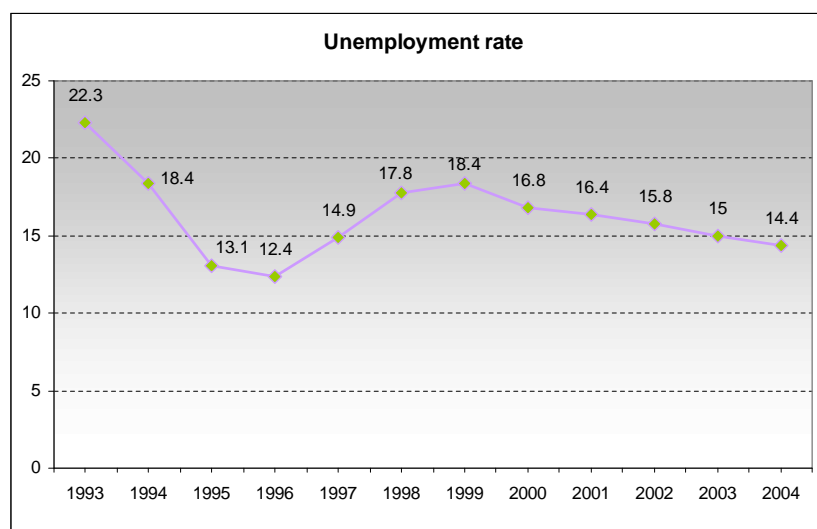
The gap between rural and urban areas is significant: in rural areas unemployment is more than three times lower than in Tirana and about five times lower than other urban areas. Different from employment rate, there is no significant gender gap in unemployment. Data disaggregated by class of age show a strong disadvantage of youth relative to adults

3 The data

The data used for the analysis come from the Living Standard Measurement Study (LSMS) carried out by the World Bank and the Albanian Institute of Statistics (INSTAT) from 2002 to 2004. The LSMS is part of a bigger strategy aimed to improve the data quality in Albania.

For its history as a communist country data in Albania are few and their quality is quite low. According to recent surveys carried out by INSTAT[2], it is crucial to have accurate measures of household welfare in line with well accepted standards in order to monitor trends on a regular basis. Following the Poverty Reduction Strategy Paper, the Government of Albania reinforced its commitment to strengthen its ability to collect and analyze, on a regular basis, the information necessary to inform policy - making through the Population and Housing Census, the Living Standard Measurement Study every three year and the annual panel surveys.

The LSMS was established by the World Bank in the 1980 to explore ways of improving the type and quality of household data collected by government statistical offices in developing countries. The objectives of the LSMS were to develop new methods for monitoring progress in raising levels of living, to identify the consequences for households of current and proposed government policies and to improve communications between survey statisticians, analysts and policymakers. Data are collected on may dimensions of household well - being including employment, income, saving, consumption, migration, education, fertility, housing.

The Albanian panel survey sample was selected from households interviewed on the 2002 LSMS. The selected panel component is designed to provide a nationally representative sample of household and individual within Albania and to minimize the variability in households' selection probabilities.

The sample size for the panel is:

- 1,782 interviewed households (891 urban, 850 rural) and 7973 household members including children aged under 15 in Wave 1 (2002);

- 1,780 interviewed households (2,155 selected households, 375 not interviewed), 900 urban and 880 rural, and 8110 household members including children aged under 15 in Wave 2 (2003). The majority of the non interviewed households (348) were due to split - off moves out of the country while the other 4 had moved but could not be traced;

- 1,797 interviewed households and 7,476 household members including children aged under 15 in Wave 3 (2004), of which 7,212 already sampled in Wave 1 or 2 and 264 new members.

The final sample is composed by 23,748 individuals belonging to 5,356 households, 50. 29 % are male, 49.71 % are female.

The Albanian Panel Living Standard Measurement Study contains a lot of information about monetary transfers received by relatives who migrated both internationally and internally. In particular, first wave recovers a complete his-

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[2] The 1998 Living Condition Survey (LCS) and the 2000 Household Budget Survey (HBS).

tory of all transfers, both in money and in goods, received in the year before the interview from household members migrated internationally or internally. The most knowledgeable household member is asked whether during the previous 12 months the household received any monetary or in kind transfer from people who do not live in the household. In case of positive answer the questionnaire proceeds by asking information about the relationship with the donor, his/ her residence, since when she/he is migrated, the amount transferred and the reason for the transfer. Therefore we conduct our analysis using the 2002 Albanian Living Standard Measurement Survey.

From our sample, we observe that, on average, more than 27% of individuals receive transfers from migrated household members without significant differences between urban and rural areas. According to official balance of payments records, workers' remittances are defined as transfers in cash or in kind from migrants to resident household in their origin country. In our data set, remittances receivers *strictu sensu* are about 23%, the percentage is slightly higher in urban areas than in rural areas, while only 5% of household members gather transfer from relatives who migrate internally (Table 5). In line with the huge outflow of Albanian started from the early 1990s, almost 41% of individuals receive transfers from more than one household member (Table 6). On average, each household receives 104,300 Lek (approximately 1,130$) as monetary transfer, generally speaking, of which 38,250 Lek (approximately 415$) as remittances, while per capita transfer income amounts to 21,100 Lek (approximately 230$) and remittance income amounts to 7,830 Lek (approximately 85$). Monetary remittances account for about one third of household income. Considering also in kind donations, transfers do not vary significantly both at household and per capita level, while remittances increase by 5% at household level and by 6% in per capita terms. Financial assistance is especially given by first relatives, such as children and sisters/brothers, whose prevailing residences are Greece and Italy (Table 7 and Table 8).

Migrants tend to send money home to satisfy a specific need of their household. Transfers are especially used to purchase consumption goods and to satisfy household's basic necessities, in addition they are spend to afford medical expenses, to increase dwelling quality and only a very little part is invested in enterprises or in human capital formation (Table 9).

For what concerns individual labour market behaviour the questionnaire contains information about working experience in the 7 days previous the interview. All household members 15 years and older are asked whether they worked for someone who is not a member of their household or worked on a farm owned by their household or worked on their own account. Considering all sample, there is a significant difference between male and female behaviour in urban and rural areas. More than 50% of individuals reports a work experience: male are more likely to work both in urban and rural areas, but it seems that urban areas are characterized by a more problematic labour market. On average, in urban area individuals tend to work more for non household members than for household members while in the rural area the opposite happens. Considering

young people the cohort between 14 and 25 years[3], data show that on average they work less especially in urban areas. It could be due to the fact that in urban areas individuals tend to study longer but it could be also due to the fact that there is a lack of adequate work opportunities (Table 10 and Table 11).

We define individual labour market status according to I.L.O. standards so that:

- unemployed are people who are (i) without work, (ii) available for work within the next two weeks and (iii) have been seeking work for the preceding four weeks;

- discouraged are people who are (i) without work, (ii) available for work within the next two weeks but (iii) have not been seeking work for the preceding four weeks;

- inactive are people who are (i) without work but (ii) are not available for work within the next two weeks and (iii) have not been seeking work for the preceding four weeks.

In all the sample the fraction of inactive female is higher than the fraction of inactive male one, both in urban and in urban areas, but bigger disadvantages appear in urban areas where more than 42% of individuals are inactive (Table 12). Focusing on younger cohort, the percentage sharply increases (62% in urban areas and 34% in rural ones) (Table 13).

Remittances are associated with an higher rate of inactivity. Table 14 shows that in all sample the fraction of inactive is higher among households having relatives remitting from abroad, however the difference is not so evident among 14-25 years old and, among them, two opposite patterns appear: inactivity is lower for remittances receivers from 14 to 18, while inactivity is higher from remittances receivers from 18 to 25. Some years after their entry into labour market, young seems discouraged and do not put effort to look for a job or to start an activity on their own account.

4   Econometric Analysis

4.1   Empirical Strategy

We model individual labour market status through a standard binary outcome model including a variable capturing whether individuals receive help from household members abroad and a set of traditional explanatory variables at individual, household and local/geographycal level. Our prior is that received help has a direct positive effect on individual inactivity probability due to a traditional income effect.

The empirical analysis proceeds in different steps. First we evaluate the role of remittance in affecting individual labour market participation for everyone of working age. In the second step, we focus on young people who belong to the

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[3]Considering young people this age group is a widely accepted statistical convention (see I.L.O or UN). In our analysis we will consider also other age spans.

cohort between 15 and 24 years. In the third step, we split this group in two different sub - groups one including people potentially enrolled in high - school and school enrolled, and the other including potentially enrolled in university. Finally, we consider a broder definition for youthness including all people up to 32 years old. In addition, we explore whether not only received remittances but also their amount have an effect on youth labour market participation.

Formally, in order to study the effect of received remittances on individual labour market behaviour we estimate the following equation:

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\begin{aligned}
y_i &= \beta_0 + \beta_1 R_i + \beta_2 X_i + \mu_i \\
for\ i &= 1, 2, ..., n.
\end{aligned}
\tag{1}
$$

The vector y_i is a binary variable defining individual labour market status, X_i is a vector of exogenous explanatory variables at individual and household level, R_i is the variable capturing the flow of received remittances during the last year and μ_i is the stochastic error term.

First of all, as dependent variable we consider the dummy *Inactive,* taking value 1 for those individuals who have no work, both temporary and permanent, are not available for work and did not look for a job. Our variable of interest is individual remittances income and our prior is that the estimated coefficient would be positive. Among the controls X_i we include age, sex, educational level, relationship to the household head, household size and income, a dummy indicative of received benefits and social assistance, hoseheld dependency ratio (the percentage of household members younger than 15 and older than 64 over the number of household members aged 15-64) and regional dummies. We estimate the model for different age categories: the first one is the whole sample of individual having potentially completed compulsory education controlling for school enrollment and attendance, the second in the sample of young people between 15 and 24, the last two sets of regressions are run in two subsamples of the first one defined as very young individuals (15-18) and the second one including young people (19-24).

In order to estimate equation (1) through maximum likelihood estimation (ML) regression it is necessary to assume that all systematic differences between remittance-receiving and non remittance - receiving individuals can be explained only by observable individual, household and regional characteristics. However, in the previous equation received remittances and the error term could be correlated and therefore ordinary least squares estimation in presence of endogeneity could give biased results. Remittances could be endogenous for different reasons. First, remittances may be correlated to income and wealth determining individual labour market status so that heterogeneity and omitted variables bias would happen. In addition, in the regression including the amount of received remittances during the last year, the estimation bias could depend on measurement errors just for the way in which data are collected into the questionnaire. In the survey, all individuals were asked to list all monetary transfer received in the previous year from all household members. It is very likely that individuals unintentionally misreported the correct amount due to the temporary gap

between the transfer and the survey. Furthermore, individual labour market status could affect migrants' decision to send remittances to their relatives in Albania. If migrants tend to send more money when their relatives in the home country are out of the labour market, a reverse causality problem could arise. It is straightforward that more than one source of endogeneity could be present in our original specification.

We deal with the endogeneity problem using as instrumental variable for remittances, the per - capita number of Money Transfer Operators in each district and the distance from the nearest cross border. Our identifying assumption is that the probability to receive remittances from abroad through formal channels depends positively on the number of available money transfer operator offices while the probability to receive remittances from abroad through informal channels or *brevi manu* when relatives temporary returns in their home country depends negatively on distances from the border.

We decide to use two different instruments given existing evidence about money transfer channels used by Albanian migrants. Although the money transfer structure has changed over time, remittances towards Albania follow a dual flow using both formal and informal channel. Starting from the mid 90's, financial flows transferred to the home country through the banking system and other money transfer agencies has been increasing reaching in 2002 the 44.6% of total remittances flows, while in 1994 formal transfer represented only 7.5% of the total (Bank of Albania, 2003 and Bank of Albania, 2003). In Albania the most diffused formal channels include: the two international agency Western Union and the Money Gram and post offices network (Hernandez-Coss and al. (2006)). Therefore, the first source of exogeneity we use is a proxy for the accessibility to formal money transfer that is the per capita number of available offices at district level. In order to construct this variable, we collect information from Western Union and Money Gram about the location of their offices and agencies within Albania. For each agency or office we recover the district they belong to and for each district we collect data on total population according to Albanian 2001 Census. Both for agencies / offices and population we use data for the year before our survey. Available Western Union Offices seem a valid and reasonable instrument being correlated with the probability of receiving remittances, but uncorrelated with the probability to be inactive. We expect that individuals living in districts characterized by a higher number of per - capita offices are more likely to receive remittances than individuals living in districts with little access to official money transfer operators. In addition, given that formal channels are preferred by more educated people, we interact our first instrument with the fraction of household members having a secondary education level. We account for the potential correlation between the average household educational level and individual labour market status and we test the joint exogeneity of the two excluded restrictions with respect to lavour market participation.

As second source of exogeneity we choose a proxy for the cost of sending money through informal channel. In Albania the preferred informal channel is the physical transfer of cash: migrants bring money in cash when they come back to visit relatives in the home country or give money to relatives and/or

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friends travelling home (Uruci and Gedeshi, 2003). From this evidence, our instrument is the distance from the nearest border cross. For each border cross (we consider both official and unofficial border cross given in order to account also for illegal migrants) we collect data on their location (latitude and longitude), using individual information about the place of residence we recover geographical coordinates and using the great-circle formula[4] we compute the shortest distance between border and Albanian locations. The exit points we include in our analysis are the harbour of Durres, Vlore, Apolonte, Sarande and Shengjini used by migrants to Italy and Greece; Kakavje, Kapshtica, Konispol, Palambas, Perat, Gline, Miras and Trestenik through which it is possible to enter in Greece; Tucep, Gjorice, Rabdisht, Zogaj, Tropoje and Qafe-Thane which allow to enter Macedonia; Hani I Hotit and Ulquini for Montenegro; Morine for Kosovo. The idea behind the choice of this proxy is that as the distance from the border increase as the cost of sending money home increases and therefore the probability to receive remittances through informal channel decreases.

As a result, we estimate the following instrumental variable model:

$$
\begin{aligned}
y_i &= \beta_0 + \beta_1 R_i + \beta_2 X_i + \mu_i & (2) \\
R_i &= \alpha_0 + \alpha_1 MTO_i + \alpha_3 MTO_i * Sec\_education\_hh & (3) \\
&\quad + \alpha_3 dist\_border_i + \alpha_4 X_i + \varepsilon_i \\
for\ i &= 1, 2, ..., n.
\end{aligned}
$$

Equation (3) is the first stage for the instrumental variable estimation and the excluded restrictions are the per capita number of formal money transfer operators at district level (MTO_i), the number of money transfer operators interacted with the fraction of individual within the household with secondary education ($MTO_i * Sec\_education\_hh$) and minimum distance between individual place of residence and the border cross ($dist\_border_i$).

According to our identifying hypothesis, we expect the coefficient α_1 to be positive, as more MTOs increase the probability to receiving remittances from relatives abroad. By contrast, we expect people living faraway from the border to be less likely to receive remittances so that the coefficient α_3 should be negative.

4.2   Econometric Results

Though we expect remittances to be endogenous, we first estimated using maximum likelihood estimation a Probit model on the probability of being inactive for the sample of all individuals in working age (15-64). In all the specifications, we have computed robust standard errors, clustered at the municipality level.

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[4]Having geographic coordinates of two points A and B on the earth surface (latitudeA, latitudeB, longitudeA, longitudeB) in order to compute the shortest distance between them the formula is d=3963.0 * arccos[sin(lat1/57.2958) * sin(lat2/57.2958) + cos(lat1/57.2958) * cos(lat2/57.2958) * cos(lon2/57.2958 -lon1/57.2958)].

The first column of Table 15 shows the results from a baseline specification in which the dependent variables takes values 1 for inactive individuals aged between 15 and 64[5]. The main regressor included is a dummy identifying individual receiving remittances from relatives abroad. In order to capture gender differences in the individual labour market participation, we control for the sex of each individual and we account for cohort effects including individual age. In addition, to control for the effect of educational differences, we use the household average number of school years completed and individual educational level. We also control for wealth and transfers/benefits proxies including a dummy for any received public transfer or benefit, an index for household dependency ratio and the labour income of other family members but individual i. Adding dummies for the actual relation with the head of household we should control for differences in labour market participation due to cultural and social differences linked to the patriarchal family structure existing in Albania. Furthermore an indicator for urban areas and a full set of district dummies are included to account for variations in local labour market conditions and regional specific characteristics.

According to these first estimates, on average, we find no statistically significant differences in labour market participation between remittance-receiving and non remittance - receiving individuals. Men are less likely to be inactive and, looking at age's coefficient, more recent cohorts seem to participate less to the labour market, these results are in line with statistical evidences on disadvantages in the labour market faced by younger people and female in Albania. Income effect seems crucial for labour participation decisions, while public assistance and other family labour earnings increase inactivity, when the dependency ratio is higher individuals tend to be more active into the labour market. In addition regional differences are at work. *Ceteris paribus,* living in urban areas increases the probability of being inactive: although labour market transition is extremely difficult in the whole country, people in rural areas could find a work in agriculture, the same does not happen in urban areas. The patriarchal family structure existing in Albania seems important, so that household head are more likely to be active than other family members. As expected, more education increases the probability to be active but surprisling inviduals belonging to households with an average higher education level are more inactive, probably due to the increased incentive to be enrolled for a longer period.

To better investigate the effect of received remittances, in the second column we show the results including a dummy taking value 1 for people enrolled in any level of education for the current academic year at the date of the survey. Not surprisingly, people currently enrolled in school do not work nor make any effort to look for a job. Again, we do not find any relevant effect of money received from abroad on inactivity, although living in a more educated household have no more any influence on activity nor being the head of the household.

From column 3 to column 5, the results have been disaggregated by gen-

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[5]Complete summary statistics on the variables used in the regressions can be found in Appendix, Table A1

der. All the specifications presented here follow those analyzed for the baseline model and the results are very close to those previously found. The direction of almost all the effects remains unchanged but some of the coefficients now are significantly different from zero.

The main difference is found in the male sub sample for which remittances positively influence the probability of being inactive, also after controlling for school enrollment. In particular, looking at the marginal effects, remittance receiving men are now 4.8 percentage points more likely to be inactive than remittance non receiving ones and when controlling for enrollment the effect doubles passing to 8.4 percentage points. No effect is found for women in working age.

As argued in the previous section, maximum likelihood estimates could be biased because the potential endogeneity of received remittances with respect to inactivity and therefore we consider the instrumental variable model defined by equations (2) and (3). Finding significant difference between the two sets of coefficients will prove that remittances are truly endogenous and will show the direction and magnitude of the endogeneity bias. Our inactivity regression is characterized by non linearity which requires a special method of instrumental variable meant for dealing with the endogeneity in probit models. Because our dependent variable defining individual labour market participation is binary, the standard two-stage least squares method used to estimate an equation with instrumental variables is not the most appropriate estimation technique. The reason is that the model assumes a linear relationship between the instrumented variable and the dependent variable, when in fact it is not the case. We therefore estimate our model, instrumenting for received remittances, using the method developed by Newey (1987), which allows to recognize the non-linear relationship between the instrumented variable and the dependent variable, and, as a result, provides efficient estimation of the parameters.

Results are presented in Table 16 for both the first-stage and instrumental variable final estimates. Although we do not show in the table individual, household and regional characteristics coefficients, they have been included as controls also in the first-stage. In all the specifications, we consider the first-stage F-statistic of joint significance of the instruments and being well above 10, we can conclude that our instruments satisfy the relevance and validity conditions (Staiger and Stock (1997)). Tests of the overidentifying restrictions reveal that the instruments are uncorrelated with the structural error proving that our instrments are exogenous.

As presented in the second and fourth column, in the all sample, remittances do not statistically influence participation into the labor market and the same happens in the sub sample of female. Remittances positively affect male inactivity but their effect becomes statistically insignificant once we control for enrollment (Column 6 and Column 8).

Having explored our baseline regression, we investigate the effects of received remittances on youth labour market behavior. We start from the basic definition of youth used by I.L.O or UN, and we focus on people aged between 15 and 24. Maximum likelihood estimates are presented in Table 17, while Table

18 presents results obtained with instrumental variables techniques. As for the complete sample of working age people, remittances have no effect on individual inactivity. The probability of being inactive decreases with age and educational level. A young household head is less likely to be inactive, while spouse are more likely. Differently from our previous results, income effects subsequent to social assistance or household wealth do not seem to have any statistical significant effect on youth labor market participation. The second column shows that also including a control for individual school enrollment in order to check whether inactivity is actually due to higher school enrollment, previous results still hold and remittances seem not to be correlated with youth labour market participation. We exploit whether our result are driven by a different gender pattern and we run our regression separately for men and women. We find that men who receive remittances are more likely to be inactive (Column 3) also after controlling for school enrollment in current academic year, although the magnitude of the coefficient is lower (Column 4). Marginal effects reveal that remittance receiving young men are 2.3 percentage points more likely to be inactive than non receiving ones but the probability increases to 3.3% after controlling for enrollment. No effect is found for women in working age. By the contrary, we do not find any statistical significant correlation between money received from and labour market participation for young women (Column 5 and Column 6).

Aware of the potential endogeneity bias that could drive previous results, we consider the instrumental variable model. The main findings are reported in Table 18. Interestingly, for the youth's cohort significant difference between the two sets of coefficients appears and prove that remittances are truly endogenous. Accounting for endogeneity we find a strong statistical significant positive effect of remittances on individual inactivity (Column 2) also after controlling for school enrollment (Column 4), although the effect is smaller. Transfers from abroad have a higher impact on men inactivity (Column 6 and Column 8) than on women inactivity (Column 10). The effect on women disappears after controlling for school enrollment (Column 12).

Having considered the whole cohort of young people, we split it in two sub-sample, the first one including people between 15 and 18 years old (High school age) and people between 19 and 24 years old (University age). Table 19 presents maximum likelihood estimates for the very young people. In the whole sample we find that money received from abroad reduces inactivity status (Column 1) also controlling for enrollment (Column 2). Receiving remittances, youth experienced a decrease by 1% of the probability of being inactive and the effect augment to 3.3% considering enrollment. These results could suggest that remittances are used in a productive way by young people who so not simply substitute labor and leisure. The results seem to depend on a different gender pattern: we do not find any statistical effect for men (Column 3 and Column 4) but the effect for women is extremely high (Column 5 and Column 6). Controlling for endogeneity (Table 20), remittances have effect in the whole sample (Column1) but it disappears when we include as regressor individual enrollment status (Column 2). Remittances seem to be uncorrelated with female labour

market condition (Column 10 and Column 12) but again they negatively affect labour force participation of males. For the cohort of older people, aged between 19 and 24, through the probit estimation we find a positive statistical significant effect, both for men and women (Table 21) but according to the IV estimates remittances have no effect on individual labour market inactivity (Table 22).

A recent study on youth employment in Albania conducted by the AGENDA Institute and the World Bank, shows that the country have huge problems in employment related issues especially for the young people aged between 15 and 32 who constitute the majority of the unemployed[6] . In line with these results we use a broader definition of young people than the traditional one used by U.N. and I.L.O.. In Table 23 we present our previous estimates for the 19 - 33 years old cohort. In all the sample remittance are positively correlated with a higher probability of inactivity, the correlation is higher for men than for women. The IV methodology shows that remittances reduces inactivity (Column 4) but, controlling for enrollment, it is not the true any more (Column 4). As before results are related to different gender dynamic: males receiving remittances are less likely to be inactive (Column 6) and the magnitude of the effect increases when we include individual enrollment status (Column 8). No statistical effect seems to be at work for females.

The same behaviour is shown for young people who are no more in the schooling age (25 - 33 years old) (Table 25 and Table 26).

[TO BE ADDED: Add to all the table F-test for instrument relevance and test for validity and joint exogeneity - overidentification]

5   Conclusions

To understand the role of received remittances on individual labour market participation is important for country in which financial flows from abroad represent a high fraction of annual GDP. If remittances do not substitute internal economic activity they could represent a powerful driving force for development. However, if remittances are used only as a short term device to alleviate household financial problems and face every day need, they could create dependency for receivers who are stuck in their situation and only wait for financial help from abroad. In particular, it is crucial to explore the effect on youth, representing the real thrust for economic growth in the long run.

In this paper we shed light on youth labour market participation subsequent to receiving remittances from relatives migrated internationally. Taking account the potential endogeneity of money transfer and individual inactivity within the labour market, we find different effects for men and women in different age groups. Remittances may reduce or increase inactivity depending on recipient's gender and her/his age. Traditional income effect reducing labour market participation is found in the whole cohort of young people between 15 and 24

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[6]According to the study people born after the 70's are considered as the "lost generation".

years old and for the sub - sample of very young people (15-18). No effects is at work for people between 19 and 24. Interestingly, we find that inactivity is lower for people aged between 25 and 33 receiving money from relatives abroad. It could be useful to explore in a systematic way, how received remittances are used by this group.

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Table 1: Trend in Albanian remittances (1996-2005)
in million USD

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Current Account Balance	62	254	65	133	163	218	421	407	358	561
Trade Balance	678	535	604	663	821	1,027	1,155	1,336	1,592	1,827
Exports	244	159	208	275	255	305	330	447	603	659
Imports	922	694	812	938	1,076	1,332	1,485	1,783	2,195	2,486
GDP	3,360	2,375	2,768	3,490	3,709	4,114	4,505	5,859	7,549	8,380
Worker's remittances	500	267	452	368	531	615	632	778	1,028	1,161
Remittances to TB (%)	74	50	75	56	65	60	55	58	65	64
Remittances to Imp (%)	54	38	56	39	49	46	43	44	47	47
Remittances to GDP (%)	15	11	16	11	14	15	14	13	14	14

Source: Bank of Albania

Table 2: *The Italy - Albania corridor*

Provider	Method	Speed of Transfer	150€	750€
Western Union	Cash transferred electronically (no account needed)	10 minutes/Instant	19€	39€
MoneyGram	Cash transferred electronically (no account needed)	10 minutes/Instant	10€	30€
Moneybookers.com	Online transfer from bank account	2 to 5 days	0.5€	0.5€
Unicredit Banca	Electronic using SWIFT	up to 6 days	18.5€	25€
Banca di Roma	Electronic using SWIFT	4 to 5 days	30.16€	30.16€
Banca Sella	Electronic using SWIFT	3 to 9 days	17€	25€
Banca Intesa	Electronic using SWIFT	5 to 10 days	14.39€	14.39€

Source: Sending money home organization

Data updated on 8 May 2007

Table 3: *The Greece - Albania corridor*

Provider	Method	Speed of Transfer	150€	750€
Western Union	Cash transferred electronically (no account needed)	10 minutes/Instant	15.25€	40.25€
MoneyGram	Cash transferred electronically (no account needed)	10 minutes/Instant	14.50€	33€
Moneybookers.com	Online transfer from bank account	2 to 5 days	0.5€	0.5€
Bank of Piraeus	Electronic using SWIFT	up to 24 hours	32.45€	34.25€
Alpha Bank	Electronic using SWIFT	2 days	20€	24€
Aspis Bank	Online registration needed	3 days	32€	45€
NBG	Electronic using SWIFT	2 to 5 days	26€	26€

Source: Sending money home organisation

Data updated on 8 May 2007

Table 4: *The Germany - Albania corridor*

Provider	Method	Speed of Transfer	150€	750€
Western Union	Cash transferred electronically (no account needed)	10 minutes/Instant	26€	37.5€
MoneyGram	Cash transferred electronically (no account needed)	10 minutes/Instant	14€	29€
Moneybookers.com	Online transfer from bank account	2 to 5 days	0.5€	0.5€
Deutsche Bank AG	Electronic using SWIFT	same day	20€	55€
Berliner Volksbank	Telephone banking	2 to 3 days	10.22€	10€
Commerzbank	Online registration needed	3 to 5 days	7.5€	13.72€
Postbank	Electronic using SWIFT	5 to 7 day	13.5€	18.5€

Source: Sending money home organization

Data updated on 8 May 2007

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Table 5: Transfer received

		All sample	Urban Areas	Rural Areas
Any Transfer	Frequency	2,176	1,003	1,173
	Percent	*27.34*	*26.61*	*27.99*
Remittances	Frequency	1,802	802	1,000
	Percent	*22.64*	*21.28*	*23.86*
Internal Transfer	Frequency	374	201	173
	Percent	*4.7*	*5.33*	*4.13*

Table 6: Number of transfers received

	1	2	3	4	5	≥6
Frequency	1,293	665	152	47	9	10
Percent	*59.42*	*30.56*	*6.99*	*2.16*	*0.41*	*0.46*

Table 7: Relationship with remitters

	1st Aid	2nd Aid	3rd Aid	4th Aid	5th Aid	6th Aid	7th Aid
Partner	5.51	1.7	-	7.58	-	-	-
Child	50.74	55.38	45.41	30.3	36.84	50	28.57
Grandchild	5.28	5.32	4.59	6.06	-	-	-
Niece / nephew	1.98	0.79	-	-	-	-	-
Father / mother	1.1	0.91	1.83		-	-	-
Sister / brother	16.82	19.48	24.31	43.94	42.11	50	71.43
Son / daugheter-in-law	1.01	1.25	-	-	-	-	-
Brother / sister-in-law	9.1	9.06	13.3	12.12	21.05	-	-
Father / mother-in-law	2.11	0.45	4.13	-	-	-	-
Other relative	1.7	2.49	2.29	-	-	-	-
Not related	1.1	0.68	2.29	-	-	-	-
Institutions	2.94	1.93	-	-	-	-	-
Donations for ceremonies	0.6	0.57	1.83	-	-	-	-

Table 8: Donor's residence

		1st Aid	2nd Aid	3rd Aid	4th Aid	5th Aid	6th Aid	7th Aid
Abroad	Frequency	1,715	702	149	44	10	5	2
	Percent	*81.71*	*81.53*	*69.63*	*66.67*	*52.63*	*50*	*52.63*
Country	Greece	38.08	43.73	34.9	61.36	100	100	100
	Italy	41.98	38.6	46.31	29.55	-	-	-
	Germany	1.81	2.56	4.03	-	-	-	-
	Other EU	10.09	8.69	3.36	-	-	-	-
	USA	4.96	4.56	9.4	9.09	-	-	-
	Canada	1.92	0.43	2.01	-	-	-	-
	Other	1.17	1.42	-	-	-	-	-

Table 9: Remittances for a specific reason

	1st Aid	2nd Aid	3rd Aid	4th Aid	5th Aid	6th Aid	7th Aid
Frequency	1,460	559	121	49	10	7	5
Percent	*67.1*	*63.31*	*55.5*	*74.24*	*52.63*	*70*	*71.43*
Food and basic necessities	51.58	47.23	51.24	46.94	-	-	-
Investment in construction	15.62	15.56	9.09	-	-	-	-
Investment in hh enterprise	1.85	1.07	-	-	-	-	-
Purchase of a durable good	3.9	3.22	4.13	8.16	-	-	-
Educational expenses	-	0.36	3.31	-	-	-	-
Medical expenses	14.73	15.03	10.74	16.33	20	28.57	-
Wedding / funeral	6.99	8.77	14.05	20.41	80	71.43	100
Child support	0.82	2.68	4.13	-	-	-	-
Charity	2.53	2.86	-	-	-	-	-
Other	1.99	3.22	3.31	8.16	-	-	-

Table 10: Working experience previous 7 days

		All sample			Urban Areas			Rural Areas		
		Total	Male	Female	Total	Male	Female	Total	Male	Female
Any kind of work	Frequency	2,743	1,539	1,204	977	600	377	1,766	939	827
	Percent	*51.24*	*61.12*	*42.47*	*37.02*	*48*	*27.14*	*65.07*	*74.05*	*57.19*
Work for non HH member	Frequency	1,032	688	344	744	446	298	288	242	46
	Percent	*19.28*	*27.32*	*12.13*	*28.19*	*35.68*	*21.45*	*10.61*	*19.09*	*3.18*
Work for HH member	Frequency	1,522	722	800	49	24	25	1,473	698	775
	Percent	*28.43*	*28.67*	*28.22*	*1.86*	*1.92*	*1.8*	*54.27*	*55.05*	*53.6*
Work in own-account	Frequency	305	219	86	199	142	57	106	77	2.01
	Percent	*5.7*	*8.7*	*3.03*	*7.54*	*11.36*	*4.1*	*3.91*	*6.07*	*2.01*

Table 11: Youth working experience previous 7 days (15-25)

		All sample			Urban Areas			Rural Areas		
		Total	Male	Female	Total	Male	Female	Total	Male	Female
Any kind of work	Frequency	536	254	282	107	52	55	429	202	227
	Percent	*40.24*	*42.62*	*38.32*	*18.07*	*18.84*	*17.41*	*57.97*	*63.13*	*54.05*
Work for non HH member	Frequency	129	77	52	87	42	45	42	35	7
	Percent	*9.68*	*12.92*	*7.07*	*14.7*	*15.22*	*14.24*	*5.68*	*10.94*	*1.67*
Work for HH member	Frequency	389	168	221	6	3	3	383	165	218
	Percent	*29.2*	*28.19*	*30.03*	*1.01*	*1.09*	*0.95*	*51.76*	*51.56*	*51.9*
Work in own-account	Frequency	25	14	11	14	7	7	11	7	4
	Percent	*1.88*	*2.35*	*1.49*	*2.36*	*2.54*	*2.22*	*1.49*	*2.19*	*0.95*

Table 12: Inactivity status

		All sample			Urban Areas			Rural Areas		
		Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	Frequency	2,211	574	1,457	1356	478	878	855	276	579
	Percent	*33.74*	*23.96*	*42.76*	*42.79*	*31.02*	*53.93*	*25.26*	*17.19*	*32.55*
Age 15-25	Frequency	679	276	403	403	175	228	276	101	175
	Percent	*46.63*	*41.75*	*50.69*	*61.53*	*56.82*	*65.71*	*34.46*	*28.61*	*39.06*

Table 13: Educational level (highest diploma) of inactives

		All sample		Urban Areas		Rural Areas	
		Total	Age 15-25	Total	Age 15-25	Total	Age 15-25
All	None	1.83	0.3	1.53	0.51	2.36	-
	Primary	69.05	82.2	59.85	75.7	85.84	91.54
	Secondary	24.43	16.44	31.74	21.99	11.06	7.35
	University	4.7	1.06	6.87	1.79	0.74	-
Not enrolled	None	2.14	0.3	1.79	0.63	2.75	90.34
	Primary	65.7	79.04	54.78	66.46	84.54	9.66
	Secondary	26.67	19.46	35.26	30.38	11.86	-
	University	5.49	1.2	8.17	2.53	0.86	-

Table 14 : Percentage of inactive people

	All sample		14 - 24		14 - 18		18 - 24		14 - 33	
	Remittances	No Remittances	Remittances	No Remittances	Remittances	No Remittances	Remittances	No Remittances	Remittances	No Remittances
All	54.37	47.18	63.11	60.49	59.82	70.22	66.37	51.16	57.47	52.59
Men	46.09	37.06	69.41	56.48	70	65.27	68.57	47.41	59.4	47.58
Women	60.59	56.58	59.29	63.97	51.61	74.81	65.38	54.2	56.28	56.69

Table 15: Received remittances and inactivity - working age individuals 15 - 64
Probit estimation

| | Dependet variable =1 if an individual is inactive | | | | | |
| | All sample | | Male | | Female | |
	(1)	(2)	(3)	(4)	(5)	(6)
Remittances	0.0915	0.0858	0.2147**	0.1824*	-0.0227	-0.0179
	[0.0670]	[0.0713]	[0.1064]	[0.1039]	[0.0695]	[0.0728]
Sex	-0.4399***	-0.4030***				
	[0.0825]	[0.0907]				
Age	-0.0123***	-0.0058	-0.0168***	-0.0066	-0.0104**	-0.007
	[0.0037]	[0.0040]	[0.0044]	[0.0050]	[0.0042]	[0.0043]
HH years of school	0.0478**	0.0268	0.0217	-0.0008	0.0624*	0.0458
	[0.0215]	[0.0209]	[0.0192]	[0.0189]	[0.0320]	[0.0314]
Years of school	-0.1200***	-0.1075***	-0.0710***	-0.0568***	-0.1580***	-0.1503***
	[0.0080]	[0.0081]	[0.0124]	[0.0123]	[0.0138]	[0.0150]
Benefit	0.3372***	0.3540***	0.4226***	0.4290***	0.2577***	0.2737***
	[0.0606]	[0.0593]	[0.0767]	[0.0712]	[0.0675]	[0.0710]
Dependency ratio	-0.1388**	-0.1285**	-0.3390***	-0.3132***	-0.0021	-0.0087
	[0.0568]	[0.0570]	[0.0822]	[0.0790]	[0.0648]	[0.0645]
Othincome_pcap	0.1433***	0.0725*	0.2989***	0.1492	0.0455	0.0153
	[0.0339]	[0.0412]	[0.1013]	[0.0969]	[0.0614]	[0.0653]
HH size	-0.0334**	-0.0341**	-0.0411**	-0.0394**	-0.0231	-0.025
	[0.0134]	[0.0143]	[0.0192]	[0.0196]	[0.0183]	[0.0176]
Head	-0.2611**	-0.1668	-0.206	-0.2112	-0.04	0.1766
	[0.1313]	[0.1333]	[0.1428]	[0.1483]	[0.2304]	[0.2461]
Spouse	-0.1307	0.0406			-0.2224	0.0278
	[0.1344]	[0.1431]			[0.1648]	[0.1946]
Relatives	-0.0583	0.108	0.3579***	0.2609**	-0.1421	0.1104
	[0.0996]	[0.1042]	[0.1166]	[0.1016]	[0.1201]	[0.1548]
Urban area	0.9486***	0.9394***	0.8204***	0.8269***	1.1078***	1.0866***
	[0.1389]	[0.1462]	[0.1406]	[0.1479]	[0.1782]	[0.1838]
Berat	-0.0501	-0.0913**	0.3419***	0.2835***	-0.3494***	-0.3748***
	[0.0374]	[0.0366]	[0.0377]	[0.0421]	[0.0380]	[0.0338]
Diber	-0.1710**	-0.1456*	0.0392	0.0931	-0.3409***	-0.3103***
	[0.0724]	[0.0782]	[0.0621]	[0.0752]	[0.0948]	[0.0987]
Durres	0.0807**	0.0972**	0.1850***	0.1811***	-0.0134	0.0245
	[0.0402]	[0.0382]	[0.0337]	[0.0345]	[0.0511]	[0.0549]
Elbasan	-0.0854	-0.0942*	0.0873**	0.0576	-0.2188***	-0.2109***
	[0.0552]	[0.0553]	[0.0433]	[0.0492]	[0.0751]	[0.0759]
Fier	-0.1854***	-0.2133***	-0.0497	-0.0739	-0.2754***	-0.3038***
	[0.0530]	[0.0528]	[0.0428]	[0.0486]	[0.0694]	[0.0638]
Gjirokaster	0.0941**	0.0331	0.2181***	0.1234***	0.0188	-0.0084
	[0.0469]	[0.0476]	[0.0375]	[0.0462]	[0.0599]	[0.0584]
Korce	-0.5148***	-0.5860***	-0.4917***	-0.5453***	-0.5492***	-0.6195***
	[0.0389]	[0.0382]	[0.0343]	[0.0420]	[0.0484]	[0.0379]
Kukes	0.1735***	0.1861***	0.2668***	0.3029***	0.0685	0.0733
	[0.0596]	[0.0675]	[0.0695]	[0.0843]	[0.0824]	[0.0876]
Lezhe	-0.1984***	-0.2169***	-0.006	-0.0635	-0.3640***	-0.3489***
	[0.0386]	[0.0403]	[0.0316]	[0.0401]	[0.0439]	[0.0460]
Shkroder	0.1377***	0.1507***	0.0019	-0.0377	0.2660***	0.3106***
	[0.0466]	[0.0492]	[0.0285]	[0.0336]	[0.0738]	[0.0817]
Vlore	0.1459***	0.1336***	0.0086	-0.0091	0.3039***	0.2889***
	[0.0407]	[0.0409]	[0.0325]	[0.0382]	[0.0613]	[0.0583]
Enrolled in this a.y.		1.4191***		1.5612***		1.2704***
		[0.1476]		[0.1852]		[0.2369]
Constant	0.9127***	0.5546**	0.374	-0.0218	1.0789***	0.7783**
	[0.2907]	[0.2785]	[0.2438]	[0.2270]	[0.3395]	[0.3458]
Observations	4602	4602	2177	2177	2425	2425
Pseudo R-squared	0.1756	0.21	0.1798	0.2235	0.1607	0.1864

Robust standard errors in brackets
* significant at 10%; ** significant at 5%; *** significant at 1%
For regional controls, the excluded district is Tirana.

Table 16: Received remittances and inactivity - working age individuals 15 - 64 - Instrumental variable estimation

	All sample				Male				Female			
	Dependet variable =1 if an individual is inactive
	First stage	IV	First stage	IV	First stage	IV	First stage	IV	First stage	IV	First stage	IV
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Remittances		-0.0003		-0.1534		1.0731*		-0.3568		-0.1597		-0.1832
		[0.7427]		[0.2757]		[0.5879]		[0.6265]		[0.4266]		[0.2415]
MTO per capita	1.8082**		1.8336**		1.1459		1.7691**		1.8604**		1.8626**	
	[0.7962]		[0.7416]		[0.7433]		[0.7448]		[0.8164]		[0.8179]	
Distance border	-0.0329***		-0.0335***		-0.0276**		-0.0380***		-0.0300**		-0.0301**	
	[0.0127]		[0.0127]		[0.0122]		[0.0106]		[0.0147]		[0.0148]	
MTO*secondary educ	-3.1991***		-3.1814***		-2.8173***		-2.9527***		-3.2660***		-3.2650***	
	[0.3292]		[0.3306]		[0.4964]		[0.2917]		[0.4180]		[0.4133]	
Sex		-0.4489***		-0.4257***								
		[0.0719]		[0.0885]								
Age		-0.0120***		-0.005		-0.0189***		-0.0041		-0.0100**		-0.0065
		[0.0031]		[0.0036]		[0.0041]		[0.0047]		[0.0039]		[0.0043]
HH years of school		0.0464**		0.0227		0.0312		-0.0087		0.0597**		0.0424
		[0.0214]		[0.0190]		[0.0199]		[0.0231]		[0.0288]		[0.0281]
Years of school		-0.1199***		-0.1068***		-0.0660***		-0.0562***		-0.1570***		-0.1491***
		[0.0081]		[0.0082]		[0.0122]		[0.0124]		[0.0128]		[0.0142]
Benefit		0.3399***		0.3599***		0.3741***		0.4372***		0.2601***		0.2765***
		[0.0645]		[0.0596]		[0.0996]		[0.0752]		[0.0677]		[0.0707]
Dependency ratio		-0.1454**		-0.1454***		-0.2613***		-0.3477***		-0.0124		-0.0211
		[0.0573]		[0.0488]		[0.0993]		[0.0809]		[0.0656]		[0.0600]
Othincome_pcap		0.1376**		0.0567		0.3348***		0.1104		0.036		0.0036
		[0.0684]		[0.0504]		[0.0856]		[0.1054]		[0.0797]		[0.0739]
HH size		-0.0342**		-0.0360**		-0.0300*		-0.0439*		-0.0237		-0.0257
		[0.0160]		[0.0154]		[0.0179]		[0.0245]		[0.0182]		[0.0176]
Head		-0.2620**		-0.1683		-0.1485		-0.2408*		-0.0161		0.2057
		[0.1258]		[0.1277]		[0.1204]		[0.1254]		[0.2582]		[0.2344]
Spouse		-0.14		0.0169						-0.2303		0.0184
		[0.1059]		[0.1319]						[0.1558]		[0.1945]
Relatives		-0.0607		0.1018		0.3855***		0.2241**		-0.1412		0.1116
		[0.0928]		[0.1016]		[0.1177]		[0.1096]		[0.1206]		[0.1538]
Urban area		0.9471***		0.9331***		0.7790***		0.8108***		1.1030***		1.0804***
		[0.1423]		[0.1506]		[0.1407]		[0.1504]		[0.1827]		[0.1903]
Enrolled in this a.y.				1.4212***				1.5673***				1.2709***
				[0.1421]				[0.1740]				[0.2335]
Constant		0.9475**		0.6429**		0.1175		0.1167		1.1255***		0.8341**
		[0.3787]		[0.2836]		[0.3111]		[0.3260]		[0.3441]		[0.3412]
District dummies	Yes	Yes	Yes	Yes		Yes		Yes		Yes		Yes
Observations	4602	4602	4602	4602	2177	2177	2177	2177	2425	2425	2425	2425

Robust standard errors in brackets. For regional controls, the excluded district is Tirana.

* significant at 10%; ** significant at 5%; *** significant at 1%

Table 17: Received remittances and inactivity - young 15 - 24
Probit estimation

	All sample		Male		Female	
	Dependet variable =1 if an individual is inactive					
	(1)	(2)	(3)	(4)	(5)	(6)
Remittances	0.0603	0.0517	0.3843**	0.3782**	-0.1542	-0.1636
	[0.1470]	[0.1438]	[0.1809]	[0.1907]	[0.1671]	[0.1760]
Sex	-0.1674*	-0.1483				
	[0.0936]	[0.1001]				
Age	-0.1290***	-0.0492***	-0.1337***	-0.0394	-0.1177***	-0.0478
	[0.0144]	[0.0155]	[0.0205]	[0.0259]	[0.0306]	[0.0333]
HH years of school	0.0864**	0.0412	0.0820*	0.0023	0.0916	0.059
	[0.0382]	[0.0352]	[0.0454]	[0.0536]	[0.0567]	[0.0481]
Years of school	-0.0471*	-0.0830***	0.0316	0.0299	-0.1116***	-0.1643***
	[0.0261]	[0.0283]	[0.0484]	[0.0545]	[0.0357]	[0.0391]
Benefit	-0.0516	-0.0771	0.0107	-0.0383	-0.1692	-0.177
	[0.1241]	[0.1041]	[0.1550]	[0.1484]	[0.1389]	[0.1316]
Dependency ratio	-0.0916	-0.1663	-0.142	-0.3576	-0.0948	-0.1246
	[0.1221]	[0.1422]	[0.1567]	[0.2689]	[0.1775]	[0.1906]
Othincome_pcap	0.0804	0.0129	0.0541	-0.0629	0.1101	0.1192
	[0.0812]	[0.0732]	[0.1577]	[0.1421]	[0.1251]	[0.1420]
HH size	0.0243	0.0301	0.0422	0.0712*	0.0317	0.0272
	[0.0314]	[0.0307]	[0.0333]	[0.0379]	[0.0504]	[0.0433]
Head	-1.1083**	-1.1049*	-1.5687**	-1.4693**	-0.2329	-0.4159
	[0.5621]	[0.5656]	[0.6812]	[0.5867]	[0.6105]	[0.6876]
Spouse	0.6670***	0.7879***			0.6056*	0.7200**
	[0.2431]	[0.2559]			[0.3237]	[0.3193]
Relatives	0.4875***	0.5842***	0.4352*	0.3785	0.5479***	0.7066***
	[0.1479]	[0.1462]	[0.2354]	[0.2326]	[0.2126]	[0.2260]
Urban area	1.1640***	1.1260***	1.2537***	1.2712***	1.2276***	1.1577***
	[0.1660]	[0.1805]	[0.1438]	[0.1626]	[0.2784]	[0.2971]
Berat	-0.1605**	-0.1813***	0.3118***	0.1790***	-0.4832***	-0.4766***
	[0.0634]	[0.0581]	[0.0514]	[0.0610]	[0.0699]	[0.0595]
Diber	-0.4530***	-0.3888***	-0.3812***	-0.2493***	-0.5691***	-0.5214***
	[0.0734]	[0.0799]	[0.0599]	[0.0693]	[0.1091]	[0.1070]
Durres	-0.0799	0.0248	-0.0093	0.07	-0.2260**	-0.1049
	[0.0705]	[0.0721]	[0.0551]	[0.0572]	[0.0907]	[0.0938]
Elbasan	-0.3905***	-0.4289***	-0.1137**	-0.2326***	-0.6751***	-0.6991***
	[0.0741]	[0.0701]	[0.0561]	[0.0735]	[0.1097]	[0.0987]
Fier	-0.3177***	-0.3233***	-0.1471**	-0.0796	-0.4874***	-0.5561***
	[0.0641]	[0.0653]	[0.0592]	[0.0616]	[0.1037]	[0.0878]
Gjirokaster	0.0447	-0.056	-0.3574***	-0.6088***	0.3654***	0.3593***
	[0.0747]	[0.0698]	[0.0855]	[0.1058]	[0.1002]	[0.1039]
Korce	-0.7788***	-0.9375***	-0.7937***	-0.9219***	-0.7250***	-0.9268***
	[0.0542]	[0.0529]	[0.0456]	[0.0686]	[0.0982]	[0.0733]
Kukes	0.3518***	0.4076***	0.6053***	0.6470***	0.0727	0.0868
	[0.0687]	[0.0663]	[0.1259]	[0.1156]	[0.1063]	[0.1195]
Lezhe	-0.1178*	-0.1260*	0.2280**	0.1597	-0.3071***	-0.2551***
	[0.0702]	[0.0705]	[0.1037]	[0.1172]	[0.0791]	[0.0760]
Shkroder	0.4224***	0.5813***	0.2764***	0.3317***	0.5038***	0.7388***
	[0.0736]	[0.0949]	[0.0510]	[0.0562]	[0.1125]	[0.1538]
Vlore	0.2406***	0.2502***	-0.1354**	-0.0223	0.4245***	0.3391***
	[0.0881]	[0.0873]	[0.0573]	[0.0814]	[0.1438]	[0.1266]
Enrolled in this a.y.		1.3426***		1.5206***		1.3128***
		[0.2160]		[0.2891]		[0.2865]
Constant	1.9885***	0.8991	0.9761**	-0.4866	2.4651***	1.6263*
	[0.5762]	[0.6223]	[0.4730]	[0.6524]	[0.8047]	[0.8314]
Observations	1223	1223	547	547	676	676
Pseudo R-squared	0.2498	0.3195	0.2972	0.379	0.249	0.3139

Robust standard errors in brackets
* significant at 10%; ** significant at 5%; *** significant at 1%
For regional controls, the excluded district is Tirana.

Table 18: Received remittances and inactivity - young 15 - 24 - Instrumental variable estimation

	Dependet variable =1 if an individual is inactive											
	All sample				Male				Female			
	First stage	IV	First stage	IV	First stage	IV	First stage	IV	First stage	IV	First stage	IV
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Remittances		1.3618***		0.6110**		1.8896***		1.4504***		1.0046**		0.0496
		[0.1470]		[0.3053]		[0.1098]		[0.3638]		[0.4103]		[0.5869]
MTO per capita	1.9847***		2.6292***		1.1531		2.1485***		2.1230**		2.5775**	
	[0.6300]		[0.7843]		[0.7179]		[0.7737]		[0.8884]		[1.0840]	
Distance border	-0.0360**		-0.0435***		-0.0498***		-0.0556***		-0.0314		-0.0388*	
	[0.0160]		[0.0163]		[0.0115]		[0.0134]		[0.0274]		[0.0231]	
MTO*secondary educ	-3.2734***		-4.1195***		-2.9628***		-4.1570***		-3.2576***		-3.9866***	
	[0.6160]		[0.5960]		[0.4518]		[0.7748]		[0.7490]		[0.7809]	
Sex		-0.0454		-0.1063								
		[0.0862]		[0.0925]								
Age		-0.1152***		-0.0512***		-0.0882***		-0.0287		-0.1223***		-0.0513
		[0.0145]		[0.0155]		[0.0196]		[0.0238]		[0.0247]		[0.0376]
HH years of school		0.0795*		0.0443		0.0804*		0.0178		0.0823		0.0594
		[0.0407]		[0.0359]		[0.0482]		[0.0534]		[0.0603]		[0.0498]
Years of school		-0.032		-0.0774***		0.0322		0.0293		-0.0841**		-0.1607***
		[0.0227]		[0.0268]		[0.0566]		[0.0602]		[0.0369]		[0.0434]
Benefit		-0.0843		-0.0895		0.0012		-0.0613		-0.1774		-0.1809
		[0.1310]		[0.1054]		[0.1632]		[0.1449]		[0.1429]		[0.1318]
Dependency ratio		0.1054		-0.0862		-0.1284		-0.2811		0.1244		-0.0869
		[0.1510]		[0.1808]		[0.1981]		[0.2809]		[0.2067]		[0.2445]
Othincome_pcap		0.1761**		0.0508		0.1731		0.0041		0.2164		0.1363
		[0.0701]		[0.0657]		[0.1280]		[0.1166]		[0.1379]		[0.1425]
HH size		0.0327		0.0342		0.0769**		0.0861**		0.0318		0.028
		[0.0414]		[0.0351]		[0.0355]		[0.0385]		[0.0587]		[0.0460]
Head		-0.9386*		-1.0561*		-1.4542**		-1.3691**		-0.375		-0.4546
		[0.5597]		[0.5695]		[0.6672]		[0.5894]		[0.7148]		[0.6888]
Spouse		0.8264***		0.8640***						0.7749**		0.7557**
		[0.2713]		[0.2591]						[0.3553]		[0.3175]
Relatives		0.4085***		0.5666***		0.5700**		0.4885**		0.4791**		0.7028***
		[0.1435]		[0.1558]		[0.2307]		[0.2428]		[0.2032]		[0.2298]
Urban area		0.9899***		1.1014***		0.9508***		1.1420***		1.0870***		1.1561***
		[0.1623]		[0.1739]		[0.1694]		[0.1915]		[0.2669]		[0.2993]
Enrolled in this a.y.				1.2948***				1.3592***				1.3020***
				[0.2288]				[0.3141]				[0.3114]
Constant		1.2936**		0.7039		-0.1173		-0.9795		2.0362**		1.5904*
		[0.5561]		[0.6575]		[0.4411]		[0.6181]		[0.9273]		[0.8226]
District dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1223	1223	1223	1223	547	547	547	547	676	676	676	676

Robust standard errors in brackets.   For regional controls, the excluded district is Tirana.

* significant at 10%; ** significant at 5%; *** significant at 1%

Table 19: Received remittances and inactivity - very young people 15 - 18
Probit estimation

| | Dependet variable =1 if an individual is inactive | | | | | |
| | All sample | | Male | | Female | |
	(1)	(2)	(3)	(4)	(5)	(6)
Remittances	-0.4889***	-0.5110**	0.1006	0.08	-1.1415***	-1.0913***
	[0.1738]	[0.2100]	[0.2273]	[0.2995]	[0.2771]	[0.3126]
Sex	-0.3697**	-0.4220***				
	[0.1570]	[0.1608]				
Age	-0.2906***	-0.0981*	-0.3858***	-0.1859**	-0.2188***	-0.0473
	[0.0647]	[0.0541]	[0.0831]	[0.0834]	[0.0801]	[0.0841]
HH years of school	0.1545**	0.0574	0.1503	-0.0038	0.1733*	0.0923
	[0.0653]	[0.0681]	[0.0938]	[0.0996]	[0.0961]	[0.0942]
Years of school	0.0929	-0.0043	0.0812	0.0438	0.1071	-0.0298
	[0.0731]	[0.0790]	[0.1008]	[0.1088]	[0.0860]	[0.0904]
Benefit	0.1879	0.1596	0.2915	0.3061	-0.0199	-0.1147
	[0.1248]	[0.1524]	[0.2586]	[0.2565]	[0.2113]	[0.2488]
Dependency ratio	-0.1573	-0.2432	0.0846	-0.2352	-0.3934	-0.3883
	[0.1456]	[0.2038]	[0.3724]	[0.4090]	[0.2520]	[0.3386]
Othincome_pcap	0.207	0.1205	0.4902	0.3559	-0.17	-0.1606
	[0.1512]	[0.1869]	[0.3971]	[0.4943]	[0.3040]	[0.3269]
HH size	0.0399	0.0423	0.0171	0.0993	0.0515	0.0053
	[0.0507]	[0.0592]	[0.0733]	[0.0791]	[0.0664]	[0.0630]
Relatives	-0.0726	0.0097	0.1364	-0.1316	-0.331	-0.0077
	[0.3829]	[0.3911]	[0.3803]	[0.3950]	[0.3940]	[0.4138]
Urban area	1.3962***	1.3233***	1.3663***	1.3925***	1.8060***	1.6267***
	[0.2114]	[0.2737]	[0.1455]	[0.2207]	[0.4777]	[0.5204]
Berat	-0.0049	-0.0983	1.1389***	0.9003***	-1.2790***	-1.3050***
	[0.0779]	[0.0847]	[0.1513]	[0.1445]	[0.0936]	[0.1209]
Diber	-0.5105***	-0.4986***	-0.4221***	-0.4634***	-0.8557***	-0.8152***
	[0.0652]	[0.0915]	[0.0995]	[0.1115]	[0.1053]	[0.1204]
Durres	0.0268	0.1372***	0.2447***	0.3178***	-0.4111***	-0.3014*
	[0.0475]	[0.0478]	[0.0884]	[0.0995]	[0.1531]	[0.1737]
Elbasan	-0.3682***	-0.4676***	0.1619	-0.0925	-1.2085***	-1.2977***
	[0.0748]	[0.0864]	[0.1041]	[0.1286]	[0.1058]	[0.1326]
Fier	-0.4849***	-0.5587***	-0.0397	0.0928	-1.3145***	-1.5309***
	[0.0631]	[0.0721]	[0.1027]	[0.1234]	[0.1063]	[0.1631]
Gjirokaster	0.0389	-0.1073	0.2033	-0.2238	-0.2412*	-0.1584
	[0.0784]	[0.1048]	[0.1653]	[0.2067]	[0.1454]	[0.1316]
Korce	-1.1401***	-1.5573***	-1.0344***	-1.4635***	-1.7875***	-2.1596***
	[0.0520]	[0.1244]	[0.0820]	[0.2036]	[0.1308]	[0.2036]
Kukes	0.1572	0.1851	0.6850***	0.6681***	-0.4824**	-0.3733*
	[0.1114]	[0.1324]	[0.1502]	[0.1358]	[0.1951]	[0.2098]
Lezhe	-0.2796***	-0.5286***	0.3457**	0.2834	-1.2052***	-1.6223***
	[0.0990]	[0.1061]	[0.1442]	[0.1782]	[0.1433]	[0.2497]
Shkroder	0.5822***	0.7323***	0.8814***	0.7855***	0.0117	0.2510**
	[0.0991]	[0.1341]	[0.2054]	[0.2217]	[0.0958]	[0.1043]
Vlore	0.2166**	0.0707	0.2214*	0.5435***	-0.2338***	-0.6312***
	[0.1008]	[0.1119]	[0.1328]	[0.1885]	[0.0760]	[0.1286]
Enrolled in this a.y.		1.5237***		1.8256***		1.3550***
		[0.2367]		[0.3621]		[0.3402]
Constant	3.0086***	1.0616	3.8368***	1.2153	2.5216**	1.4084
	[0.7832]	[0.8842]	[1.1289]	[1.2082]	[1.1076]	[1.2436]
Observations	602	602	286	286	316	315
Pseudo R-squared	0.3308	0.4311	0.3615	0.499	0.3941	0.4497

Robust standard errors in brackets
* significant at 10%; ** significant at 5%; *** significant at 1%
For regional controls, the excluded district is Tirana.

Table 20: Received remittances and inactivity - very young 15 - 18 - Instrumental variable estimation

	All sample				Male				Female			
	First stage	IV	First stage	IV	First stage	IV	First stage	IV	First stage	IV	First stage	IV
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Remittances		0.5583*		0.4725		1.3401***		1.5953***		-0.3317		-0.4697
		[0.2858]		[0.4377]		[0.2635]		[0.2225]		[0.6635]		[0.8742]
MTO per capita	1.9508		1.8154		1.1598		0.6953		1.8311		1.7859	
	[1.2164]		[1.3079]		[1.1808]		[1.0518]		[1.5987]		[1.7063]	
Distance border	-0.0460**		-0.0464**		-0.0573***		-0.0597***		-0.0551*		-0.0562*	
	[0.0195]		[0.0194]		[0.0195]		[0.0154]		[0.0296]		[0.0290]	
MTO*secondary educ	-4.0757***		-3.9380***		-3.5652**		-3.4596***		-3.2958*		-3.2590*	
	[1.2720]		[1.2728]		[1.5232]		[1.0081]		[1.8615]		[1.9404]	
Sex		-0.3232**		-0.3792***								
		[0.1403]		[0.1399]								
Age		-0.2740***		-0.0996*		-0.2983***		-0.1166*		-0.2368***		-0.0699
		[0.0669]		[0.0536]		[0.0910]		[0.0694]		[0.0813]		[0.0892]
HH years of school		0.1725***		0.0876		0.1681**		0.0435		0.1891**		0.1085
		[0.0591]		[0.0624]		[0.0802]		[0.0866]		[0.0933]		[0.0893]
Years of school		0.0739		-0.0128		0.0436		0.0047		0.1028		-0.0297
		[0.0649]		[0.0715]		[0.0811]		[0.0818]		[0.0825]		[0.0885]
Benefit		0.1092		0.0894		0.2085		0.2071		-0.0665		-0.1429
		[0.1490]		[0.1597]		[0.2311]		[0.2236]		[0.2146]		[0.2275]
Dependency ratio		0.0242		-0.0659		0.1259		-0.0626		-0.2033		-0.2392
		[0.1387]		[0.2012]		[0.3440]		[0.4212]		[0.3266]		[0.4079]
Othincome_pcap		0.2377*		0.1446		0.4703		0.3652		-0.1541		-0.1532
		[0.1303]		[0.1620]		[0.2975]		[0.3568]		[0.3213]		[0.3326]
HH size		0.0645		0.0635		0.052		0.1170**		0.0629		0.0178
		[0.0532]		[0.0579]		[0.0537]		[0.0507]		[0.0728]		[0.0661]
Relatives		0.0057		0.0842		0.3298		0.1318		-0.2592		0.0387
		[0.3653]		[0.3783]		[0.3780]		[0.3870]		[0.3741]		[0.3886]
Urban area		1.2882***		1.2274***		1.1818***		1.1563***		1.7466***		1.5972***
		[0.2068]		[0.3047]		[0.1410]		[0.1744]		[0.5518]		[0.5950]
Enrolled in this a.y.				1.4006***				1.4129***				1.3401***
				[0.2766]				[0.2532]				[0.3713]
Constant		2.3546***		0.5847		2.2317**		-0.1958		2.4061**		1.3895
		[0.6655]		[0.8441]		[1.0673]		[1.2898]		[1.0640]		[1.2364]
District dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	602	602	602	602	286	286	286	286	316	316	316	316

Robust standard errors in brackets For regional controls, the excluded district is Tirana.

* significant at 10%; ** significant at 5%; *** significant at 1%

Table 21: Received remittances and inactivity - young people 19 - 24
        Probit estimation

| | Dependet variable =1 if an individual is inactive | | | | | |
| | All sample | | Male | | Female | |
	(1)	(2)	(3)	(4)	(5)	(6)
Remittances	0.4945***	0.4839***	0.6288**	0.5905**	0.4031**	0.3709*
	[0.1771]	[0.1697]	[0.2681]	[0.2968]	[0.1985]	[0.2020]
Sex	0.0594	0.1086				
	[0.1353]	[0.1469]				
Age	-0.1011**	-0.0795*	-0.0959	-0.0816	-0.0569	-0.029
	[0.0406]	[0.0436]	[0.0916]	[0.0832]	[0.0518]	[0.0482]
HH years of school	0.041	0.0392	0.0574	0.0074	0.055	0.0605
	[0.0448]	[0.0464]	[0.0533]	[0.0586]	[0.0635]	[0.0674]
Years of school	-0.0341	-0.0732***	0.0661	0.0466	-0.1166***	-0.1753***
	[0.0261]	[0.0279]	[0.0625]	[0.0451]	[0.0394]	[0.0509]
Benefit	-0.2055	-0.2069	-0.1259	-0.2211	-0.2352	-0.2171
	[0.1430]	[0.1348]	[0.1826]	[0.1597]	[0.1987]	[0.1989]
Dependency ratio	-0.0378	-0.1022	-0.1794	-0.3809	0.0077	-0.0601
	[0.2493]	[0.2699]	[0.4753]	[0.5409]	[0.2672]	[0.2800]
Othincome_pcap	0.0451	-0.0099	-0.1567	-0.2406*	0.2215	0.1946
	[0.0875]	[0.0985]	[0.1546]	[0.1338]	[0.1588]	[0.1730]
HH size	0.0229	0.026	0.1072*	0.0529	0.0175	0.0285
	[0.0348]	[0.0338]	[0.0573]	[0.0387]	[0.0494]	[0.0513]
Head	-1.0938**	-1.0714*	-1.5284***	-1.5170***	-0.2266	-0.3164
	[0.5504]	[0.5556]	[0.5557]	[0.5877]	[0.6977]	[0.8005]
Spouse	0.9000***	1.0489***			0.7672**	0.9505**
	[0.2838]	[0.3200]			[0.3816]	[0.4303]
Relatives	0.7147***	0.8218***	0.507	0.619	0.7175**	0.8437***
	[0.2153]	[0.2342]	[0.4846]	[0.4919]	[0.2957]	[0.3192]
Urban area	1.0795***	1.0805***	1.3339***	1.2563***	1.1719***	1.1923***
	[0.1835]	[0.1906]	[0.2852]	[0.2649]	[0.2290]	[0.2483]
Berat	-0.2832***	-0.2686***	-0.1453	-0.183	-0.3056***	-0.3081***
	[0.0706]	[0.0680]	[0.1612]	[0.1461]	[0.0760]	[0.0714]
Diber	-0.4343***	-0.3719***	-0.146	0.0155	-0.6177***	-0.5570***
	[0.0928]	[0.0907]	[0.1979]	[0.1944]	[0.0788]	[0.0656]
Durres	-0.1979**	-0.1616*	-0.5733***	-0.1527	-0.2535***	-0.2300***
	[0.1004]	[0.0932]	[0.2153]	[0.1793]	[0.0715]	[0.0615]
Elbasan	-0.4784***	-0.4648***	-0.6768***	-0.3848***	-0.5650***	-0.5495***
	[0.0688]	[0.0610]	[0.1178]	[0.1343]	[0.0740]	[0.0716]
Fier	-0.2411***	-0.2040***	-0.1644	-0.1476	-0.2923***	-0.2514***
	[0.0769]	[0.0741]	[0.1418]	[0.1278]	[0.0949]	[0.0863]
Gjirokaster	0.1474*	0.0749	-0.8840***	-0.9238***	0.7329***	0.7001***
	[0.0892]	[0.0685]	[0.1141]	[0.1207]	[0.1299]	[0.1163]
Korce	-0.7359***	-0.6797***	-0.8480***	-0.6680***	-0.6192***	-0.5771***
	[0.0704]	[0.0670]	[0.1436]	[0.0971]	[0.1038]	[0.0956]
Kukes	0.4476***	0.5090***	0.8447***	0.7130***	0.1827	0.2013*
	[0.0732]	[0.0685]	[0.2545]	[0.1636]	[0.1126]	[0.1209]
Lezhe	-0.0024	0.0779	0.2286	0.1231	-0.0844	0.1629
	[0.0831]	[0.0954]	[0.1833]	[0.1931]	[0.0919]	[0.1454]
Shkroder	0.4030***	0.5295***	-0.2576***	0.1372	0.7479***	0.9475***
	[0.0800]	[0.0975]	[0.0898]	[0.0874]	[0.1325]	[0.1832]
Vlore	0.3573***	0.4347***	-1.1994***	-0.6482***	0.7831***	0.8419***
	[0.0995]	[0.1015]	[0.0831]	[0.0682]	[0.1350]	[0.1251]
Enrolled in this a.y.		1.0578***				1.2070***
		[0.2571]				[0.3873]
Constant	1.5505	1.3149	-0.0418	0.5465	1.2737	0.9253
	[1.0288]	[1.0147]	[2.2926]	[2.0487]	[0.9366]	[0.7904]
Observations	621	621	224	261	360	360
Pseudo R-squared	0.232	0.2582	0.3121	0.297	0.247	0.2845

Robust standard errors in brackets
* significant at 10%; ** significant at 5%; *** significant at 1%
For regional controls, the excluded district is Tirana.

Table 22: Received remittances and inactivity - young 19 - 24 - Instrumental variable estimation

	Dependet variable =1 if an individual is inactive											
	All sample				Male				Female			
	First stage	IV	First stage	IV	First stage	IV	First stage	IV	First stage	IV	First stage	IV
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Remittances		0.9811		0.9464		1.2408		1.1745		0.6378		0.3639
		[0.6878]		[0.6491]		[1.2183]		[1.4599]		[2.1817]		[1.0258]
MTO per capita	3.2236***		3.3313***		4.4491**		4.4534**		3.4357***		3.5870***	
	[0.5834]		[0.5490]		[1.7386]		[1.7771]		[1.0191]		[1.0694]	
Distance border	-0.0552***		-0.0561***		-0.0670***		-0.0673***		-0.0554*		-0.0587**	
	[0.0174]		[0.0172]		[0.0101]		[0.0102]		[0.0306]		[0.0268]	
MTO*secondary educ	-4.6541***		-4.5993***		-4.6784***		-4.7236***		-5.7138***		-5.6502***	
	[0.8080]		[0.8002]		[1.4036]		[1.4738]		[1.4717]		[1.0004]	
Sex		0.1206		0.164								
		[0.1708]		[0.1744]								
Age		-0.1049***		-0.0842**		-0.0944		-0.0821		-0.0607		-0.0288
		[0.0382]		[0.0413]		[0.0776]		[0.0820]		[0.0587]		[0.0523]
HH years of school		0.0353		0.0351		0.0191		0.0073		0.0516		0.0606
		[0.0381]		[0.0412]		[0.0497]		[0.0561]		[0.0530]		[0.0639]
Years of school		-0.0243		-0.0629**		0.0766*		0.0501		-0.1106*		-0.1755***
		[0.0236]		[0.0276]		[0.0465]		[0.0536]		[0.0590]		[0.0495]
Benefit		-0.2011		-0.2017		-0.1936		-0.2223		-0.2282		-0.2172
		[0.1460]		[0.1365]		[0.1771]		[0.1684]		[0.2155]		[0.1983]
Dependency ratio		0.0177		-0.046		-0.198		-0.3097		0.0374		-0.0611
		[0.2588]		[0.2876]		[0.5657]		[0.6259]		[0.3336]		[0.2921]
Othincome_pcap		0.0803		0.0261		-0.1197		-0.2052		0.2447		0.194
		[0.0769]		[0.0767]		[0.1216]		[0.1306]		[0.1908]		[0.1405]
HH size		0.0237		0.0264		0.0642		0.0554		0.0172		0.0285
		[0.0367]		[0.0350]		[0.0458]		[0.0442]		[0.0488]		[0.0501]
Head		-1.0494*		-1.0346*		-1.5213**		-1.4537**		-0.2648		-0.315
		[0.6174]		[0.6076]		[0.6662]		[0.6570]		[0.6135]		[0.7063]
Spouse		0.9966***		1.1314***						0.8141		0.9493*
		[0.3418]		[0.3574]						[0.6629]		[0.5083]
Relatives		0.6960***		0.8000***		0.5938		0.6305		0.7092**		0.8439***
		[0.2139]		[0.2323]		[0.4925]		[0.5000]		[0.2883]		[0.3130]
Urban area		1.0553***		1.0587***		1.1836***		1.1953***		1.1649***		1.1923***
		[0.2045]		[0.2022]		[0.3365]		[0.3631]		[0.2236]		[0.2468]
Enrolled in this a.y.				1.0075***				0.8915***				1.2079***
				[0.2532]				[0.3322]				[0.3710]
Constant		1.4519		1.2301		0.3636		0.4704		1.2504		0.9255
		[1.1557]		[1.1214]		[1.9920]		[2.0421]		[1.0835]		[0.8006]
District dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	621	621	621	621	261	261	261	261	360	360	360	360

Robust standard errors in brackets For regional controls, the excluded district is Tirana.

* significant at 10%; ** significant at 5%; *** significant at 1%

Table 23: Received remittances and inactivity - young people 19 - 33
   Probit estimation

| | Dependet variable =1 if an individual is inactive | | | | | |
| | All sample | | Male | | Female | |
	(1)	(2)	(3)	(4)	(5)	(6)
Remittances	0.2884***	0.2901***	0.3909*	0.3885*	0.1963*	0.2005*
	[0.1084]	[0.1091]	[0.2194]	[0.2066]	[0.1125]	[0.1110]
Sex	-0.0825	-0.0344				
	[0.1224]	[0.1384]				
Age	-0.0409***	-0.0293***	-0.0409***	-0.0286*	-0.0412***	-0.0287***
	[0.0098]	[0.0092]	[0.0156]	[0.0161]	[0.0116]	[0.0111]
HH years of school	-0.0053	-0.0082	0.0017	-0.0026	-0.0102	-0.0114
	[0.0270]	[0.0268]	[0.0347]	[0.0367]	[0.0345]	[0.0348]
Years of school	-0.0818***	-0.1031***	-0.0395	-0.0549	-0.1076***	-0.1370***
	[0.0261]	[0.0286]	[0.0317]	[0.0340]	[0.0333]	[0.0386]
Benefit	-0.0137	-0.0124	-0.0223	-0.0413	-0.0314	-0.0168
	[0.1318]	[0.1273]	[0.1522]	[0.1447]	[0.1533]	[0.1504]
Dependency ratio	-0.2245***	-0.2631***	-0.265	-0.3023*	-0.2400*	-0.2930**
	[0.0829]	[0.0909]	[0.1630]	[0.1650]	[0.1246]	[0.1254]
Othincome_pcap	0.1216**	0.0661	0.0171	-0.0742	0.1486**	0.1179
	[0.0598]	[0.0646]	[0.1358]	[0.1484]	[0.0617]	[0.0753]
HH size	-0.0122	-0.0151	-0.0268	-0.0330*	0.0018	0.0026
	[0.0210]	[0.0205]	[0.0199]	[0.0195]	[0.0279]	[0.0266]
Head	-0.1104	-0.112	-0.0714	-0.1018	-0.3792	-0.3071
	[0.2984]	[0.2985]	[0.3187]	[0.3150]	[0.5392]	[0.5710]
Spouse	0.5751***	0.6717***			0.5674**	0.7086***
	[0.1888]	[0.2068]			[0.2353]	[0.2612]
Relatives	0.3673**	0.4692***	0.2629	0.3367	0.3717*	0.5054**
	[0.1586]	[0.1733]	[0.3402]	[0.3615]	[0.1955]	[0.2308]
Urban area	1.1133***	1.1166***	1.0729***	1.0733***	1.1974***	1.2076***
	[0.1388]	[0.1434]	[0.1976]	[0.1984]	[0.1972]	[0.2017]
Berat	0.1841***	0.1520***	0.5613***	0.4995***	-0.0518	-0.0592
	[0.0268]	[0.0264]	[0.0893]	[0.0968]	[0.0481]	[0.0531]
Diber	-0.0411	-0.014	0.4534***	0.4726***	-0.3258***	-0.2754***
	[0.0573]	[0.0588]	[0.0878]	[0.0942]	[0.0918]	[0.1027]
Durres	0.2674***	0.2783***	0.3506***	0.3555***	0.2132***	0.2403***
	[0.0446]	[0.0423]	[0.0957]	[0.1023]	[0.0694]	[0.0760]
Elbasan	-0.1083***	-0.1085***	-0.0427	-0.0619	-0.1360**	-0.1111
	[0.0368]	[0.0353]	[0.0893]	[0.0941]	[0.0689]	[0.0757]
Fier	-0.1151**	-0.1221**	0.1103	0.095	-0.2721***	-0.2663***
	[0.0526]	[0.0496]	[0.0850]	[0.0911]	[0.0831]	[0.0790]
Gjirokaster	0.3200***	0.2871***	0.4547***	0.3639***	0.2913***	0.3171***
	[0.0465]	[0.0432]	[0.0853]	[0.1018]	[0.0930]	[0.1011]
Korce	-0.5309***	-0.5150***	-0.5096***	-0.4948***	-0.5078***	-0.4928***
	[0.0429]	[0.0411]	[0.0809]	[0.0846]	[0.0737]	[0.0746]
Kukes	0.4282***	0.4610***	0.4563***	0.4952***	0.4377***	0.4710***
	[0.0672]	[0.0657]	[0.1528]	[0.1571]	[0.0770]	[0.0885]
Lezhe	0.0981***	0.1126***	-0.2197***	-0.3608***	0.2986***	0.4082***
	[0.0295]	[0.0316]	[0.0380]	[0.0581]	[0.0568]	[0.0856]
Shkroder	0.2677***	0.3109***	-0.1399***	-0.1256***	0.5759***	0.6624***
	[0.0351]	[0.0419]	[0.0431]	[0.0453]	[0.0942]	[0.1199]
Vlore	0.3743***	0.4155***	0.2291**	0.2337**	0.4953***	0.5632***
	[0.0526]	[0.0512]	[0.1016]	[0.0996]	[0.0793]	[0.0815]
Enrolled in this a.y.		1.0025***		0.9445***		1.1516***
		[0.2430]		[0.2927]		[0.3532]
Constant	1.2349***	1.1005***	0.7451*	0.6628	1.5001***	1.3254***
	[0.3677]	[0.3389]	[0.4200]	[0.4153]	[0.4312]	[0.3889]
Observations	1402	1402	587	587	815	815
Pseudo R-squared	0.179	0.195	0.1777	0.19	0.1936	0.2157

Robust standard errors in brackets
* significant at 10%; ** significant at 5%; *** significant at 1%
For regional controls, the excluded district is Tirana.

Table 24: Received remittances and inactivity - young 19 - 33 - Instrumental variable estimation

	All sample				Male				Female			
					Dependet variable =1 if an individual is inactive							
	First stage	IV	First stage	IV	First stage	IV	First stage	IV	First stage	IV	First stage	IV
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Remittances		-0.4794*		-0.4756		-1.3618***		-1.3680***		-0.3688		-0.2781
		[0.2849]		[0.3004]		[0.0796]		[0.0845]		[0.3376]		[0.3105]
MTO per capita	2.4289***		2.4152***		1.9132**		1.8607**		2.1783**		2.1793**	
	[0.7800]		[0.7850]		[0.8076]		[0.8484]		[0.9708]		[0.9760]	
Distance border	-0.0325***		-0.0327***		-0.0362***		-0.0373**		-0.0257		-0.0256	
	[0.0117]		[0.0116]		[0.0139]		[0.0149]		[0.0171]		[0.0174]	
MTO*secondary educ	-3.5156***		-3.5141***		-2.6107***		-2.6068***		-3.6592***		-3.6301***	
	[0.7973]		[0.7989]		[0.3480]		[0.3686]		[1.0697]		[1.0933]	
Sex		-0.1591		-0.1134								
		[0.1515]		[0.1701]								
Age		-0.0380***		-0.0266***		-0.0298***		-0.0198*		-0.0385***		-0.0264**
		[0.0087]		[0.0083]		[0.0108]		[0.0114]		[0.0108]		[0.0104]
HH years of school		-0.0129		-0.0157		-0.0152		-0.0208		-0.0157		-0.0162
		[0.0266]		[0.0265]		[0.0386]		[0.0435]		[0.0350]		[0.0356]
Years of school		-0.0786***		-0.0993***		-0.0301		-0.0422		-0.1045***		-0.1344***
		[0.0273]		[0.0295]		[0.0324]		[0.0326]		[0.0348]		[0.0406]
Benefit		-0.0123		-0.0111		0.0146		-0.0021		-0.0357		-0.0198
		[0.1242]		[0.1203]		[0.1167]		[0.1183]		[0.1487]		[0.1472]
Dependency ratio		-0.2539***		-0.2912***		-0.2993**		-0.3286**		-0.2655**		-0.3152**
		[0.0903]		[0.0963]		[0.1282]		[0.1303]		[0.1351]		[0.1325]
Othincome_pcap		0.0641		0.0081		-0.1028		-0.2039		0.1002		0.0775
		[0.0662]		[0.0719]		[0.1214]		[0.1381]		[0.0797]		[0.0923]
HH size		-0.0115		-0.0143		-0.0147		-0.0232		0.0016		0.0025
		[0.0211]		[0.0215]		[0.0331]		[0.0331]		[0.0253]		[0.0251]
Head		-0.0907		-0.0921		-0.0933		-0.1266		-0.2162		-0.1697
		[0.2692]		[0.2691]		[0.2482]		[0.2463]		[0.4515]		[0.4768]
Spouse		0.4823**		0.5758***						0.5113**		0.6622**
		[0.1991]		[0.2218]						[0.2434]		[0.2754]
Relatives		0.3584**		0.4568**		0.1371		0.1836		0.3794*		0.5120**
		[0.1709]		[0.1872]		[0.1750]		[0.1647]		[0.1984]		[0.2356]
Urban area		1.0638***		1.0665***		0.8718***		0.8727***		1.1559***		1.1743***
		[0.1467]		[0.1526]		[0.1398]		[0.1452]		[0.2177]		[0.2216]
Enrolled in this a.y.				0.9825***				0.8849***				1.1488***
				[0.2327]				[0.3160]				[0.3591]
Constant		1.4495***		1.3183***		0.8586**		0.8299**		1.6485***		1.4530***
		[0.3300]		[0.3112]		[0.4171]		[0.4148]		[0.3887]		[0.3693]
District dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1402	1402	1402	1402	587	587	587	587	815	815	815	815

Robust standard errors in brackets For regional controls, the excluded district is Tirana.

* significant at 10%; ** significant at 5%; *** significant at 1%

Table 25: Received remittances and inactivity - young people 25- 33
            Probit estimation

	Dependet variable =1 if an individual is inactive					
	All sample		Male		Female	
	(1)	(2)	(3)	(4)	(5)	(6)
Remittances	0.1799	0.1862	0.311	0.3195	0.1032	0.1262
	[0.1464]	[0.1464]	[0.3014]	[0.3036]	[0.1292]	[0.1271]
Sex	-0.2735	-0.2577				
	[0.2418]	[0.2441]				
Age	-0.0208	-0.0162	-0.0188	-0.0242	-0.0287	-0.0209
	[0.0129]	[0.0112]	[0.0313]	[0.0284]	[0.0249]	[0.0260]
HH years of school	-0.0309	-0.0321	-0.004	-0.0017	-0.0448	-0.0463
	[0.0269]	[0.0264]	[0.0331]	[0.0337]	[0.0472]	[0.0467]
Years of school	-0.1123***	-0.1169***	-0.0948**	-0.0940**	-0.1117***	-0.1247***
	[0.0361]	[0.0384]	[0.0425]	[0.0423]	[0.0410]	[0.0464]
Benefit	0.1836	0.1837	0.2338	0.2434	0.1083	0.1187
	[0.1711]	[0.1694]	[0.2581]	[0.2604]	[0.1590]	[0.1596]
Dependency ratio	-0.3740***	-0.3790***	-0.4808**	-0.4767**	-0.3231*	-0.3424**
	[0.1095]	[0.1092]	[0.1881]	[0.1894]	[0.1678]	[0.1654]
Othincome_pcap	0.014	0.0102	-0.0026	0.009	-0.0018	0.008
	[0.1211]	[0.1196]	[0.2700]	[0.2704]	[0.1801]	[0.1871]
HH size	-0.035	-0.0387	-0.0997***	-0.0954***	0.0008	-0.0054
	[0.0228]	[0.0249]	[0.0309]	[0.0321]	[0.0260]	[0.0278]
Head	0.007	0.0003	0.0142	0.0332	-0.4952	-0.4438
	[0.3072]	[0.3034]	[0.3354]	[0.3321]	[0.5729]	[0.6056]
Spouse	0.4935***	0.5140***			0.3960**	0.4580**
	[0.1861]	[0.1829]			[0.1957]	[0.1955]
Relatives	0.095	0.1229	-0.1309	-0.1432	-0.0052	0.0649
	[0.1843]	[0.1864]	[0.4429]	[0.4399]	[0.2036]	[0.2245]
Urban area	1.1625***	1.1614***	0.9194***	0.9287***	1.2991***	1.3048***
	[0.1427]	[0.1423]	[0.2485]	[0.2452]	[0.1694]	[0.1665]
Berat	0.4267***	0.4027***	0.8734***	0.9225***	0.1034	0.0963
	[0.0421]	[0.0399]	[0.2682]	[0.2877]	[0.1059]	[0.1089]
Diber	0.1069	0.1103	0.6838***	0.6892***	-0.1804	-0.1461
	[0.0823]	[0.0824]	[0.2093]	[0.2109]	[0.1193]	[0.1386]
Durres	0.5656***	0.5634***	0.5450**	0.5547**	0.5971***	0.6163***
	[0.0640]	[0.0632]	[0.2616]	[0.2637]	[0.1088]	[0.1212]
Elbasan	0.0945	0.0892	0.0113	0.0186	0.2007**	0.2074**
	[0.0651]	[0.0665]	[0.2347]	[0.2351]	[0.0800]	[0.0865]
Fier	-0.1057*	-0.1214**	0.1258	0.1366	-0.2408**	-0.2656**
	[0.0575]	[0.0576]	[0.1927]	[0.1938]	[0.1129]	[0.1058]
Gjirokaster	0.4306***	0.4161***	0.9951***	1.0659***	0.2188*	0.2579*
	[0.0549]	[0.0582]	[0.2153]	[0.2559]	[0.1172]	[0.1353]
Korce	-0.5517***	-0.5520***	-0.5221**	-0.5164**	-0.5575***	-0.5381***
	[0.0922]	[0.0913]	[0.2515]	[0.2522]	[0.0978]	[0.1094]
Kukes	0.4137***	0.4176***	-0.041	-0.0384	0.6736***	0.7032***
	[0.1081]	[0.1068]	[0.2983]	[0.2989]	[0.1223]	[0.1376]
Lezhe	0.0778	0.0727	-0.8070***	-0.7808***	0.4179***	0.4495***
	[0.0477]	[0.0465]	[0.1056]	[0.1145]	[0.0916]	[0.1087]
Shkroder	0.1645***	0.1635***	-0.4754***	-0.4608***	0.5750***	0.6010***
	[0.0380]	[0.0380]	[0.0769]	[0.0873]	[0.0891]	[0.1041]
Vlore	0.4182***	0.4217***	0.3721**	0.3851**	0.3942***	0.4272***
	[0.0609]	[0.0599]	[0.1855]	[0.1868]	[0.0536]	[0.0557]
Enrolled in this a.y.		0.5014		-0.5304		0.9438
		[0.4885]		[1.0323]		[0.7128]
Constant	1.3636**	1.2899**	1.0815	1.1617	1.5452*	1.4199
	[0.5440]	[0.5399]	[0.8920]	[0.8206]	[0.8540]	[0.8933]
Observations	781	781	326	326	455	455
Pseudo R-squared	0.1778	0.1794	0.1932	0.1944	0.1979	0.2038

Robust standard errors in brackets
* significant at 10%; ** significant at 5%; *** significant at 1%
For regional controls, the excluded district is Tirana.

Table 26: Received remittances and inactivity - young 25 - 33 - Instrumental variable estimation

	Dependet variable =1 if an individual is inactive											
	All sample				*Male*				*Female*			
	First stage	IV	First stage	IV	First stage	IV	First stage	IV	First stage	IV	First stage	IV
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Remittances		-0.7981*		-0.7649*		-1.3919***		-1.3904***		0.1061		0.5316
		[0.4256]		[0.4415]		[0.1756]		[0.1731]		[0.9038]		[0.9357]
MTO per capita	2.0472**		2.0178*		2.2402***		2.2317***		1.3445		1.1512	
	[1.0288]		[1.0543]		[0.6534]		[0.6273]		[1.5555]		[1.6805]	
Distance border	-0.0258*		-0.0254*		-0.0327**		-0.0328**		-0.0091		-0.0041	
	[0.0135]		[0.0138]		[0.0135]		[0.0131]		[0.0204]		[0.0212]	
MTO*secondary educ	-2.8814***		-2.8653***		-2.9920***		-2.9892***		-2.1767*		-1.9946	
	[0.7976]		[0.8267]		[0.5330]		[0.5508]		[1.2315]		[1.3909]	
Sex		-0.3555		-0.3429								
		[0.2519]		[0.2588]								
Age		-0.0210**		-0.0177**		-0.032		-0.0346		-0.0287		-0.0222
		[0.0101]		[0.0079]		[0.0238]		[0.0229]		[0.0242]		[0.0269]
HH years of school		-0.0476**		-0.0480**		-0.0276		-0.0266		-0.0447		-0.039
		[0.0222]		[0.0225]		[0.0343]		[0.0347]		[0.0457]		[0.0491]
Years of school		-0.0977***		-0.1019**		-0.0698*		-0.0692**		-0.1118***		-0.1293***
		[0.0370]		[0.0397]		[0.0357]		[0.0339]		[0.0376]		[0.0433]
Benefit		0.1924		0.1928		0.1771		0.1821		0.1082		0.1039
		[0.1600]		[0.1593]		[0.1558]		[0.1582]		[0.1619]		[0.1637]
Dependency ratio		-0.3907***		-0.3947***		-0.4255***		-0.4236***		-0.3230*		-0.3237*
		[0.1173]		[0.1165]		[0.1549]		[0.1566]		[0.1673]		[0.1738]
Othincome_pcap		-0.0878		-0.0872		-0.4534		-0.4448		-0.0015		0.0423
		[0.1315]		[0.1315]		[0.3647]		[0.3529]		[0.1774]		[0.1863]
HH size		-0.0302		-0.0333		-0.0536		-0.0514		0.0008		-0.0059
		[0.0215]		[0.0246]		[0.0361]		[0.0374]		[0.0258]		[0.0281]
Head		0.0578		0.0514		0.0058		0.0157		-0.4962		-0.5636
		[0.2751]		[0.2732]		[0.2486]		[0.2455]		[0.7246]		[0.7434]
Spouse		0.4182**		0.4364**						0.3960**		0.4586**
		[0.1871]		[0.1922]						[0.1956]		[0.1967]
Relatives		0.0899		0.1109		0.0624		0.057		-0.0054		0.0523
		[0.2009]		[0.2100]		[0.3033]		[0.2992]		[0.2143]		[0.2255]
Urban area		1.0702***		1.0752***		0.7484***		0.7517***		1.2992***		1.3107***
		[0.1647]		[0.1631]		[0.1510]		[0.1461]		[0.1823]		[0.1582]
Enrolled in this a.y.			0.358				-0.2703				1.0096	
			[0.5160]				[1.1779]				[0.7221]	
Constant		1.7015***		1.6411***		1.7228***		1.7583***		1.5447*		1.3299
		[0.5001]		[0.5023]		[0.6403]		[0.6170]		[0.9107]		[1.0396]
District dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	781	781	781	781	326	326	326	326	455	455	455	455

Robust standard errors in brackets For regional controls, the excluded district is Tirana.

* significant at 10%; ** significant at 5%; *** significant at 1%