

Economics
Seminar
Series
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SOUTH ASIAN UNIVERSITY
FACULTY OF ECONOMICS

Seminar

Remittance and Labor Market Outcomes: Evidence from Mexico

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Date: August 20, 2015
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Time: 2 :30 p.m.
Venue: Mezzanine Floor, Akbar Bhawan
Satya Marg, Chanakyapuri, New Delhi

All are Welcome

Abstract

The effect of remittance on labor market outcomes has been studied by many researchers spanning several countries. These studies primarily use micro-level data. However, there are a few studies that use macro level data, but suffer from endogeneity bias due to remittance in their estimations. This paper attempts to fill this gap in the literature by using a panel data of Mexican states and also by taking care of endogeneity bias of remittance in the labor market outcomes regressions. The main result of this paper are as follows: An increase in remittance (1) increases labor force participation rate, (2) decreases labor hours worked, (3) reduces critical employment, (4) reduces unemployment duration, and (4) has no impact on total unemployment rate, employment in the informal sector, and hourly wage rate. Additionally, this paper uses data from recent years and therefore reflects the current behavioral trends in migration, labor markets, and remittances at the aggregate level.