

Referee Report: POST ELECTORAL CRISIS AND INTERNATIONAL REMITTANCES: EVIDENCE FROM CÔTE D'IVOIRE

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The paper studies determinants of international remittances received to Côte d'Ivoire and compares remittances during different periods (post- electoral crisis and before). By this, the paper claims to show in its own words that “(i) remittances are insurance against falling incomes; (ii) the crisis proffer an opportunity to demonstrate the altruism of emigrants beyond kinship; (iii) contrary to economic theory, altruism is not extinguished over time by maintaining regular contacts between migrants and their correspondents, made possible by Information and Communication Technologies (ICT); (iv) the period of emigration significantly influences the amounts sent by migrants to their correspondents in Côte d'Ivoire”

The question how remittances respond to crisis and conflict is not entirely new, but I think the Ivorian case study provides an interesting context and the question could therefore be a valuable contribution. This said, I do have some reservations towards the paper and would not recommend publication in its current state. The empirical strategy is not very transparent. I had a hard time figuring out how exactly the statements above were supported empirically. Where does the paper show falling income in the regression? How does the paper model/operationalize “altruism beyond kinship”? Where do ICT appear in the regression? Where is the time dimension analyzed? How does it model the period of emigration? Theory needs to be translated more clearly into hypotheses that can be tested empirically.

The paper runs two regressions on different subsets – R during crisis, and R before the crisis. However, by simply presenting two different regressions it is not getting very clear whether and how the crisis mattered for sending patterns. Although it is a potentially interesting statement that remittances are used differently during crisis compared to “normal” times, I can't really see any relevant differences in the regression tables for the two subsets.

Also, the choice of the empirical strategy is not well explained. As the author states, “the OLS model is used to estimate the determinants of remittances received under normal conditions while remittances received on the day of the survey are estimated by an ordered PROBIT model” (p. 8). There seem to be two different variables of interest here, the amounts and the timing. But I did not well understand the justification for the model specification. Why two different models? Which is the treatment variable? Which coefficient and test-statistics could tell you about differences in conflict-settings?

Sources of endogeneity and possible biases should at least be discussed. Are those who were affected by the conflict a different group of people? Are these the same people but the situation changed or are we talking about different draws from an underlying population? Do senders behave differently during conflict? Or receivers? There is a mention of the use of instruments on p.12 (“an absence of endogenous factor on variable linked to the uses of remittances, using the Durbin-Wu-Hausman test in a regression framework with instrumental variable and finally a normality of the residuals (Shapiro-Wilk test)”) but I can’t find any mention of IV in the text.

Finally, the paper should provide more theoretical discussion on why conflict situation would be different from a non-conflict situation. What is your expectation and why?