



ABSTRACT WORKING PAPER 3.10

REMITTANCES AND EDUCATIONAL OUTCOMES: EVIDENCE FOR MOLDOVA

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This paper analyzes the impact of remittances on education outcomes in Moldova, one of the European Neighborhood Policy Countries. The idea is to understand whether remittances can be considered, from a policy perspective, as a useful channel in order to foster human capital formation in the origin countries of migrants and, as a result, to increase economic growth in these countries. We use household data for the 2008 *CBSAXA Moldovan Household Survey* provided by the Kiel Institute. By using probit and IV probit estimation techniques, we show that being in a family receiving remittances increases the probability of attaining higher education of around 33% after controlling for several individual and family characteristics. Moreover, the migrant education level has a strong, positive and significant impact on family members' education.