

Migration and wellbeing of people left behind: evidence from the South Caucasus

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The rise in the number of international migrants is creating a new transnational family form, where components are geographically separated for an extended period but maintain significant ties between each other. In the migration literature the focus has often been on the experience of the migrants or on their economic contribution to the home country, while little has been written on the wellbeing of people left behind. Focusing on two post-soviet countries, Armenia and Georgia, this paper proposes to fill this gap adopting a holistic vision of wellbeing that includes objective and subjective dimensions. To carry out the analysis, the paper uses the two most recent waves (2013-2015) of the Caucasus Barometer, a nationally representative household survey aimed to collect information on opinions and standard of living of individuals and households in the region. Firstly I construct a Composite Index of Objective Deprivation using Multiple Correspondence Analysis, consisting of 7 dimensions drawn from an extensive literature review: health, nutrition, durable goods, services, wealth, skills and leisure. Secondly I cross the index with the variable on Life Satisfaction present in the survey obtaining 4 categories: objectively and subjectively satisfied, objectively dissatisfied and subjectively satisfied, objectively satisfied and subjectively dissatisfied, objectively and subjectively dissatisfied. The third step investigates the impact of having a family member living abroad and remittances on these categories, using Propensity Score Matching to account for endogeneity. The main hypothesis is that having a family member living abroad has a positive and significant impact on being subjectively dissatisfied, while receive remittances have a positive and significant impact on being objectively satisfied but subjectively dissatisfied. The conclusion would be that even though migration can improve the economic condition of the household, remittances do not compensate the negative effect on subjective wellbeing of being far from family members.