

“Modeling and Measuring Information Asymmetries in the Context of Senegalese Migrants' Remittances” (in English)

Date: 14 April 2015 (Tuesday)

Time: 11:30 am - 1 pm

Venue: WYL102, Dorothy Y. L. Wong Building

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Abstract:

Much optimism has been invested in the developmental role of migrants' remittances. Altruism and frequent interactions should indeed make intra-household resource allocation efficient. But geographical dispersion may breed information asymmetry and jeopardize efficiency. We develop a model of transfers from the Senegalese diaspora based on socio-anthropological evidence of remittances earmarked by migrants for investments or expenditures by their households of origin, especially assets and housing. The model allows for information asymmetry and monitoring by the migrant. It shows that under some conditions it may be optimal for recipients to behave strategically and we may observe systematic discrepancies between recipients' and senders' reports of the goods to be financed by transfers. Novel matched data enable us to test and find support for the model's predictions. The empirical results are shown to be robust to non-classical measurement error patterns.

Biography:

Marlon SEROR is a Ph.D. candidate at the Paris School of Economics and Ecole Normale Supérieure, France, currently visiting the Hong Kong Polytechnic University. He specializes in Development Microeconomics and focuses on migration and migrants' remittances. He previously graduated from Sciences Po and the School of Oriental and African Studies, University of London. He holds a BA in Chinese Language and Civilization from INALCO, Paris.