Remittances, Spending and Political Instability in Ukraine

Abstract. This paper aims to analyze remittances by Ukrainian emigrants to their country of origin. It explores the dependence of Ukrainian individuals' expenditures on remittances and the size of remittances received from abroad on the political situation in Ukraine in 2004 (Orange Revolution and Presidential Elections in 2004). The influence of political instability on the spending of remittances by receiving households in Ukraine is investigated. The results of the nationally-representative household survey in Ukraine are used to compare individuals' decisions to spend money from remittances on investing, depending on their political views and future expectations. Change in emigrants' expectations could increase willingness to financially support the emigrants' relatives in their country of origin.

Keywords: remittances, Ukraine, Orange Revolution, migration

Iuliia Kuntsevych[1] is PhD student and Junior Researcher at CERGE-EI (Center for Economic Research and Graduate Education-Economics Institute), Prague

[1] CERGE-EI (Center for Economic Research and Graduate Education - Economics Institute), Politických vězňů 7 111 21 Praha 1; Email: Iuliia.Kuntsevych@cerge-ei.cz

Model

After the Orange Revolution of 2004, major changes were made to political power in Ukraine in 2005, and as a result it is possible that optimistic feelings of people who had supported the 'Orange government' might have stimulated support for Ukraine's economy from some of those individuals in the expectation that they would have opportunities to make a profit, or by investing their savings. The main research question considered was whether the political orientation of individuals, whether men or women and whether in receipt or not of remittances, influenced investment decisions during the transition period in Ukraine in 2004. I checked too to see whether individuals who supported the Orange Revolution and the new government were optimistic about Ukraine's economic environment and saved or donated more than people who opposed it. Consideration was also given to the influence of the general personal characteristics of individuals on the size of remittances. For that I considered things like region of origin, their education, age, language, whether they had relatives outside Ukraine, for example..

The following model, similar to that of Merkle / Zimmermann, was used to assess the probability of receipt of remittances from abroad: [2]

$$\begin{aligned} REMIT_i = {} & \beta_1 POLITACT_i + \beta_2 THIRDROUND_i + \beta_3 PERSATTIT_i \\ & + \beta_4 PAYFOREDUCATION_{\ i} + \beta_5 SATISMONINCOME_i \\ & + \beta_6 MOVEDOUTSIDE_i + \beta_7 LOG(INCOME)_i + \beta_8 Z_i + u_i \end{aligned} \qquad (1)$$

where *REMIT* is a dummy variable showing whether an individual obtained remittances from abroad, and equals 'one' if the respondent obtained some remittance and 'zero' otherwise[3]; *POLITACT* is a binary variable equal to 'one' if the respondent was involved in political activities; *THIRDROUND* is a binary variable equal to 'one' if the person voted during the third round of the Presidential Elections (December 26, 2004); *PERSATTIT* is a dummy variable which equals 'one' if a respondent more or less agreed with the 'Orange' side and 'zero' if the respondent more or less agreed with the 'Blue-White' side; *PAYFOREDUCATION* is a dummy variable which equals 'one' if the respondent spent money on education during the 30 days before the interview; *SATISMONINCOME* is a binary variable which equals 'one' if the respondent reported satisfaction with his or her monthly disposable income, and equals 'zero' otherwise;[4] *MOVEDOUTHH* is a dummy variable which equals 'one' if at least one ex-household member moved out of the household to another city inside Ukraine, and 'zero' otherwise; *EMIGRATEDBEFORE2004* is a dummy variable which equals 'one' if

[2] Lucie Merkle / Klaus F. Zimmermann, Savings, Remittances, and Return Migration, *Economics Letters* 38, No. 1 (1992), 77-81.a

[3] For this model I impose a restriction that β_0=0, since remittances cannot be negative.

[4] Question: We are interested to what extent you are satisfied with some aspects of your life. Please tell me, to what extent you are satisfied or dissatisfied with the level of your monthly disposable personal income?

somebody emigrated from the household before 2004[5], and 'zero' otherwise; *EMIGRATEDBEFORE2007* is a dummy variable which equals 'one' if somebody emigrated from the household before 2007 [6], and 'zero' otherwise; *INCOME* is a variable which equals respondents stated income for the period of 12 months, Z is a vector of exogenous individual characteristics, which most likely affect the emigrants decision to invest, such as age, gender, language[7].

It should be noted that in addition to *MOVEDOUTHH* another dummy variable was considered for the research, namely *MOVEDOUTSIDEHH*, a dummy variable which equal to 'one' if at least one household member moved out of Ukraine since 2004 (previous interview) and 'zero' otherwise. Moreover, *MOVEDBEFORE2004* and *MOVEDBEFORE2007* variables were not estimated in the model together with *MOVEDOUTHH* and *MOVEDOUTSIDEHH* dummy variables.

According to the model (1) there are two main hypotheses to be tested. The first is H_0 :$\beta_3 = 0$. The research question explored by this hypothesis is whether a respondent's view of the political situation in Ukraine has a significant influence on the possibility of obtaining remittances from friends or relatives abroad. It might be the case that the political preferences of such relatives or friends differed from those of the respondent, and the sum of remittances from abroad might have decreased. The second hypothesis to be tested is H_0: $\beta_4 = 0$. This hypothesis explores the dependency of the remittances on the respondent's investments in human capital. Possible dependency might be explained by the fact that relatives or friends abroad might send larger sums if for example there is a child in a household and the sender expects that money will be spend on the child's education. Lastly, the respondent's participation in donations and financial aid to others, so that personal attitudes about current circumstances can be checked.

In order to check the structure of individual household expenditure the following model was used, modified from Merkle / Zimmerman:

$$SAVED_i = \gamma_1 REMIT_i + \gamma_2 POLITACT_i + \gamma_3 THIRDROUND_i + \gamma_4 ELECTSATISF_i + \gamma_5 UKRSIT_i + \gamma_6 OPTIMIST_i + \gamma_7 PERSATTIT_i + \gamma_8 RELATIVESAATIT_i + \gamma_9 SATISMONINCOME_i + \gamma_{10} SATISFINPROSP_i + \gamma_{11} X_i + \varepsilon_i \quad (2)$$

[5] This information was taken from the second wave survey and the question asked was 'Please tell me, why is [NAME AND PATRONYMIC] living separately?', meaning whether there is somebody who emigrated from the household before the Orange Revolution.

[6] This information was taken from the third wave survey and the question asked was 'Please tell me, why is [NAME AND PATRONYMIC] no longer a member of your household? ', meaning whether there is somebody who emigrated from the household after the Orange Revolution but before 2007.

[7] *Language* is a dummy variable that equals one if immigrant talks Ukrainian and zero if respondents' language is Russian.

$$PAYFOREDUCATION_i = \delta_1 REMIT_i + \delta_2 POLITACT_i + \delta_3 THIRDROUND_i + \delta_4 ELECTSATISF_i + \delta_5 UKRSIT_i + \delta_6 OPTIMIST_i + \delta_7 PERSATTIT_i + \delta_8 RELATIVESAATIT_i + \delta_9 SATISMONINCOME_i + \delta_{10} SATISFINPROSP_i + \delta_{11} X_i + \omega_i \quad (3)$$

$$DONATE_i = \alpha_1 REMIT_i + \alpha_2 POLITACT_i + \alpha_3 THIRDROUND_i + \alpha_4 ELECTSATISF_i + \alpha_5 UKRSIT_i + \alpha_6 OPTIMIST_i + \alpha_7 PERSATTIT_i + \alpha_8 RELATIVESAATIT_i + \alpha_9 SATISMONINCOME_i + \alpha_{10} SATISFINPROSP_i + \alpha_{11} X_i + \epsilon_i \quad (4)$$

where *SAVED* is a binary variable that equals 'one' if a respondent saved money during the previous 12 months; *DONATED* is a binary variable that equals 'one' if a respondent made any donations to public foundations, churches or other religious organizations; *PAYFOREDUCATION* is a dummy variable which equals 'one' if the respondent spent any money on education during the 30 days before the interview; *REMIT* is the probability of obtaining remittances from abroad, estimated through model (1)[8]; *POLITACT* is a binary variable equal to 'one' if respondent was involved in political activities; *THIRDROUND* is a binary variable equal to 'one' if person voted during third round of the Presidential Elections (December 26, 2004); *ELECTIONSATISF* is a variable which shows the respondents satisfaction with the resolved political events in 2004[9]; *UKRSIT* is a variable which shows respondents' opinions of the general situation in Ukraine after the final stage of the Presidential Elections in 2004; *OPTIMIST* is a dummy variable which equals 'one' if a respondent felt optimistic about Ukraine's future or 'zero' of the respondent was pessimistic about it; *PERSATTIT* is a dummy variable which equal to 'one' if the respondent more or less agreed with the 'Orange' side and to 'zero' if the respondent more or less agreed with the 'Blue-White' side; *RELATIVATTIT* is a dummy variable which equals 'one' if the relatives of a respondent more or less agreed with the 'Orange' side and 'zero' in case more or less agreed with the "Blue-White" side; *SATISMONINCOME* is a binary variable which equals 'one' if a respondent reported satisfaction with individual monthly disposable income, and equals 'zero' otherwise[10]; *SATISFINPROSP* is a binary variable which equals 'one' if a respondent reported satisfaction with individual financial prospects, and equals 'zero' otherwise[11]; *UKRDOINGTODAY* is a variable which classifies the views of respondents on how Ukraine was doing at the time of interview[12]. 'X' is a vector of exogenous individual characteristics most likely to affect an individual emigrant's decision to

[8] Question: During the last 12 months have any non-members of your household or members of your household who temporarily lived separately from you sent or brought money, goods, food or any other kind of contribution to your household?
[9] Question: To what extent were you satisfied with how the political event was resolved by January 2005?

[10] Question: We are interested to what extent you are satisfied with some aspects of your life. Please tell me, to what extent you are satisfied or dissatisfied with the level of your monthly disposable personal income?

[11] Question: We are interested to what extent you are satisfied with some aspects of your life. Please tell me, to what extent you are satisfied or dissatisfied with your financial prospects for the future?
[12] Question: Generally speaking, how is Ukraine doing today?

invest; it includes things like age, gender, language[13] and number of children in the household. 'X' includes region where currently living[14], individual income and satisfaction with future financial prospects, the state of elections and so on.

All the models were separately estimated sequentially, meaning that models (1), (2), (3) and (4) were estimated using the 'probit' model. The results of such estimations are given in the Annex.[15]

According to models (3a, 3b, and 3c) there were two main hypotheses to be tested. The first hypothesis is H_0: $\alpha_6 = 0$ or/and $\gamma_6 = 0$ or/and $\delta_6 = 0$. The research question explored by analysing that hypothesis is whether those respondents who felt optimistic about Ukraine's future after the Orange Revolution and the final stage of the presidential elections saved or donated more money in physical capital. It is common knowledge that people who are optimistic about their country's future tend to invest in their own future by putting money into shares or bonds, or perhaps by simply saving their money. The second hypothesis tested is $H_0 : \alpha_7 = 0$ or/and $\gamma_7 = 0$ or/and $\delta_7 = 0$. According to it, the research question examined was whether the attitudes of respondents to the winning 'Orange' side—meaning whether they were supporters or opponents of it—has a significant effect on their decisions either to save or donate. Moreover, as one might see, *REMIT* coefficient ($H_0 : \alpha_1 = 0$ or/and $\gamma_1 = 0$ or/and $\delta_1 = 0$) shows the effect on the respondents' decisions to save/donate money of remittances received from outside their household.

[13] *Language* is a dummy variable that equals one if immigrant talks Ukrainian and zero if respondents language is Russian.
[14] *Region* is a dummy variable that equals one if respondent lives in Western Ukraine and zero if in Eastern.
[15] Annex, available at http://doi.org/10.15457/soe_2016-1-1.

Tables of results

Table 1.a: Benchmark probit model for Remittances.

	(1) Received remittances	(2) Received remittances	(3) Received remittances	(4) Received remittances	(5) Received remittances
Voted in the third round - 26th December (voted=1, not=0)	-0.422***	-0.429***	-0.428***	-0.423***	-0.425***
	(0.0979)	(0.0986)	(0.0986)	(0.0979)	(0.0979)
Personal political views (pro-Orange=1; pro-Blue/White=0)	**-0.376*** **	**-0.397*** **	**-0.397*** **	**-0.390*** **	**-0.388*** **
	(0.0814)	**(0.0821)**	**(0.0820)**	**(0.0815)**	**(0.0815)**
Political activities (involved in political activities =1, not=0)	0.0434	0.0349	0.0359	0.0351	0.0371
	(0.110)	(0.111)	(0.111)	(0.110)	(0.110)
Language (Ukrainian=1; Russian=0)	**-0.299*** **	**-0.326*** **	**-0.323*** **	**-0.307*** **	**-0.306*** **
	(0.0759)	**(0.0764)**	**(0.0763)**	**(0.0759)**	**(0.0759)**
Gender (male=1; female=0)	**-0.207** **	**-0.190** **	**-0.190** **	**-0.205** **	**-0.206** **
	(0.0675)	**(0.0680)**	**(0.0680)**	**(0.0676)**	**(0.0676)**
Age	-0.0118***	-0.0113***	-0.0113***	-0.0117***	-0.0117***
	(0.00242)	(0.00244)	(0.00243)	(0.00242)	(0.00242)
Paid for education (yes=1; not=0)	**-0.690*** **	**-0.686*** **	**-0.688*** **	**-0.681*** **	**-0.682*** **
	(0.172)	**(0.175)**	**(0.175)**	**(0.172)**	**(0.172)**
Paid for training classes (yes=1; not=0)	**0.830** **	**0.862** **	**0.859** **	**0.822** **	**0.821** **
	(0.274)	**(0.274)**	**(0.274)**	**(0.273)**	**(0.273)**
Log of total personal income	-0.00564	-0.00929	-0.00942	-0.00756	-0.00712
	(0.0149)	(0.0150)	(0.0150)	(0.0148)	(0.0148)
Satisfaction of monthly income (yes=1; not=0)	-0.0614	-0.0588	-0.0590	-0.0670	-0.0683
	(0.0903)	(0.0911)	(0.0910)	(0.0904)	(0.0904)
Number of children in the HH	0.0616	0.0580	0.0586	0.0559	0.0559
	(0.0377)	(0.0382)	(0.0382)	(0.0379)	(0.0379)
Somebody emigrated from HH before 2004 (yes=1; not=0)	**0.316**	**0.136**			
	(0.191)	**(0.201)**			
Somebody emigrated from HH before 2007 (yes=1; not=0)		**1.042*** **	**1.064*** **		
		(0.184)	**(0.181)**		
Moved out from the HH (yes=1; not=0)				**0.211***	
				(0.0876)	
Moved outside Ukraine (yes=1; not=0)					**0.210***
					(0.0888)
N	2755	2755	2755	2755	2755

Standard errors in parentheses
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 1.b: Marginal effects for benchmark probit Remittances model.

	(1) Received remittances	(2) Received remittances	(3) Received remittances	(4) Received remittances	(5) Received remittances
Voted in the third round - 26th December (voted=1, not=0)	-0.0749***	-0.0749***	-0.0747***	-0.0751***	-0.0754***
	(0.0173)	(0.0171)	(0.0171)	(0.0172)	(0.0173)
Personal political views (pro-Orange=1; pro-Blue/White=0)	**-0.0669*** **	**-0.0692*** **	**-0.0693*** **	**-0.0692*** **	**-0.0688*** **
	(0.0144)	**(0.0142)**	**(0.0142)**	**(0.0144)**	**(0.0144)**
Political activities (involved in political activities =1, not=0)	0.00771	0.00608	0.00627	0.00623	0.00659
	(0.0195)	(0.0193)	(0.0193)	(0.0194)	(0.0194)
Language (Ukrainian=1; Russian=0)	-0.0531***	-0.0568***	-0.0563***	-0.0544***	-0.0543***
	(0.0134)	(0.0133)	(0.0132)	(0.0134)	(0.0134)
Gender (male=1; female=0)	**-0.0368** **	**-0.0331** **	**-0.0331** **	**-0.0364** **	**-0.0365** **
	(0.0120)	**(0.0119)**	**(0.0119)**	**(0.0120)**	**(0.0120)**
Age	**-0.00210*** **	**-0.00198*** **	**-0.00198*** **	**-0.00207*** **	**-0.00207*** **
	(0.000428)	**(0.000424)**	**(0.000424)**	**(0.000429)**	**(0.000429)**
Paid for education (yes=1; not=0)	**-0.123*** **	**-0.120*** **	**-0.120*** **	**-0.121*** **	**-0.121*** **
	(0.0306)	**(0.0305)**	**(0.0305)**	**(0.0306)**	**(0.0306)**
Paid for training classes (yes=1; not=0)	**0.147** **	**0.150** **	**0.150** **	**0.146** **	**0.146** **
	(0.0486)	**(0.0477)**	**(0.0477)**	**(0.0484)**	**(0.0484)**
Log of total personal income	-0.00100	-0.00162	-0.00164	-0.00134	-0.00126
	(0.00264)	(0.00261)	(0.00261)	(0.00263)	(0.00263)
Satisfaction of monthly income (yes=1; not=0)	-0.0109	-0.0103	-0.0103	-0.0119	-0.0121
	(0.0160)	(0.0159)	(0.0159)	(0.0160)	(0.0160)
Number of children in the HH	0.0109	0.0101	0.0102	0.00991	0.00992
	(0.00669)	(0.00666)	(0.00666)	(0.00672)	(0.00672)
Somebody emigrated from HH before 2004 (yes=1; not=0)	**0.0561**	**0.0237**			
	(0.0339)	**(0.0350)**			
Somebody emigrated from HH before 2007 (yes=1; not=0)		**0.182*** **	**0.186*** **		
		(0.0319)	**(0.0314)**		
Moved out from the HH (yes=1; not=0)				**0.0375***	
				(0.0155)	
Moved outside Ukraine (yes=1; not=0)					**0.0373***
					(0.0157)
N	2755	2755	2755	2755	2755

Standard errors in parentheses
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 2.a: Benchmark Remittances probit model depending on the language speaking.

	Ukrainian speaking respondents					Russian speaking respondent				
	(1) Received remittances	(2) Received remittances	(3) Received remittances	(4) Received remittances	(5) Received remittances	(1) Received remittances	(2) Received remittances	(3) Received remittances	(4) Received remittances	(5) Received remittances
Voted in the third round - 26th December (votes=1, not=0)	-0.431***	-0.441***	-0.442***	-0.434***	-0.434***	-0.510***	-0.524***	-0.518***	-0.507***	-0.513***
	(0.127)	(0.127)	(0.127)	(0.127)	(0.127)	(0.147)	(0.148)	(0.148)	(0.147)	(0.147)
Personal political views (pro-Orange=1; pro-Blue/White=0)	**-0.321***	**-0.328***	**-0.326***	**-0.325***	**-0.325***	**-0.184**	**-0.200**	**-0.194**	**-0.195**	**-0.190**
	(0.152)	**(0.153)**	**(0.153)**	**(0.152)**	**(0.152)**	**(0.108)**	**(0.109)**	**(0.109)**	**(0.108)**	**(0.108)**
Gender (male=1; female=0)	-0.220*	-0.217*	-0.218*	-0.220*	-0.220*	-0.259*	-0.224*	-0.228*	-0.257*	-0.259*
	(0.0881)	(0.0887)	(0.0886)	(0.0881)	(0.0882)	(0.105)	(0.106)	(0.105)	(0.105)	(0.105)
Age	-0.0150***	-0.0145***	-0.0145***	-0.0150***	-0.0150***	-0.0136***	-0.0139***	-0.0137***	-0.0134***	-0.0134***
	(0.00301)	(0.00303)	(0.00303)	(0.00301)	(0.00302)	(0.00381)	(0.00385)	(0.00383)	(0.00381)	(0.00381)
Paid for education (yes=1; not=0)	**-0.961***	**-0.937***	**-0.937***	**-0.945***	**-0.944***	-0.455	-0.484	-0.495*	-0.475	-0.476
	(0.249)	**(0.249)**	**(0.249)**	**(0.249)**	**(0.249)**	(0.244)	(0.252)	(0.252)	(0.246)	(0.246)
Paid for training classes (yes=1; not=0)	**1.223***	**1.253***	**1.255***	**1.219***	**1.219***	**-0.0169**	**0.0268**	**0.0127**	**-0.0249**	**-0.0256**
	(0.354)	**(0.354)**	**(0.354)**	**(0.353)**	**(0.353)**	**(0.576)**	**(0.577)**	**(0.577)**	**(0.574)**	**(0.573)**
Log of total personal income	-0.00933	-0.0142	-0.0142	-0.0106	-0.0108	**-0.0215**	**-0.0241**	**-0.0250**	**-0.0246**	**-0.0232**
	(0.0186)	(0.0187)	(0.0187)	(0.0186)	(0.0186)	**(0.0235)**	**(0.0236)**	**(0.0235)**	**(0.0234)**	**(0.0234)**
Somebody emigrated from HH before 2004 (yes=1; not=0)	**0.141**	**-0.0898**				**0.691**	**0.734**			
	(0.221)	**(0.239)**				**(0.387)**	**(0.387)**			
Somebody emigrated from HH before 2007 (yes=1; not=0)		**0.934***	**0.911***				**1.204***	**1.188***		
		(0.234)	**(0.225)**				**(0.306)**	**(0.306)**		
Moved out from				**0.137**					**0.230**	

the HH										
(yes=1; not=0)				**(0.115)**					**(0.137)**	
Moved outside Ukraine					**0.147**					**0.212**
(yes=1; not=0)					**(0.115)**					**(0.141)**
Other Controls included	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
N	1494	1494	1494	1494	1494	1261	1261	1261	1261	1261

Standard errors in parentheses
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 2.b: Marginal effects for Benchmark Remittances probit model depending on the language speaking.

	Ukrainian speaking respondents					Russian speaking respondents				
	(1) Received remittances	(2) Received remittances	(3) Received remittances	(4) Received remittances	(5) Received remittances	(1) Received remittances	(2) Received remittances	(3) Received remittances	(4) Received remittances	(5) Received remittances
Voted in the third round - 26th December (votes=1, not=0)	-0.0822***	-0.0827***	-0.0829***	-0.0827***	-0.0845***	-0.0840***	-0.0845***	-0.0839***	-0.0835***	-0.0845***
	(0.0239)	(0.0236)	(0.0236)	(0.0239)	(0.0241)	(0.0241)	(0.0238)	(0.0238)	(0.0240)	(0.0241)
Personal political views (pro-Orange=1; pro-Blue/White=0)	**-0.0612***	**-0.0616***	**-0.0611***	**-0.0619***	**-0.0313**	**-0.0303**	**-0.0322**	**-0.0315**	**-0.0321**	**-0.0313**
	(0.0290)	**(0.0288)**	**(0.0288)**	**(0.0290)**	**(0.0178)**	**(0.0178)**	**(0.0175)**	**(0.0176)**	**(0.0178)**	**(0.0178)**
Gender (male=1; female=0)	-0.0418*	-0.0408*	-0.0409*	-0.0419*	-0.0427*	-0.0426*	-0.0361*	-0.0369*	-0.0423*	-0.0427*
	(0.0167)	(0.0166)	(0.0166)	(0.0167)	(0.0172)	(0.0172)	(0.0171)	(0.0171)	(0.0172)	(0.0172)
Age	-0.00286*** (0.000568)	-0.00272*** (0.000564)	-0.00272*** (0.000564)	-0.00285*** (0.000569)	-0.00221*** (0.000628)	-0.00225*** (0.000627)	-0.00225*** (0.000621)	-0.00223*** (0.000621)	-0.00220*** (0.000628)	-0.00221*** (0.000628)
Paid for education	**-0.183***	**-0.176***	**-0.176***	**-0.180***	**-0.0785**	-0.0749	-0.0781	-0.0802*	-0.0782	-0.0785
	(0.0474)	**(0.0467)**	**(0.0467)**	**(0.0474)**	**(0.0406)**	(0.0403)	(0.0406)	(0.0408)	(0.0405)	(0.0406)
Paid for training classes	**0.233***	**0.235***	**0.236***	**0.232***	**-0.00422**	-0.00279	0.00432	0.00206	-0.00410	-0.00422
	(0.0669)	**(0.0658)**	**(0.0658)**	**(0.0666)**	**(0.0945)**	(0.0948)	(0.0930)	(0.0935)	(0.0944)	(0.0945)
Log of total personal income	-0.00178	-0.00267	-0.00267	-0.00202	-0.00382	-0.00354	-0.00389	-0.00405	-0.00405	-0.00382
	(0.00354)	(0.00351)	(0.00351)	(0.00354)	(0.00384)	(0.00385)	(0.00380)	(0.00381)	(0.00384)	(0.00384)
Somebody emigrated from HH before 2004	**0.0269**	**-0.0168**				**0.114**	**0.118**			
	(0.0420)	**(0.0449)**				**(0.0637)**	**(0.0625)**			
Somebody emigrated from HH before 2007		**0.175***	**0.171***				**0.194***	**0.193***		
		(0.0434)	**(0.0419)**				**(0.0491)**	**(0.0493)**		

Moved out from the HH				**0.0260**					**0.0379**	
				(0.0218)					**(0.0225)**	
Moved outside Ukraine					**0.0350**					**0.0350**
					(0.0232)					**(0.0232)**
Other Controls included	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
N	1494	1494	1494	1494	1261	1261	1261	1261	1261	1261

Standard errors in parentheses
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 3.a: Benchmark probit model for various LHS variables.

	(1) Saved money	(2) Donated money	(3) Paid for education	(4) Paid for training classes
Received remittances (yes=1, not=0)	**-0.395*** **	**0.257** **	**-0.583*** **	**0.484** **
	(0.110)	**(0.0929)**	**(0.166)**	**(0.172)**
Political activities (involved in political activities =1, not=0)	0.0778	0.0419	0.201	0.251
	(0.101)	(0.0982)	(0.120)	(0.206)
Voted in the third round - 26th December (voted=1, not=0)	-0.265**	-0.378***	-0.273*	-0.246
	(0.0893)	(0.0924)	(0.107)	(0.182)
Personal political views (pro-Orange=1; pro-Blue/White=0)	**-0.226**	**-0.316**	**0.0531**	**-0.588**
	(0.184)	**(0.193)**	**(0.219)**	**(0.501)**
Relatives' political views (pro-Orange=1; pro-Blue/White=0)	-0.249	-0.452*	-0.566*	-0.505
	(0.190)	(0.204)	(0.230)	(0.508)
Language (Ukrainian=1; Russian=0)	-0.0961	0.205*	-0.0900	-0.489**
	(0.0870)	(0.0955)	(0.111)	(0.187)
Region (Western region =1; Eastern region= 0)	**-0.462*** ** **(0.0905)**	**-0.0783** **(0.101)**	**-0.299* ** **(0.119)**	**-0.589** ** **(0.200)**
Gender (male=1; female=0)	-0.137*	-0.0990	-0.0886	-0.349*
	(0.0570)	(0.0609)	(0.0739)	(0.142)
Age	0.000276 (0.00204)	-0.0138*** (0.00221)	-0.0191*** (0.00289)	-0.0224*** (0.00527)
Satisfaction with results of the elections (yes=1; not=0)	-0.118 (0.0746)	0.268*** (0.0717)	-0.149 (0.0934)	-0.351* (0.175)
Satisfaction with general situation in Ukraine (yes=1; not=0)	-0.268* (0.121)	-0.292** (0.112)	0.0366 (0.139)	0.0681 (0.261)
Satisfaction of monthly income (yes=1; not=0)	0.126 (0.0833)	-0.0686 (0.0948)	0.0363 (0.112)	-0.231 (0.245)
Satisfaction with financial prospects (yes=1; not=0)	0.180* (0.0818)	-0.0564 (0.0904)	-0.0472 (0.108)	-0.0435 (0.200)
Optimistic/pessimistic about Ukraine's future (yes=1; not=0)	**-0.189** ** **(0.0586)**	**-0.179** ** **(0.0624)**	**-0.105** **(0.0761)**	**-0.302* ** **(0.141)**
Number of children in the HH	-0.0368 (0.0340)	0.0884** (0.0338)	0.108* (0.0434)	0.127 (0.0810)
N	2801	2801	2801	2801

Standard errors in parentheses
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 3.b: Marginal effects for benchmark probit model for various LHS variables.

	(1) Saved money	(2) Donated money	(3) Paid for education	(4) Paid for training classes
Received remittances (yes=1, not=0)	**-0.0973*** **	**0.0558** **	**-0.0762*** **	**0.0167** **
	(0.0269)	**(0.0202)**	**(0.0218)**	**(0.00621)**
Political activities (involved in political activities =1, not=0)	0.0192	0.00912	0.0263	0.00869
	(0.0249)	(0.0214)	(0.0157)	(0.00721)
Voted in the third round - 26th December (voted=1, not=0)	-0.0653**	-0.0823***	-0.0356*	-0.00852
	(0.0219)	(0.0199)	(0.0140)	(0.00632)
Personal political views (pro-Orange=1; pro-Blue/White=0)	**-0.0557**	**-0.0687**	**0.00694**	**-0.0204**
	(0.0453)	**(0.0420)**	**(0.0286)**	**(0.0174)**
Relatives' political views (pro-Orange=1; pro-Blue/White=0)	-0.0613	-0.0984*	-0.0739*	-0.0175
	(0.0468)	(0.0444)	(0.0300)	(0.0176)
Language (Ukrainian=1; Russian=0)	-0.0237	0.0446*	-0.0118	-0.0169*
	(0.0214)	(0.0208)	(0.0145)	(0.00662)
Region (Western region =1; Eastern region= 0)	**-0.114*** **	**-0.0170**	**-0.0391** **	**-0.0204** **
	(0.0221)	**(0.0221)**	**(0.0155)**	**(0.00710)**
Gender (male=1; female=0)	-0.0337*	-0.0215	-0.0116	-0.0121*
	(0.0140)	(0.0132)	(0.00966)	(0.00504)
Age	0.0000679	-0.00300***	-0.00250***	-0.000775***
	(0.000503)	(0.000475)	(0.000381)	(0.000194)
Satisfaction with results of the elections (yes=1; not=0)	-0.0290	0.0583***	-0.0195	-0.0122*
	(0.0184)	(0.0155)	(0.0122)	(0.00617)
Satisfaction with general situation in Ukraine (yes=1; not=0)	-0.0659*	-0.0636**	0.00478	0.00236
	(0.0298)	(0.0244)	(0.0182)	(0.00905)
Satisfaction of monthly income (yes=1; not=0)	0.0311	-0.0149	0.00475	-0.00800
	(0.0205)	(0.0206)	(0.0146)	(0.00853)
Satisfaction with financial prospects (yes=1; not=0)	0.0443*	-0.0123	-0.00618	-0.00151
	(0.0201)	(0.0197)	(0.0141)	(0.00693)
Optimistic/pessimistic about Ukraine's future (yes=1; not=0)	**-0.0465** **	**-0.0390** **	**-0.0138**	**-0.0105***
	(0.0144)	**(0.0135)**	**(0.00994)**	**(0.00497)**
Number of children in the HH	-0.00907	0.0192**	0.0141*	0.00440
	(0.00836)	(0.00735)	(0.00568)	(0.00283)
N	2801	2801	2801	2801

Standard errors in parentheses
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 4.a: Benchmark probit model for various LHS variables depending on the language speaking.

	Ukrainian speaking respondents				Russian speaking respondents			
	(1) Saved money	(2) Donated money	(3) Paid for education	(4) Paid for training classes	(1) Saved money	(2) Donated money	(3) Paid for education	(4) Paid for training classes
Received remittances (yes=1, not=0)	**-0.301***	**0.302****	**-0.729****	**0.924*****	**-0.536****	**0.185**	**-0.405**	**-0.522**
	(0.141)	**(0.110)**	**(0.240)**	**(0.220)**	**(0.183)**	**(0.185)**	**(0.234)**	**(0.474)**
Voted in the third round - 26th December (voted=1, not=0)	-0.110	-0.195	-0.171	-0.183	-0.377**	-0.602***	-0.363*	
	(0.126)	(0.115)	(0.148)	(0.265)	(0.133)	(0.165)	(0.160)	
Personal political views (pro-Orange=1; pro-Blue/White=0)	**-0.330**	**-0.283**	**0.0190**	**-1.200**	**-0.141**	**-0.494**	**0.161**	**-0.733**
	(0.246)	**(0.223)**	**(0.263)**	**(1.798)**	**(0.319)**	**(0.411)**	**(0.418)**	**(0.730)**
Relatives' political views (pro-Orange=1; pro-Blue/White=0)	0.0877	-0.586*	-0.471	0.126	-0.332	-0.0182	-0.570	-0.245
	(0.269)	(0.279)	(0.317)	(1.805)	(0.319)	(0.410)	(0.413)	(0.733)
Region (Western region =1; Eastern region= 0)	**-0.876*****	**-0.228***	**-0.543*****	**-1.282*****	**-0.294***	**0.0758**	**-0.198**	**-0.274**
	(0.109)	**(0.109)**	**(0.133)**	**(0.221)**	**(0.123)**	**(0.159)**	**(0.162)**	**(0.282)**
Gender (male=1; female=0)	-0.0568	-0.0284	-0.0420	-0.323	-0.168*	-0.140	-0.117	-0.366
	(0.0787)	(0.0727)	(0.0986)	(0.206)	(0.0852)	(0.119)	(0.113)	(0.209)
Age	-0.000392	-0.0115***	-0.0158***	-0.0216**	0.00371	-0.0126**	-0.0240***	-0.0314***
	(0.00277)	(0.00261)	(0.00376)	(0.00724)	(0.00309)	(0.00451)	(0.00468)	(0.00711)
Satisfaction with results of the elections (yes=1; not=0)	0.00935	0.345***	-0.138	-0.158	-0.661***	-0.169	-0.182	-1.132**
	(0.0861)	(0.0793)	(0.107)	(0.216)	(0.175)	(0.198)	(0.201)	(0.419)
Optimistic/pessimistic about Ukraine's future (yes=1; not=0)	**0.0383**	**-0.0921**	**-0.0570**	**-0.196**	**-0.417*****	**-0.320****	**-0.145**	**-0.441***
	(0.0815)	**(0.0754)**	**(0.104)**	**(0.207)**	**(0.0879)**	**(0.121)**	**(0.114)**	**(0.212)**
Number of children in the HH	-0.0240	0.0824*	0.0355	0.0828	-0.0716	0.0541	0.225**	0.161
	(0.0437)	(0.0387)	(0.0559)	(0.113)	(0.0556)	(0.0771)	(0.0712)	(0.125)
Other Controls included	yes	yes	yes	yes	yes	yes	yes	yes
N	1525	1525	1525	1525	1276	1210	1276	1276

Standard errors in parentheses
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 4.b: Marginal effects for benchmark probit model for various LHS variables depending on the language speaking.

	Ukrainian speaking respondents				Russian speaking respondents			
	(1) Saved money	(2) Donated money	(3) Paid for education	(4) Paid for training classes	(1) Saved money	(2) Donated money	(3) Paid for education	(4) Paid for training classes
Received remittances (yes=1, not=0)	**-0.0713***	**0.0901****	**-0.100****	**0.0287*****	**-0.130****	**0.0214**	**-0.0485**	**-0.0188**
	(0.0334)	**(0.0325)**	**(0.0333)**	**(0.00786)**	**(0.0442)**	**(0.0214)**	**(0.0281)**	**(0.0172)**
Voted in the third round - 26th December (voted=1, not=0)	-0.0261	-0.0581	-0.0235		-0.0918**	-0.0696***	-0.0435*	
	(0.0299)	(0.0343)	(0.0202)		(0.0321)	(0.0190)	(0.0192)	
Personal political views (pro-Orange=1; pro-Blue/White=0)	**-0.0782**	**-0.0844**	**0.00261**	**-0.0402**	**-0.0343**	**-0.0571**	**0.0193**	**-0.0264**
	(0.0582)	**(0.0664)**	**(0.0361)**	**(0.0602)**	**(0.0777)**	**(0.0475)**	**(0.0501)**	**(0.0264)**
Relatives' political views (pro-Orange=1; pro-Blue/White=0)	0.0208	-0.174*	-0.0646	0.00575	-0.0809	-0.00210	-0.0682	-0.00882
	(0.0639)	(0.0830)	(0.0434)	(0.0603)	(0.0776)	(0.0474)	(0.0496)	(0.0264)
Region (Western region =1; Eastern region= 0)	**-0.208*****	**-0.0680***	**-0.0745*****	**-0.0404*****	**-0.0715***	**0.00876**	**-0.0238**	**-0.00988**
	(0.0244)	**(0.0323)**	**(0.0180)**	**(0.00802)**	**(0.0299)**	**(0.0183)**	**(0.0194)**	**(0.0102)**
Gender (male=1; female=0)	-0.0135	-0.00845	-0.00576	-0.00991	-0.0408*	-0.0162	-0.0141	-0.0132
	(0.0187)	(0.0217)	(0.0135)	(0.00646)	(0.0207)	(0.0137)	(0.0136)	(0.00768)
Age	-0.0000930	-0.00344***	-0.00217***	-0.000732***	0.000902	-0.00146**	-0.00288***	-0.00113***
	(0.000657)	(0.000764)	(0.000519)	(0.000218)	(0.000751)	(0.000526)	(0.000570)	(0.000287)
Satisfaction with results of the elections (yes=1; not=0)	0.00222	0.103***	-0.0189	-0.00562	-0.161***	-0.0196	-0.0218	-0.0408*
	(0.0204)	(0.0233)	(0.0146)	(0.00659)	(0.0420)	(0.0229)	(0.0240)	(0.0159)
Optimistic/pessimistic about Ukraine's future (yes=1; not=0)	**0.00907**	**-0.0274**	**-0.00782**	**-0.00631**	**-0.101*****	**-0.0370****	**-0.0174**	**-0.0159***
	(0.0193)	**(0.0224)**	**(0.0142)**	**(0.00640)**	**(0.0210)**	**(0.0141)**	**(0.0137)**	**(0.00787)**
Number of children in the HH	-0.00570	0.0246*	0.00487	0.00213	-0.0174	0.00625	0.0269**	0.00579
	(0.0103)	(0.0115)	(0.00766)	(0.00348)	(0.0135)	(0.00892)	(0.00858)	(0.00455)
Other Controls included	yes	yes	yes	yes	yes	yes	yes	yes
N	1525	1525	1525	1525	1276	1210	1276	1276