Remittances and the cost of international borrowing

Remittances sent home by migrants have now become the main source of foreign exchange earnings for many developing countries. In addition, the access of many emerging countries to international capital markets has sharply deteriorated since the global financial crisis. The work focuses on the influence of remittances on access to international credit. It reveals that remittances significantly reduce government bond yield spreads. The conclusions of the article call for further policies to reduce the costs and measurement errors of remittances, and to develop securitization of remittances and diaspora bonds.

Read in French
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Reference