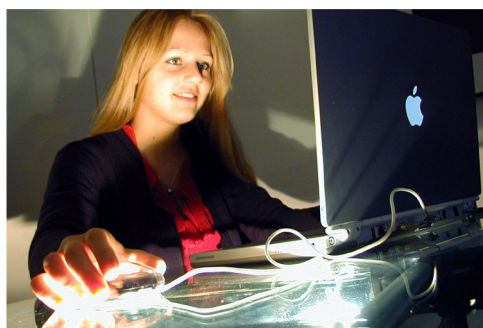


# Workers' Remittances and Economic Development



Nicoletta Batini  
IMF-World Economic  
Outlook  
April 15th, 2005

Three globes are arranged vertically on the left side of the slide. The top globe shows the Americas in white against a blue background. The middle globe shows the Americas in white against a red background. The bottom globe shows the Americas in white against a green background. The background of the slide is a blue grid pattern.

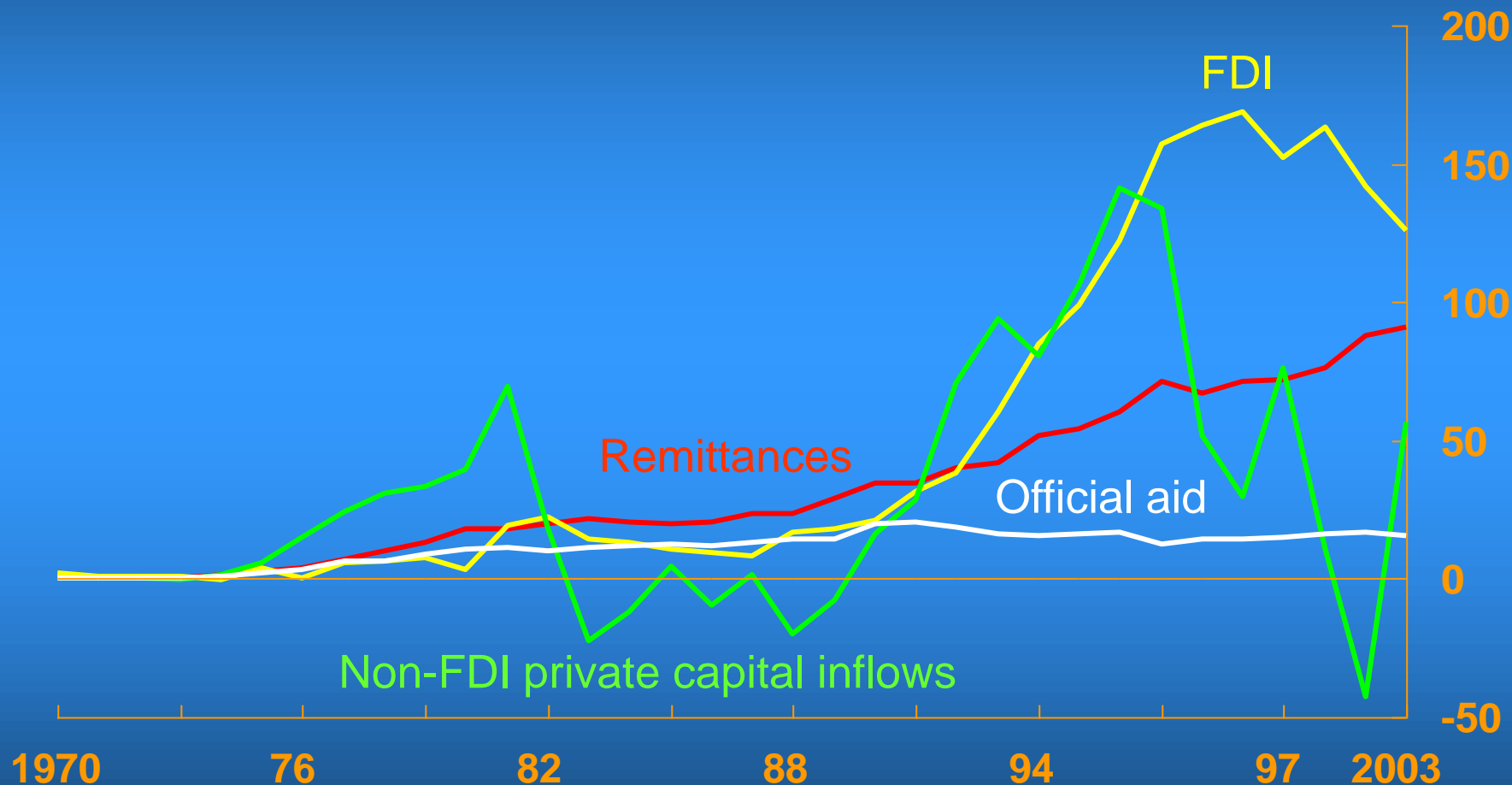
# **World Economic Outlook**

*April 2005*

# **Workers' Remittances and Economic Development**

*April 2005*

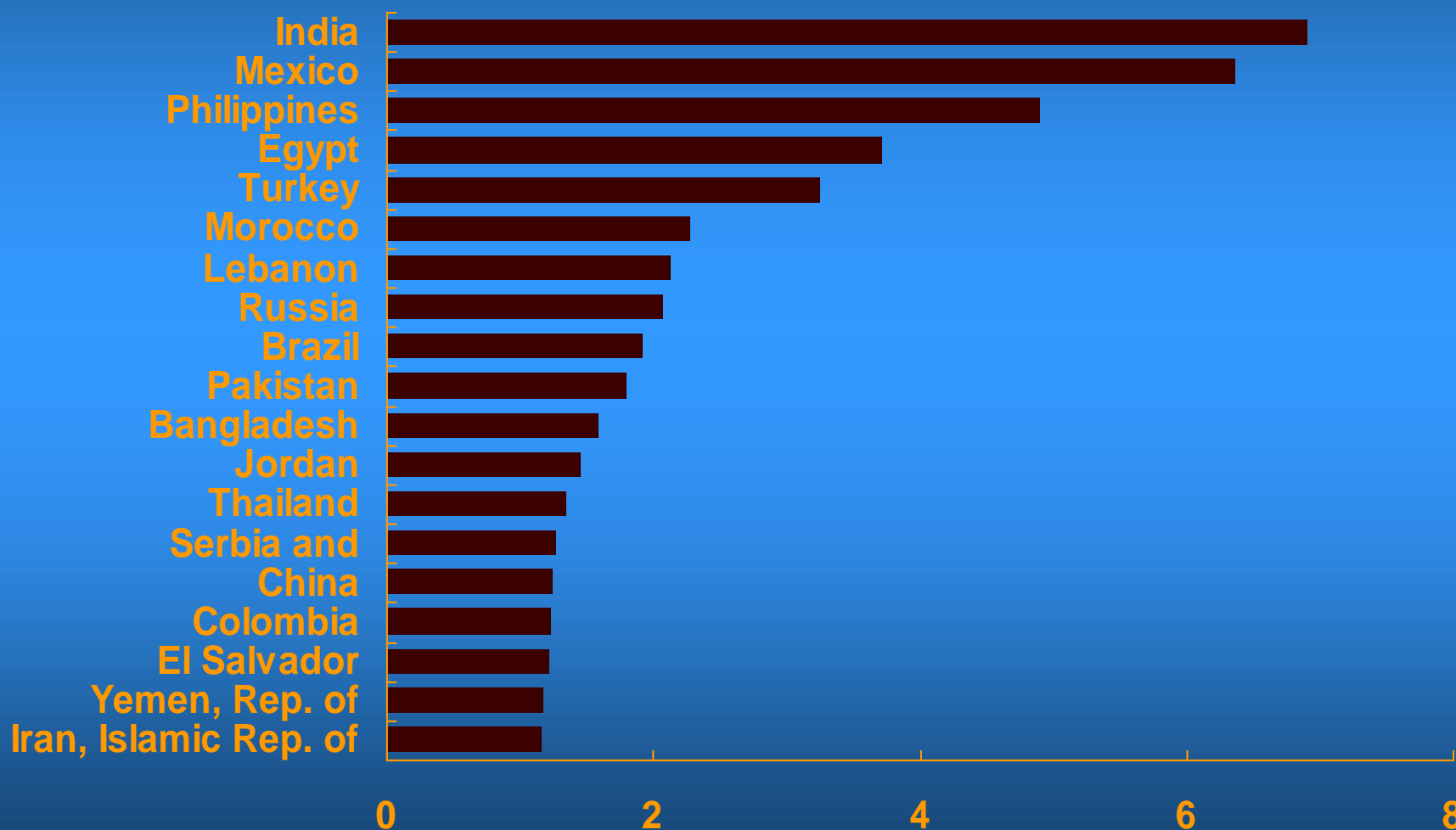
# Workers' Remittances and Other Foreign Exchange Inflows to Developing Countries (1970–2003; billions of U.S. dollars)



Sources: IMF, *Balance of Payments Statistics Yearbook*; and IMF staff calculations.

# Developing Countries: 20 Largest Recipients of Remittances

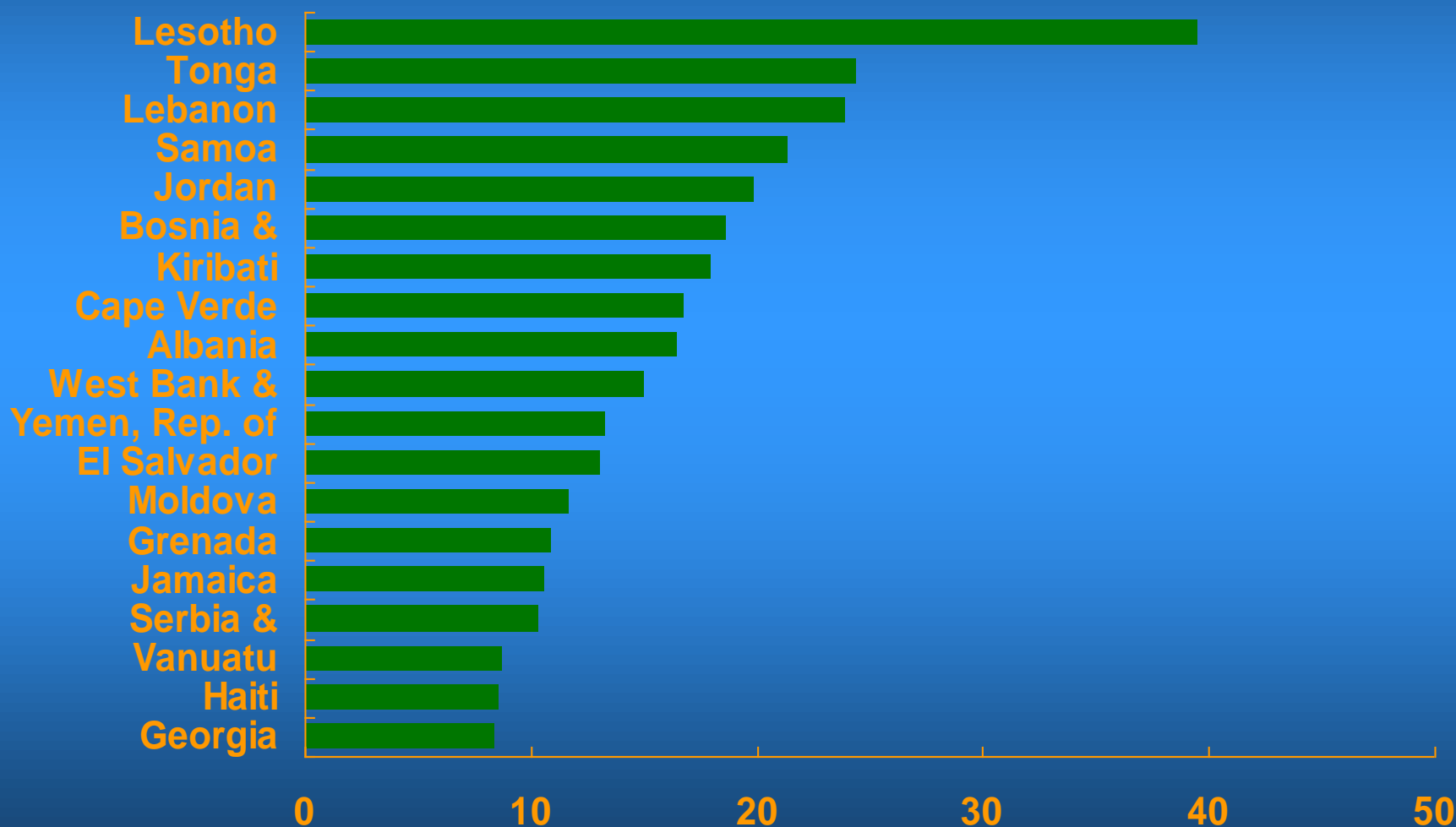
*(1990–2003 average; billions of U.S. dollars)*



Sources: IMF, *Balance of Payments Statistics Yearbook*; and IMF staff calculations.

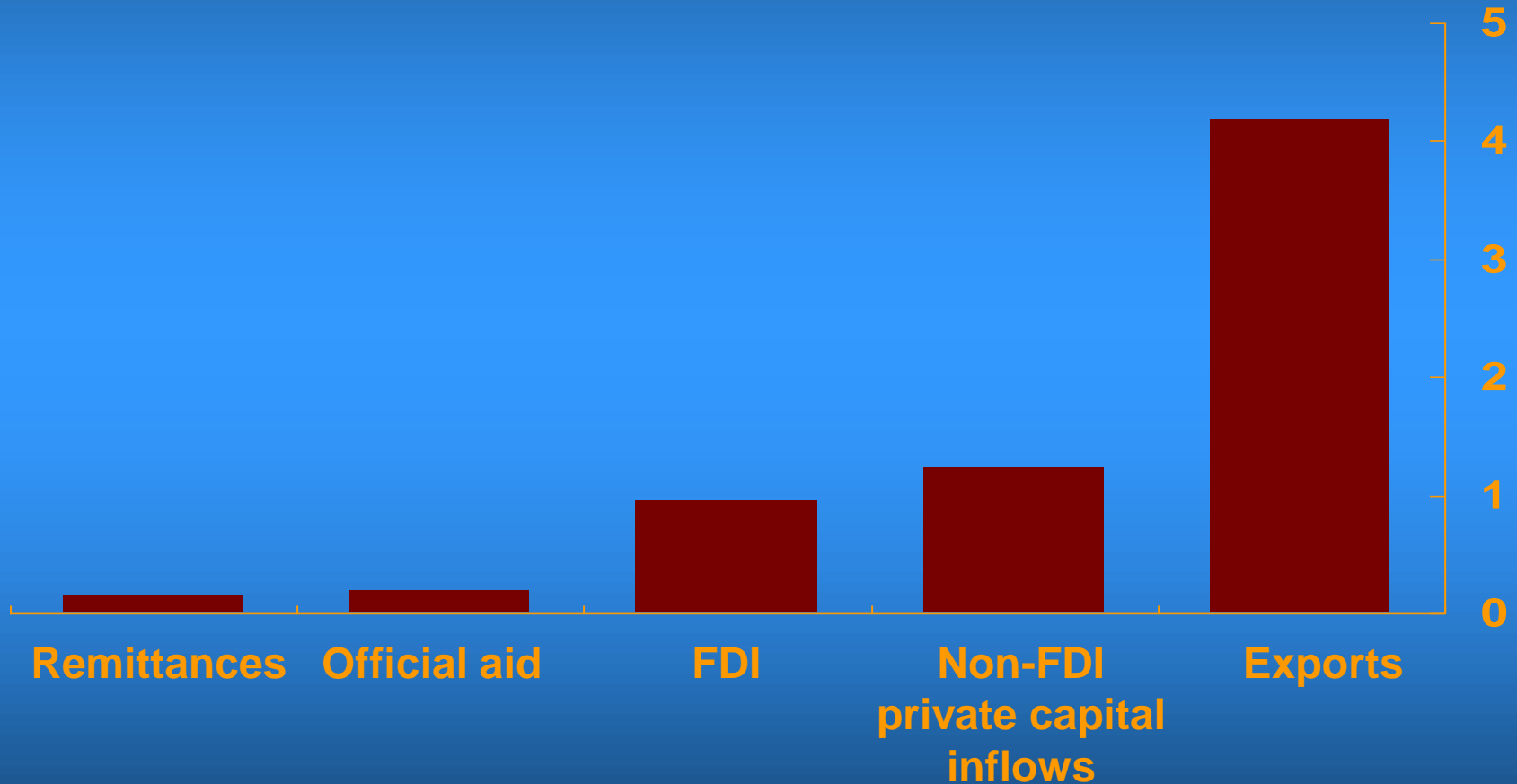
# Developing Countries: 20 Largest Recipients of Remittances

*(1990–2003 average; percent of GDP)*



Sources: IMF, *Balance of Payments Statistics Yearbook*; and IMF staff calculations.

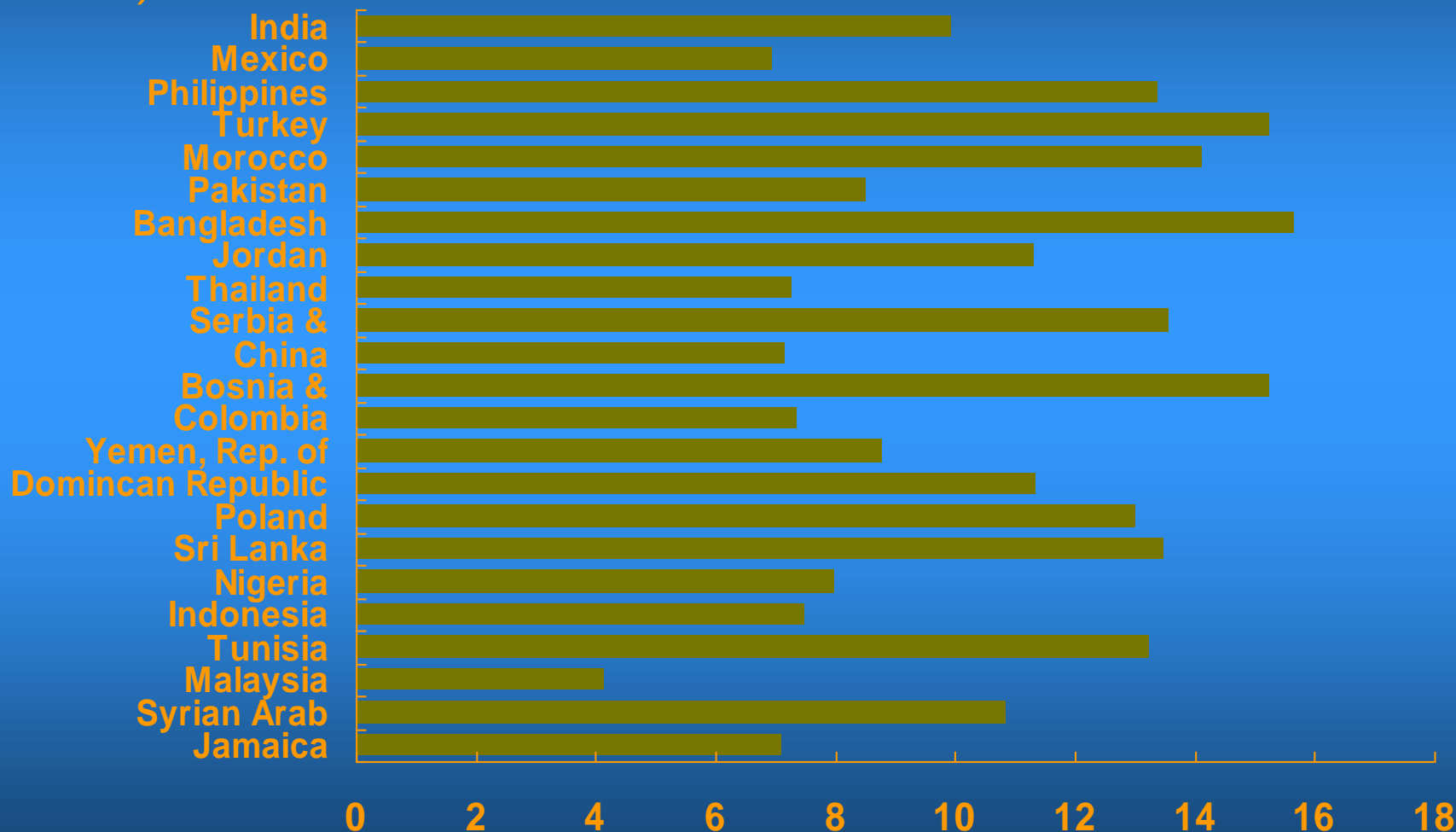
# Remittances and Other Foreign Exchange Flows: Volatility Inflows (1980–2003)



Sources: IMF, *Balance of Payments Statistics Yearbook*; and IMF staff calculations.

# Transfer Costs to Some Leading Recipient Countries

*(Percent of amount sent; countries ordered by total remittance inflows)*



Sources: Western Union; Women's World Banking; and IMF staff calculations.

# Regression Results: Impact of Workers' Remittances

Dependent Variable	Full Sample	Remittance-Dependent
<b>Growth</b>		
Output growth	-0.30	-0.27
Education	-0.43	1.93
Investment	0.48	0.12
<b>Poverty</b>		
Poverty headcount	-0.02 *	-0.02 *
Poverty gap	-0.01 *	-0.01 *
<b>Volatility</b>		
Output volatility	-0.29 **	-0.17 **
Output worst drop	-0.74 **	-0.63 **
Consumption volatility	-0.45 **	-0.19 **
Investment volatility	-1.31 *	0.01
Credit ratings	0.22 **	0.22 **

Source: IMF staff calculations.



# Thank You

*April 2005*



INTER-AMERICAN DEVELOPMENT BANK

1300 New York Avenue, N.W.  
Washington, D.C. 20577, USA  
Tel: (202) 623 - 1000  
[www.iadb.org](http://www.iadb.org)

