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« Do remittances spur economic growth? Evidence from developing countries? »

Abstract: This paper reappraises the relationship between workers' remittances and economic growth in 49 developing countries over the period 1960-2012. Using GMM (Generalized Method of Moment) system and PSTR (Panel Smooth Threshold Regression) methodologies, we find that workers remittances have positive and significant impact on growth whereas the growth effects of foreign direct investment and aids are not significant. Furthermore, your empirical investigation highlights a non linear relationship between remittances and growth with respect to financial development, private investment and household consumption. These results have some policy implications.