Editorial

Jeffrey H. Cohen

Remittances are the funds transferred from migrants to their homes and home countries. They are the private savings of workers and families that are spent on food and clothing among other things, and at a macro-level, they are often critical to a nation’s overall financial health. While remittances can be much more, much of our discussion of the macro-level impacts of remittances are framed around discussion of development and dependency and note how states use (or misuse) remittances as well as the critical role remittances play as measured against international aid. These discussions will often and inevitably hinge on the positive outcomes that lead to development (whether at the level of the household, community and/or state) or the negative impacts of remittance activity that drives increasing dependency. In this issue of Remittances Review, our authors push beyond the development/dependency debate and explore a series of often unasked questions that capture the dynamic outcomes (and surprises) that are central to remittances practices and critical to the growth and maturity of theory and analysis.

Three of the articles in this issue ask the reader to reconsider how we approach remittance studies. In Remittances and trade balance: A new transfer problem, Ram Hari Regmi sets the tone for a reanalysis of remittances and points toward the dynamic ways that remittance practices can influence and impact trade balance. Rather than a focus on increased dependency and trade imbalance, he argues remittances can build trade openness and reflect the changing nature of import and export markets.

In Remittance and financial development in Africa: A multidimensional analysis Titus Ayobami Ojeyinka and Folorunsho M. Ajides make a parallel point noting that remittance inflows throughout Africa are under-documented. Moving beyond conventional measures of remittance driven development, the authors use the Augmented Mean Group (AGM) to capture the muted impact of remittances on financial development in Africa. Their study

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suggests that governments need to reorient their focus toward policies encouraging African migrants to remit using formal channels in support of their national wellbeing and growth.

The collaborative possibilities that remittances hold for nation building—as well as the impacts they hold on altruistic action are critical in German Zarate-Hoyos’ article An Analysis of the Macroeconomic Determinants of Peruvian Remittances. The author extends our concern to look beyond the development/dependency divide and asks, how best shall we coordinate remittances practices as they impact both the state and the household?

The unanticipated outcomes of remittances practices—particularly at the macro level, are central to the final articles included in this issue. In Manipulating Remittances: Strengthening Autocratic Regimes with Currency Overvaluation and Remittance Flows, Christopher Culver explores the disregarded link between remittances and autocratic regime stability. Challenging that assumption that the state cannot capture remittances and use them as hard capital, the author proposes that remittances can, in fact, increase an autocratic regime’s durability by incentivizing and enabling currency overvaluation and control of domestic currency production.

Keshmeer Makun and TK Jayaraman follow remittances in an alternative direction and rather than a focus on the authoritarian their article Impact of Covid-19 pandemic on Remittance Inflow-Economic Growth Nexus in India: Lessons from an Asymmetric Analysis explores the role that remittances play as a nation struggles with Covid-19 and the economic decline associated with its impact. Looking beyond the localized value of remittances for communities and households struggling to maintain themselves, the authors examine the role of state programming.

Taken together these articles posit important new opportunities and directions in remittance research and perhaps most importantly, emphasize increasingly dynamic approaches to macro-level outcomes.