

Abstract of Doctoral Dissertation

Title: An Assessment of the Conditional Impact of Remittances on Formal Entrepreneurship, Poverty, and Income Inequality in Developing Countries

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Despite the scholarly debates on the impact of remittances on development outcomes, extant studies have grossly neglected the potential role of e-government, the complementarity between remittances and financial development, and labor supply decisions in inducing remittance-led development in developing countries. This thesis examines the impact of international remittances on entrepreneurship, poverty, and income inequality in developing countries, conditional on e-government development, financial development, and labor supply decisions among remittance recipients. By analyzing data from micro and macro sources and applying various panel and cross-sectional estimation techniques, the findings of the study consistently suggest that remittances can be an effective means of financing development, but with certain caveats. This study demonstrates that the positive development effects of remittances on entrepreneurship, poverty, and income inequality are attainable in countries that invest in developing their e-government architecture and directing them towards diaspora engagement. Furthermore, developing countries with better financial development are better positioned to use remittances for developmental purposes, making domestic financial institutions essential for mobilizing savings from migrants and routing them to development areas. This thesis also provides evidence of an occupational shift from agricultural to non-agricultural employment opportunities in Nigeria, resulting in entrepreneurship development, particularly in the informal sector. These findings contribute to the literature by providing a nuanced understanding of the developmental impact of remittances contingent on e-government and financial development, and identifying important policy implications that can help enhance the benefits of remittances for development. This study recommends that migrant-sending countries establish digital platforms where migrants can serve as angel investors in formal enterprises to defray the inadequacy of venture capitalists in developing countries, implement special savings interest rates to incentivize migrants to save in domestic financial institutions, and promote remittance-financed small- and medium-scale non-farm enterprises by

recognizing the creditworthiness of remittance recipients and providing them with access to formal banking credit for investment and enterprise expansion.

Keywords: International remittances, e-government, financial development, financial inclusion, poverty, income inequality, entrepreneurship, labour supply, formal and informal sector, developing countries, Nigeria

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