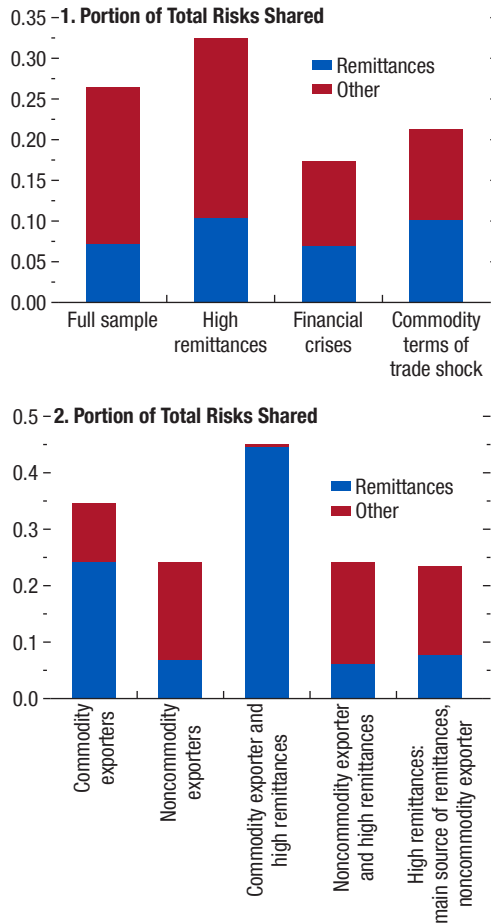


**Figure 1.5.4. Contribution of Remittances to Consumption Risk Sharing**



Source: IMF staff calculations.

Note: Estimates of the portion of total risks shared are based on coefficients from panel regressions of idiosyncratic consumption growth on idiosyncratic output growth and its interactions with indicators for remittances and financial integration (Lane and Milesi-Ferretti 2017). High remittance countries refers to those countries with remittance inflows greater than the median of 1.5 percent of GDP over 1990–2014. A financial crisis is defined as either a banking crisis as measured by the interval between the start and the end of a banking crisis from the banking crises database by Laeven and Valencia (2008, 2010, 2012) or an external crisis as defined by Catão and Milesi-Ferretti (2014). A negative commodity terms-of-trade shock is defined as a negative value of the detrended component of a country's commodity terms of trade based on Gruss (2014).