

# Impacts of dollarization on remittances of Cambodian migrant workers in Thailand

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## Abstract

We study the impact of dollarization on migrant workers' remittances for the case of Cambodian migrant workers in Thailand using an original dataset of a questionnaire survey. In four provinces of Cambodia, Thai Baht is widely used as substitute for the domestic currency, which could facilitate families of migrant workers to receive remittances in Thai Baht, allowing them to partially save the remittance cost embedded in the exchange rate margin. By comparing the remittances to Baht zone provinces with those to non-Baht zone provinces, we evaluate the impact of dollarization, or to be specific "Bahtization". Empirical results indicate that remittances to Baht zone provinces are more likely to be denominated in Thai Baht, implying that "Bahtization" facilitates Cambodian migrant workers' remittances from Thailand.

Keywords: migrant workers' remittances; dollarization; exchange rate margin;  
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