

On *de jure* and *de facto* exchange rate regimes in developing countries

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Abstract

We test a model of exchange rate regimes choice with a panel of developing countries. We distinguish between *de jure* and *de facto* regimes. Using probit regressions with random effects, we find empirical support for traditional determinants for the *de jure* choice whereas we show that others determinants intervene for the *de facto* choice. We also show that if a country officially choose its exchange rate regime contrary to the theoretical identified determinants, there is often a correction at the level of the *de facto* exchange rate regime.

Keywords: Exchange Rate Regimes; Developing countries; Probit model

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