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Migrating Money: Remittances in a Global Setting

Robert Randall Adams
University of Tennessee - Knoxville

To the Graduate Council:

I am submitting herewith a dissertation written by Robert Randall Adams entitled "Migrating Money: Remittances in a Global Setting." I have examined the final electronic copy of this dissertation for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy, with a major in Sociology.

Stephanie A. Bohon, Major Professor

We have read this dissertation and recommend its acceptance:

Asafa Jalata, Robert Emmet Jones, Anita Driver

Accepted for the Council:
Carolyn R. Hodges

Vice Provost and Dean of the Graduate School

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MIGRATING MONEY:

REMITTANCES IN A GLOBAL SETTING

A Dissertation

Presented for the

Doctor of Philosophy

Degree

The University of Tennessee, Knoxville

Robert Randall Adams

December 2008

Dedication

This dissertation is dedicated to my wife, a reluctant traveler on all my wild adventures.

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This effort would not have come to fruition without the help of several individuals and their encouragement. I wish to thank my committee for their efforts and suggestions. I especially wish to thank my chair, Dr. Stephanie Bohon for her help and patience. I lost count of the e-mails, phone calls, and meetings that she endured and the questions that she answered while I wrote this dissertation. Her efforts have made me a better scholar and her patience has provided an example of the relationship between a mentor and a student.

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Abstract

In recent years, the term globalization and the global economy have caught the attention of scholars and popular media. Many of the aspects of globalization serve to create push and pull factors that encourage labor migration about the globe as individuals seek to establish some form of economic stability. The sending of money back to country of origin or remittances is often a result of this movement. This study uses data from the New Immigrant Survey to examine the characteristics of United States immigrants who have received “green cards” (granted legal permanent resident status) and who engage in remittance behavior. The study also seeks to bridge a gap between macro- and micro-approaches to understanding the willingness of immigrants to remit as well as examining the dollar amounts returned to country of origin and the propensity to use in-kind remittances or the sending of goods to friends and family who remain in the immigrant’s country of origin.

In an effort to examine the global and local aspects of remittance sending, predictors were chosen from both Demography studies and Globalization theory. These predictors of remittance behavior were analyzed in separate models and in combination. The results suggest that a holistic approach to understanding remittance behavior rather than a discipline specific approach provide a better understanding of immigrants and the characteristics that promote remittance sending. The results also suggest that cash remittances and in-kind remittances represent two distinctly different approaches and means to providing for friends and family left behind. Cash remittances are seen as a method of economic survival and possible advancement

in country of origin but in-kind remittances represent more of a gift-giving activity by immigrants with greater levels of expendable income.

Both migration and remittance decisions are complex decisions that involve numerous individuals with in the household of those encouraged to migrate. An expanded knowledge of this process will help scholars and policy makers develop useful and efficient programs in the future.

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Chapter 1 Introduction

The term globalization is used to describe the movement of capital, goods, and labor around the globe but these movements also have an effect on localities. These human activities cannot be separated from a larger picture encompassing the interaction between global and local. The term “globalization” gained popularity during the mid-1980s and 1990s (Ritzer 2004, Kellner 2002, Connell 2000, Robertson 1992). However, the use and meaning of the term as well as the period of time to which “globalization” applies, remains contested. Many scholars suggest that globalization began when humans began migrating across the globe (Steger 2003, Williamson 2002, Mazlish 1998) although others maintain that globalization is a relatively recent phenomenon beginning in the 16th century with the advent of European expansion and the growth of capitalism (Katz 2001, Chase-Dunn, Kawano and Brewer 2000, Portes 1981). Marx (1848) wrote, “The need of a constantly expanding market for its products chases the bourgeoisie over the entire surface of the globe. It must nestle everywhere, settle everywhere, establish connexions everywhere.” The sentence is a description of what many scholars call modern “globalization.” Globalization has not only chased capital around the globe but has chased people as well. Wallerstein (2004) suggests that by the end of the 20th century the capitalist economy had penetrated every corner of the world and Bauman (1998) believes that at the beginning of the 21st century humans had no choice but to become a “tourists” or “vagabonds” moving with the global economy. Tourists and vagabonds often move due to economic pressures from both sending and receiving economies. This study explores one aspect of migrant behavior in this global movement: remittance behavior.

Remittance behavior or the sending of monies and goods back to one's country of origin has long been documented in migration research. However, most approaches to remittance behavior have been framed as a macroeconomic process and have failed to examine microprocesses that inform both migration and remittance behavior. I do not make a case for or against remittance sending, but, instead, I seek to expand upon our current understanding of the factors that underlie the remittance sending process. I also attempt to bridge a portion of the micro-macro gap by exploring characteristics and variables suggested (but not previously tested) by globalization scholars as motivation for remitting.

The purpose of this work is to identify the use of remittances as a global/local phenomenon and to determine and clarify various characteristics of remittance behavior by examining respondents to the New Immigrant Survey (NIS). An additional purpose to the work is to examine the predictors of the size of capital flows and non-capital flows. I argue that the study of remittance flows can offer an opportunity to analyze micro-dimensions of globalization while reflecting upon the macro-level impacts. The work addresses a growing phenomenon often viewed in a Global North/ Global South or industrial/ less developed framework as demonstrated by the growth of both foreign-born populations and remittance outflows experienced in the United States. For the purpose of this study, I used Chomky's (2007) classification of migrants and immigrants.

> "Migration refers to any movement of humans (or animals) from one area to another. Immigration refers to such movements by humans when they involve crossing established state boundaries and are regulated by the governments of the territories they involve." (p. vii)

Therefore, migrants include individuals who move but immigrants represent individuals who cross established national borders for various reasons. Understanding immigration and remittance flows offers policy makers and scholars information, and provides an understanding of modern globalization.

Remittance flows have steadily increased as the number of migrant workers displaced by global economics has increased but much of the research examining this process has been limited to macrodimensions of globalization such as the use of remittances as national development funds (Wimaladharma, Pearce and Stanton 2004). However, like migration, remittance decisions represent a complex interaction between individuals, households, nations, and the globe and each of these dimensions are intertwined in the process of globalization (Robertson 1992).

Demographers have analyzed the characteristics of immigrants as they are related to their propensity to remit (International Monetary Fund 2006, Vanwey 2004, Conway and Cohen 1998, Jones 1998, Lianos 1997, Itzigsohn 1995, Lucas and Stark 1985). They have used a variety of indicators such as age, gender, educational attainment, and others to identify the likelihood that immigrants will send money back to their country of origin. From the consistency of significant findings using a variety of samples, it is clear that these characteristics have a significant impact on the willingness to remit and on the amounts of remittances delivered to various countries of origin. Globalization theory may provide insight into various micro-level processes defined by local interactions and structures (Sassen 2007, Bauman 1998) and identify additional characteristics that inform migrants' willingness to return portions of their income.

As Sassen (2007), Portes and Walton (1981) and Robertson (1992) indicate, a number of socio-historical and cultural values from the local are incorporated into a response to the global. Immigrants do not abandon socialized behaviors and beliefs that they developed in their country of origin when they migrate but they take these values with them. Origins and values such as the desire to return home to their country of origin serve as indicators of feelings of responsibility and obligation to individuals left behind. Local factors such as the ability to earn income and sources of income also predict the willingness and the ability of immigrants to engage in a remittance process. The chapters that follow examine the remittance process and its relation to migration both from a sending and receiving facet.

Chapter two provides an overview of the entangled relation of the global and the local framed in the concepts of "glocalization" (Robertson 1992) and the transmigrant (Schiller 1999) approach. Chapters 3, 4, and 5 review the theories and literature concerning globalization and its definitions, the effects of globalization on migration, and finally, the use of and engagement in remittance behavior. Chapter 6 discusses the need for new approaches to understanding remittance behavior and suggests several hypotheses that may be developed using globalization theory. Chapter 7 describes the methodology used to create the models tested here and introduces the reader to the basic format of the 2003 New Immigrant Survey (NIS). Chapters 8, 9, and 10 report the results from the statistical analyses of the propensity to remit, the dollar amounts remitted, and the propensity to engage in in-kind remitting (sending of goods) among NIS respondents. Chapter 11 presents conclusions and suggestion for crating a more holistic view of immigration and remittance behavior in a global setting.

Chapter 2 The Global and the Local

The term globalization is used to describe the movement of capital, goods, and labor around the globe but these movements also have an effect on localities. These human activities cannot be separated from a larger picture encompassing the interaction between global and local. Globalization represents a stretching of social and economic connection that establishes a worldwide network in such a manner "that local happenings are shaped by events occurring many miles away and vice versa [so that] the local neighborhood is likely to be influenced by factors …operating at an infinite distance away from that neighborhood itself (Giddens 1990: 64)." Key to understanding this relationship of the global and local is an understanding of the people who move about the globe both through coercion and voluntarily.

Glocalization

Robertson (1992) described "glocalization" as a "real world attempt to bring the global in conjunction with the local (p. 173)." The term "glocalize" or *dochakua* originated in relation to Japanese entrepreneurship and describes "global localization" as an explanation of the increasing complex relation of the local and the global (Khondker 2004, Robertson 1992). Canclini (1995) describes the phenomenon as "a new 'entrepreneur-world' structure whose culture articulates information, beliefs, and rituals deriving from the local, the national, and the international (p. 749)." Glocalization provides a way to analyze how individuals construct their identities and activities within the context of globalization (Giulianotti and Robertson 2006) and how their activities are informed by the perceived cultural needs, values, and beliefs of the local. Giulianotti and Robertson (2006) suggest four features are involved in glocalization. These features include the transplanting of local culture into new context, the creation of intracultural identities and practices, the establishment of intercultural practices, and the potential reproduction of “glocal” identities in future generations. The result of these features is a blending of the local and the global (Khondker 2004) in which the global reconstructs the local (Castillo and Nigh 1998) and the local reconstructs the global (Giulianotti and Robertson 2006). Glocalization, therefore, frequently involves “migrant groups who are constantly relating to mobile local identities” (Giulianotti and Robertson 2006:174) as they move about the globe. Immigrants create new identities in their host country while maintaining an identity with the location of origin, thus giving rise to the transmigration approach.

Transmigration

Traditional migration approaches divided immigrants into two classifications (Castle 2002): the settler who was abandoning their old country to live in a new one (Schiller 1999) and the temporary migrant who emigrated for a time period but intended to return to their country of origin (Chew and Lieu 2004). Globalization, however, has focused attention on the networks that exist in immigrant communities (Castle 2002, Schiller 1999) and the complex relationship between immigrants and the family and friends left in their country of origin. Schiller (1999) suggests an approach that “posits that even though migrants invest socially, economically, and politically in their new society, they may continue to participate in the daily life of the society from which they emigrated but which they did not abandon” (p. 94). This approach is generally used in the transnational/transmigration approach to the study of immigration. However, the close and maintained relationship between immigrants and individuals who remain in the immigrant's country of origin is not a new phenomenon but was evident in the late 19^{th} and early 20^{th} century as recorded by the use of remittances and return migration (Schiller 1999). The "transmigrant" simultaneously has relationships and connections in two or more states and may use a series of visits to maintain these relationships (Schiller 1999). The features of transmigration include movement across international borders, the settlement and establishment of social relations in a new state, the maintenance of social relations in the old state, the living of lives that crosses international borders, and the establishment of "transnational social fields." Castles (2002) posits that assignment of immigrants as settler and temporary is limited due to the following reasons:

- Migration tends to increase and migrants become more diverse in social and cultural characteristics
- New developments in technology have increases temporary, repeated and circular migration
- An increasing number of migrants orient their lives to multiple locations
- An increase of the strength of informal networks has taken place

These factors have resulted in a "deterritorialization" as production, consumption, politics, and identities have become detached from the local (Kearney 1995). Described as an "implosion of the peripheries into the center, effected [sic] by transnational migration, global marketing, electronic media, and tourism (Kearney 1995: 550)," the local has become difficult to separate from the global. Evidence of these multiple connections may be viewed through the lens of immigration and remittance behavior.

Connected to Home

According to Pido (1985), "The extent to which a more realistic understanding of immigrants and their networks and relationships develop will depend on a more holistic orientation and approach [to migration]" (p. 5). This "more holistic" approach includes an understanding of migration through macro- phenomenon such as historical colonialism and neocolonialism as well as micro-phenomenon such as individual goals, aspirations, and societal values that have been shaped and defined by socialization. Remittance behavior is one representation of the relationships maintained with the country of origin by immigrants. Schiller (1999) describes the social and economic responsibilities of US Haitian immigrants evidenced by the financing of education, weddings and funerals for relatives left in Haiti. Filipino immigrants also strive to maintain familial, cultural and sentimental ties and linkages to their country of origin (Pido 1985) through visits, tourism, and return migration. Sana (2005) also sites visits and the financing of weddings, baptisms, and funerals as a use of remittances to maintain contact with the immigrant's country of origin. Although remittances may be viewed as an obligation or a contract between the immigrant and family and friends left behind, they play a major role in the formation of global/local identities. Immigrants living abroad are able to participate in local culture and maintain a sense of belonging to the local community while participating in the essentially global experience of migration. As individuals move about the globe for various reasons, the sending of monies home represents a blurring of the global and the local. Ultimately, despite the fact that agreement on a single definition may be difficult to establish, globalization is increasingly a process defined by varied, transnational networks.

Chapter 3 Globalization

3.1 Globalization: Approaches and Theories

The term “globalization” gained popularity during the mid-1980s and 1990s (Ritzer 2004, Kellner 2002, Connell 2000, Robertson 1992). However, the use and meaning of the term as well as the period of time to which “globalization” applies, remains contested. Many scholars suggest that globalization began when humans began migrating across the globe (Steger 2003, Williamson 2002, Mazlish 1998) although others maintain that globalization is a relatively recent phenomenon beginning in the 16th century with the advent of European expansion and the growth of capitalism (Katz 2001, Chase-Dunn, Kawano and Brewer 2000, Portes 1981). A third view suggests that globalization is a contemporary phenomenon traceable to the mid-1970s (Harvey 2005, Steger 2003, Mazlish 1998, Portes 1997). Each approach rest upon the concept of a shrinking “globe” and a growing interdependence of its inhabitants thus producing one “globality” (Sassen 2007, Ritzer 2004, Shew 2004, Steger 2003, Giddens 2003, Kellner 2002, Katz 2001, Mazlish 1998, Wallerstein 1998, Bauman 1998, Robertson 1992, Salt 1992). A broad working definition of globalization is provided by Steger (2003:10) who states, “[globalization] refers to a multidimensional set of social processes that create, multiply, stretch, and intensify worldwide social interdependencies and exchanges while at the same time fostering in people a growing awareness of deepening connections between the local and the distant.” Historically globalization may be viewed as a centuries old process and divided into various periods or epochs. According to Mills (1959), “Knowledge of …history is often indispensable to understanding” (p. 150) and it is important to understand historical phases and historical reasons for current phenomenon.

Historical approaches

Steger (2003) divides historical globalization into five distinct periods of development defined as the prehistoric period (10,000 BCE until 3500 BCE), the pre-modern period (3500 BCE until 1500), the early modern period (1500 until 1750), the modern period (1750 until 1970), and the contemporary period (1970 until present). Each period represents marked changes in the distribution of humanity, increases in knowledge, technological advancement, and a continuous integration and interdependency of the globe. However, Williamson (2002) confines his classifications to four distinct periods beginning in 1492 and representing two globalization periods or epochs and two anti-global epochs. Epoch 1 represents an anti-global period lasting from 1492 until 1820. Although discoveries and transportation experienced improvement, tariffs, trading monopolies and wars restricted the flow of capital and labor. Both capital and labor immigration increased during the global epoch lasting from 1820 until 1913 as commodity markets were expanded and global capital became more integrated. Defined by Williamson (2002) as the "First Global" century, immigration was unrestricted as capitalism began its march around the globe. Complaints from domestic workers and trade policies marked an end of Epoch II while creating a second wave of anti-global behavior or Epoch III that lasted from 1913 until 1950. The "Second Global" century (1950 until present) is marked by restricted immigration, lessened trade barrier, and policy domination by the United States. During this period, industrialized countries have benefited while less developed countries have not faired as well. Robertson (1992) views globalization as a long-term process also beginning in the 15th century but one that has coalesced and accelerated in the last half of the 20th century. Robertson's (1992:58) "temporal-historical path" is divided into five phases including the Germinal phase (15th to mid-18th century), the Incipient phase (mid-18th century to 1870s), the Take-off phase (1870s to 1920s), the Struggle-for-Hegemony phase (1920s to 1960s), and the Uncertainty phase (1960s to 1990s). The later phases represent increased interdependence, cooperation, competition, and communication on a global level. Mazlish, however, suggests that a difference exists in world history and globalization history.

Mazlish (1998) suggests that a difference exists between world history and global history and that the distinction has produced a fragmented approach in the discipline of history. While world history embraces large-scale historical processes that create inter-linkages among individuals around the world, its focus remains on the nation-state and the systems constructed by world trade as described by Fernand Braudel, the mentor of Immanuel Wallerstein. Wallerstein would later propose World-Systems Analysis (Wallerstein 1974) as a theoretical approach to globalization. A qualitative difference is present in Mazlish's distinction of world history and global history. Mazlish (1998:389) states "the history of globalization…takes the processes encapsulated in the factors of globalization and traces them as far back as seems necessary and useful…processes that are best studied on a global, rather than a local, a national, or regional level." Mazlish qualifies his definition by identifying seven aspects of globalization which are: 1) People of the earth are linked in unprecedented fashion; 2) Environmental problems that refuse to conform to lines on a map; 3) Multinational corporations that increasingly dominate economic lives; 4) Global consumerism; 5) Human rights issues; 6) Displacement of international political systems; and 7) Diffusion of culture.

Mazlish's definition and qualifications, as well as his proposal that demarcation of 1st, 2nd, and 3rd worlds represents a recent method of discerning development, give credence to viewing globalization as a recent phenomenon and examining globalization as an outgrowth of 16th century capitalism or as a product of changing world-views established in the later half of the 20th century. These various approaches define globalization as a process that occurs in various time frames based upon the writer's perspective and reinforces the fact that approaches to globalization can be quite fragmented but often exhibit common ideas such as the needs of capitalism and the movement of labor.

Karl Marx anticipated globalization in the *Manifesto of the Communist Party* (Katz 2001) when he stated

> "The need for a constantly expanding market for its products chases the Bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connexions (sic) everywhere. The Bourgeoisie has through its exploitation of the world-market given a cosmopolitan character to production and consumption in every country…raw materials drawn from remote zones; industries whose products are consumed, not only at home, but in every quarter of the globe [and]…we have intercourse in every direction, universal inter-dependence of nations" (Tucker 1978:478)

The advent of globalization, thus, becomes synonymous with the necessity of capitalism to expand (Katz 2001, Wallerstein 1974). Marx (Tucker 1978) suggests that class division creates the need for the capitalists to pursue technological change and to change methods of production as well as to develop new markets for their products. Citing America as an example of expanding capitalism from a European base, Marx views flows of people and capital as a example in the development of world markets and the process of globalization. Capitalism can not rest until it has dominated and changed the world as demonstrated by the statement by Marx: "It [capitalism] compels all nations on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, i.e. to become bourgeois themselves. In a word, it creates a world after its own image" (Tucker 1978: 477). Wallerstein (1974) echoes these sentiments when describes globalization as a capitalist oriented phenomenon that began around 1500. Various other scholars including J.A. Hobson, V. I. Lenin, Rosa Luxemburg, Andre Frank, and Arghiri Emmanuel also view globalization as associated with capitalistic expansion (Katz 2001, Portes 1981).

Hobson indicated a qualitative shift between industrialized and nonindustrial societies that resulted in massive export of capital and identifying the "central problem of the advanced countries as the growth of massive surplus capital lacking outlets in the domestic economy for profitable investments" resulting in the "rise of financial capitalism over industrial and commercial capitalism [that] changed [the] role of the nonindustrial world from a source of cheap foodstuff, raw materials, and a market for manufacturers to a receptacle for surplus capital (Portes 1981: 5)." Luxemburg described the nonindustrial world or periphery as a receptacle for excess goods produced in the industrial nations who were suffering from overproduction and underconsumption (Katz 2001). Lenin echoed these sentiments by relating the expansion of capitalism as "financial imperialism" and a direct, logical response to what Marx described as the "laws of motion of capitalism" (Katz 2001, Portes 1981). Trotsky (Katz 2001) also described the "creation of a unified world market" as "a widening of the gulf between developed and underdeveloped countries" (Katz 2001: 7) that represents a form of imperialism. Categorization as developed or underdeveloped will later give rise to the concept of "unequal exchange" which is addressed by Frank and Emanuel who view unequal exchange as a source of underdevelopment, changing economic structure, and labor migration (Portes 1981). Many of these perspectives predict dire consequences for less industrialized nations and coincide with a contemporary or post-1970s' view of globalization.

The contemporary view of globalization has roots in the 1950s and the economic agreements of Bretton Woods (Steger 2003). Many scholars address economics, politics, cultural, and ideological changes as they relate to this time period. The emergence of a truly global economy (Steger 2003) is the results of rapid advancements of technology and capital flows thus creating new markets for goods and services. Although sharing similarities with other historical approaches to globalization, the contemporary approach have a strong focus on economic determinates. The United States and Britain met at Bretton Woods in New England following World War II to create and establish "binding rules on economic activities" (Steger 2003) and as a result, the United States and Britain created three organizations to oversee international economic activity. The prevailing economic model was Keynesian, which favored government intervention in economic matters and rejected a laissez-faire approach. The organizations created were the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (World Bank), and the General Agreement on Tariffs and Trade (GATT) that would be replaced in 1995 by the World Trade Organization (WTO). The IMF was designed to administer an international monetary system while the World Bank was to help in the reconstruction of war-damaged Europe and the development of various countries by providing funds for large industrial projects. The GATT and WTO were charged with the enforcement of multilateral trade agreements. These agreements operated for three decades but changed radically in the 1970s when faced with economic insecurity and a change in economic models to what would become known as “neoliberalism” (Steger 2003, Chase-Dunn, Kawano, and Brewer 2000). Historical approaches such as these have led to numerous perspectives and theories in an attempt to explain and define globalization.

Perspectives and Theories

The contemporary approach to globalizations has prompted the creation of a variety of theoretical approaches to attempt to understand and explain globalization and its features. A few of the perspectives are reviewed below. However, these represent a sample of available theories and are by no means exhaustive. All can be succumbed under an overarching theoretical approach: World-Systems theory.

Kellner

Kellner (2002) employs a contemporary version of critical theory that approaches globalization from a dialectical standpoint. ”The fundamental transformations of the world economy, politics, and culture [must be placed] in a dialectical framework that distinguishes between progressive and emancipatory features and oppressive and negative attributes (Kellner 2002: 286).” Although globalization is often imposed from above, it is also contested and reconfigured from below thus creating a complex, contradictory, and ambiguous set of social relations and institutions. Networked societies require a theory that views globalization and an intertwining of economic, political, and cultural features which are the product of “technological revolution and the global restructuring of capitalism” (Kellner 2002: 286). Globalization must be seen as a continuation of previous social tendencies and as a co-evolution of science, technology, and capitalism. A failure to envision the interaction of technological advancement and the restructuring of capitalism leads to reductive and one-sided approaches to understanding globalization. Kelner (2002: 292) states,

> "Consequently, it is important to present globalization as a strange amalgam of both homogenizing forces of sameness and uniformity and heterogeneity, difference and hybridity, as well as a contradictory mixture of democratizing and antidemocratizing tendencies. On the one hand, globalization unfolds a process of standardization in which a globalized mass culture circulates the globe creating sameness and homogeneity everywhere. On the other hand, globalized culture makes possible unique appropriations and developments everywhere, thus encouraging hybridity, difference, and heterogeneity to proliferate."

Kellner refers to the synthesis of technology and capital as technocapitalism. New configurations and contradictions of society found in the globalized world are explained by technocapitalism and a dialectical approach.

Giddens

Giddens' approach to globalization reflects his thinking of modernity as a juggernaut (Ritzer 2004). Emphasizing the role of the West and the United States, Giddens envisions globalization as a two-way process that "squeezes sideways" (2003) producing new areas of economy and culture that cross national borders as well as remaining within the nation.

Giddens describes globalization as emerging in an "anarchic, haphazard fashion [and] carried along by a mixture of influences (2003: 19)" The influences of this process result in global and local changes in everyday life. Giddens suggests that globalization needs to be managed and accompanied by social and economic reform. Although entertaining the possibility that the United States enjoys economic dominance, Giddens poses what he describes as two key questions: Is it true that global inequality is increasing? Is the increase due to globalization? Nations that have embraced being apart of the global economy have experienced growth while those that did not have experienced no growth according to Giddens. When considering globalization, "the biggest difference is in the level of finance and capital flows. Geared as it is to electronic money---money that only exists in computers—the current world economy has no parallel in earlier times (Giddens 2003: 9)

Beck

Beck (2000) makes a distinction between globalism, globality, and globalization. He describes globalism as the world that is dominated by economics and the emergence of hegemony of the capitalist world market and neoliberal ideology that causes monocausal and linear thinking. The multidimensional developments of the globe are improperly reduced to a single economic dimension. Globality embraces the illusionary aspects of closed spaces due to the process of globalization that suggests an undermining of the sovereign nation state due to the movement of "transnational actors with varying power, identities, and networks. Although transnational processes have existed, Beck (2000) suggests globality is new for the following reasons:

- Its influence over geographical space is far more extensive.
- Its influence over time is more stable allowing it to continue form one time period to another.
- There exists a far greater density of transnational networks, relationships, and network flows.
- Globality has various other distinctions:
- Everyday life and interaction across national borders in being profoundly affected
- There is s self-perception of transnationality in realms of media, tourism, and consumption.
- Community, labor and Capital are increasingly placeless.

- There is a growing awareness of global ecological dangers and a sense that actions must be taken to deal with them.
- Global culture industries are circulating at unprecedented levels.
- The number and power of transnational actors, institutions, and agreements is increasing.

Beck (2000) refers to globality as the second modernity with the first modernity located with the nation-state.

Bauman

Bauman (1998) views globalization as a "space war" where the winners are those who can obtain mobility and move about the globe. Mobility becomes the most coveted and powerful stratifying mechanism and its use allows individual to create meaning for themselves. The losers of the global world are unable to move and find themselves trapped in environs that are unbearable and inhospitable. Bauman divides individuals into tourists and vagabonds. Tourists are on the move because they desire to be and move toward objects of attraction while vagabonds are on the move involuntarily as they try to flee their unbearable conditions. Globalization is geared toward the ideals and dreams of tourists but a side effect is the creation a quantity of vagabonds. However most individuals exist between the extremes, thus, globalization causes uneasiness. Bauman (1998: 77) states, "Nowadays we are all on the move [with] less and less reason to stay anywhere in particular." The "quest for profits and greater profits" has lessened the significance of geographical location creating a globe where distance is insignificant and natural borders do not matter. Bauman (2003: 89) describes this world on movement in the following statement:

> "For the inhabitants of the first world—the increasingly cosmopolitan, extraterritorial world of global businessmen, global culture managers, or global academics, state

> borders are leveled down, as they are dismantled for the world's commodities, capital, and finances. For the inhabitants of the second world, the walls built of immigration controls, of residence laws, and of 'clean streets' and 'zero tolerance' policies, grow taller; the moats separating them from the sites of their desire and dreamed-of redemption grow deeper, while all bridges, at first attempt to cross them, prove to be drawbridges...The second travel surreptitiously, often illegally, sometimes paying more for the crowded steerage of a stinking, unseaworthy boat than others pay for business-class gilded luxuries---and are frowned upon, and if unlucky, arrested and promptly deported."

A great divide exists between the haves and have-nots of Bauman's globalization.

Appadurai

Five global flows or landscapes and their accompanying disjuncture serve as the basis of globalization (Appadurai 1996). Appadurai defines the scapes as: 1) Ethnoscapes consisting of mobile groups and individuals who play an important role in the world and whose moves may be factual or fantasy, 2) Technoscapes that are ever-fluid configurations of technology that move at high speeds across previously impenetrable barriers, 3) Financescapes involve the currency of global markets, 4) Mediascapes that provide the global production and distribution of information, and 5) Ideoscapes consisting of sets of images which frequently posses state ideological characteristics and are often political in nature

Appadurai (1996) finds each of these scapes to be partially dependent on the nation-sate and the location of global flows.

As can be seen by these various approaches, the definition and understanding of globalization can present difficulties. A common element that appears in these and other theories is the concept of capitalism and the economy as a source of expansion and stratification. World-Systems theory (Wallerstein 1974) offers what is arguably the best overarching synthesis of the role of capitalism in the development of globalization because he defines globalization in terms of expanding capitalism in his world-systems theory.

World-System theory

World–system theory views globalization as a process that originated around 1500 and reached completion during the 20th century. World–system theory represents the spread of a capitalist world-system across the globe (Wallerstein 1974). Wallerstein (1974: 390) defined "a world system [as] any historical social system of interdependent parts that form a bounded structure and operate to distinct rules." Historically, the world capitalist economy originated in Europe and through superior military strength and means of transportation helped to establish centers or cores of accumulation (Lechner and Boli 2007, Wallertstein 1974). Core nations spread across the globe creating an occupational and geographical division of labor in which peripheral destinations were reserves for cheap labor and extraction of raw materials and core area were reserves for capital-intensive production (Wallerstein 1974). The results of these efforts were unequal development with two extremes and a small buffer zone consisting of semiperiphery nations. The process continued until the whole of the globe is devoted to accumulation and profit seeking. International trade became not a trade between equals but one in which stronger economies (core) received "surplus-value" from weaker economies (periphery) and core nations benefited from "unequal exchange." Although Wallerstein (1974) sets the beginning of the process around 1500, he states "The modern world-system became geographically global only in the last half of the nineteenth century, and it has only been in the second half of the twentieth century that the inner corner and most remote regions of the globe have all been effectively integrated" (Wallerstein 1998: 9). Therefore, Wallerstein views the march of capitalism has reach completion resulting with most goods as commodities and most labor as wage labor. However, the expansion of capitalism has not been a linear process.

The expansion of capitalism has occurred in cycles of multi-decade waves (Lechner and Boli 2007). The spread of world–capitalism followed a pattern of innovation and expansion periods that reached a point of market exhaustion and a reduction of profits. Reduced profits and limited markets produce periods of stagnation and can result in recession but are generally followed by a new period of accumulation and thus, the pattern repeats continuously. The expansion across the globe has created a system facing more intense crises but is less able to address them. Wallerstein traces these cycles and accompanying hegemons: the Netherlands, followed by the British, followed by the United States. The United States hegemony has been in decline since the 1970s (Lechner and Boli 2007) and Wallerstein believes the system has entered a new crisis period in which response is uncertain but in which transformation of the system may present the only possible answer.

World–systems views the modern world system as a capitalist world-economy that gives priority to endless accumulation and goes beyond political structures and homogenous cultures. The world-economy consists of "a large geographic zone within which there is division of labor and hence significant internal exchange of basic or essential goods as well as flows of capital and labor" (Wallerstien 2004: 23). The setting for this exchange and flow is the autonomous state that exists in a larger interstate system. The state seeks to construct boundaries within which it can increase power, maintain sovereignty, and control its borders.

Reciprocal recognition of these rights is fundamental to the modern interstate system (Wallerstein 2004). The state defines the rules that allow capital, commodities, and labor to cross its border. The movement of people has always been the most tightly controlled (Wallerstein 2004). A shift to the neoliberal economic model in the mid-1970s has given international financial institutions an immense power to influence states and their economic activity within the world or global economy.

3.2 Post-1970s Globalization and Neoliberalism

The United States and Britain faced economic challenges during the 1970s with a change in economic policy led by Paul Volcker of the United States Federal Reserve, Margaret Thatcher of Britain, and Ronald Reagan of the United Sates (Harvey 2005). Though deliberate and planned activity, Volcker hoped to revitalize a stagnant economy by curbing the power of labor, deregulating of industry, increasing agriculture and resource extraction, and by liberating the power of finance locally and globally (Harvey 2005). Neoliberalism became the dominant economic model and was based upon "a theory of political economic practice that proposes that human-beings can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade" (Harvey 2005: 2). Neoliberalism marked a significant departure from previous economic models.

The dominant economic model for the first half of the 20th century was supplied by John Maynard Keynes and was based upon the propositions that the private economy may not reach full employment and that government spending could spur the economy into filling the gap (Buchholz 2007). Keynes wrote *The General Theory of Employment, Interest, and*

Money in 1936 and provided a new framework for macroeconomics. Prior to Keynes, Say's Law stated that producing goods generated enough income for workers and suppliers to purchase all the goods produced but neglected the question: What happens when consumers save? Classic economists tied savings by consumers and investment by business together and viewed the buttress of Say's Law to be flexible wages and prices (Buchholz 2007). Keynes denied the savings/ investment link and scoffed at flexible wages and prices. The cause of recession was savings or a reduction in spending and the antidote was to stimulate spending or as Keynes stated, "We can inject spending into the economy, which will multiply throughout and cure recession by filling the original gap between output and sales" (Buchholz 2007: 220). The Keynesian "we" represented the government. The national economy could be compared to the operation of an automobile with spending and taxes representing the accelerator and brakes. Higher government spending and lower taxes provided the accelerator while lower government spending and higher taxes provided the brake. The Keynesian model dominated United States economic policy until one United States president remarked, "We are all Keynesian now" (Buchholz 2007). Milton Friedman and the monetarist opposed the Keynesian approach.

Monetarists argue that the government makes a lousy driver and fiscal policy has little to do with the acceleration or braking of the economy; the money supply is the key to the economy (Buchholz 2007). The monetarist approach contends that government spending and taxation are not the tools to stimulate the economy but the Federal Reserves' manipulation of the money supply is the key to economic growth. The Federal Reserve manipulates the money supply by controlling the percentage of deposits that banks can lend, by lending money to banks, and though the buying and selling of government securities. As money held by the Federal Reserve is not considered in the money supply, the Reserve can increase the money supply by buying bonds and reduce the supply by selling bonds. Reagan and Thatcher urged adoption of a monetarist model in the 1970s and promoted the "neoliberal" ideology of privatization, deregulation, and a reduction of government involvement in welfare programs.

Neoliberalism stresses the importance of the free market and encourages greater geographic range thus leading to globalization (Harvey 2005). "The assumption that individual freedoms are guaranteed by freedom of the market and of trade is a cardinal feature of neoliberal thinking, and it has long dominated the United States stance toward the rest of the world" (Harvey 2005: 7). The neoliberal approach is characterized by:

- A confrontation with labor especially organized labor
- Rollbacks of commitments to social welfare
- Privatization of public enterprises
- Reduction in taxes, and
- Encouragement of entrepreneurship the creation of favorable business climates to attract foreign investors

The World Trade Organization was created, as neoliberal policy became the prescribed answer to global problems by the mid-1990s. International financial organizations gained economic and political power thus exercising the ability to subject loan applicants to structural adjustments programs as a requirement for loan criterion.

Chase-Dunn, Kawano, and Brewer (2000) identify three aspects of contemporary globalization. Structural globalization identifies changing densities in global and international interaction while economic globalization identifies the greater integration of production, distribution, and consumption in a world economy. Political globalization examines the institutional forms of global and interregional political/military organizations and their relation to the nation state and smaller political actors. Included in political globalization are economic organizations such as the IMF, World Bank, and WTO. These economic organizations exert significant influence in the economies of the world, especially with the growth of transnational corporations (Steger 2003, Chase-Dunn 2000). Trade agreements have established global trade and markets while creating powerful transnational corporations that exert influence rivaling the nation-state. The IMF, WTO, and World Bank create and enforce rules that control and affect the global economy. Since the perceived collapse of communism, the economic institutions have promoted a neoliberal agenda to create integrated markets and deregulation. Loans to developing countries are often tied to "structural adjustment programmes" (SAPs) that cut public welfare programs and serve as a new mechanism and model of colonialization. Neoliberal policy created a clear road for the expansion of capitalism (Portes 1997) and had a dramatic effect on those countries considered to be less developed. The contemporary approach to globalization often suggests that globalization has benefited the developed countries while exploiting workers in both developed and developing countries (Steger 2003, Chase-Dunn et al 2000).

The neoliberal approach was implemented in areas such as Latin America though the seven basic steps (Portes 1997) that follows:

1. Unilateral opening to foreign trade
2. Extensive privatization of state enterprises
3. Deregulation of goods, services, and labor
4. Liberalization of the capital market with extensive privatization of pension funds

5. Fiscal adjustments based on drastic reductions or public outlays
6. Restructuring and downscaling of state-supported social programs
7. The end of "industrial policy" and a concentration on macroeconomic management

Structural Adjustments Programs

The structural adjustment era was ushered in by conservative politicians and the ability of US banks to gain a monopoly on the recirculation of petrodollars into the world economy (Sachs 2005, Harvey 2003). Harvey (2003) suggests that a decline in the US hegemony in production forced a move to financial hegemony and the necessity of open markets in general and especially capital markets. Efforts to devalue labor and a degradation of the working-class in industrial nations helped create a larger working-class in the developing world. A global downward pressure on wage rates and labor conditions created a low-wage workforce that was now combined with the geographical mobility of production. These conditions are the essence of neoliberal economics (Harvey 2003). As a result, US finance capital took center stage in the global economy and "whole economies [were] raided and their assets recovered by US finance capital [and] unemployment and impoverishment were the results for millions of people" (Harvey 2003: 66). The resulting financial crisis forced a number of developing countries to turn to the IMF and World Bank for loans. Financial crisis is viewed by the international financial institutions as a result of poor government management (Sach 2005) and recovery and development can only take through foreign investment (Samatar 1993).

Structural adjustment programs now accompanied loans to developing countries as a means to accomplish recovery and development. SAPs were designed to address four areas of concern (Sach 2005): poor governance, excessive government intervention in the markets, excessive government spending, and too much state ownership. Crisp and Kelly (1999: 534) state "Structural adjustments loans typically included demands for fiscal discipline, new public spending priorities, tax reforms, financial liberalization, competitive exchange rates, trade liberalization, increased foreign direct investment, [and] privatization and deregulation." As a result,

> "Prices of goods and services rise as subsidies for food, transport, energy, and other items are removed. The devaluation of currencies leads to real price increases on imported goods. In addition, unemployment increases both because public sector jobs are eliminated and because domestic industries scale back to face the foreign competition to which they are being subjected to for the first time. Finally, government service, of particular value to the poor, decreases as a result of general fiscal austerity" (Crisp and Kelly 1999: 542)"

As a result, the needs of global capitalism are met by creating an environment for the global transfer of labor, goods, services, and capital (Lingan 2005).

Samatar (1993) describes three positions that are held toward SAPs and their effects. The "internalist argument" suggests that SAPs create poorly conceived and inappropriate policies that are designed to overcome perceived failures of the government. A "middle-ground" approach states that a side effect of SAPs is a negative impact on vulnerable groups such as the poor and the "radical critics" suggest that SAPs emphasize production for export while offering little support for domestic production for local consumption. A common view of SAPs is that the effects of these adjustments are disproportionately absorbed by those in poverty (Lingan 2005, Sach 2005, Crisp and Kelly 1999, Samatar 1993, Summers and Prichett 1993). The consequences are marginalized individuals in developing countries migrating to places "where their labor will yield more returns to enable them to live comfortable lives" (Donkor 2005: 30).

Development, the described goal of SAPs, was defined as success in the global marketplace (Portes 1997), but it resulted in a premature rise in consumption standards, a bifurcation between those able to consume and those aware of, but excluded from consumption, and heightened migratory pressures. Individuals and families often attempted to gain economic success through migration to the source of economic prosperity of developed nations such as the United States.

The "most under-researched of the global flows" (World Bank 2002: 82) is the human resource. The number of international migrants in 2005 reached approximately 190 million with 115 million living in developed countries and 75 million living in developing countries (United Nations 2006). Migration is not only a South-North process but also a South-South process as middle-income nations use migrants from lower-income nations to fuel the workforce for expanding economies. The export of global labor as a primary commodity is only second to oil (Salt 1992, World Bank 2003). Salt (1992) states,

> "All countries now engage in migration systems growing in size and complexity" and "many of the processes that create and drive these systems operate on a worldwide basis, the consequence of economic globalization, capital mobility, the activities of international business corporations and the wide spread realization that human resources can be traded for profit like any other resource" (p.1080-1081).

Bunker and Ciccantell (2005) make the following observation:

> "…That in each extractive economy, the physical features of the natural resource itself...directly determine both the economic organization and the ecological effects of its extraction and export. In other words, the local conditions that produce the resource directly shape international strategies to export it" (p. xi).

A no more accurate description can be applied to immigrant labor that seek a better life in an "environment of stable relative wages" (World Bank 2002: 82) and who are comparable to other resources that are extracted from a less developed country (LDCs). The ebbs and flows of economies of developed countries and the desire for both skilled and unskilled labor have the potential to increase the flows of humans in a global system. Neoliberal policy and changing demographics of developed countries often affect migratory patterns. Immigrations to the United States reflect these patterns.

Chapter 4 Migration and Immigration

Much of the literature and research concerning the movement of resources around the globe centers upon natural resources such as timber or oil. The focus of many research projects is the flow of these resources out, the flow of produced goods in, and the impacts upon the sending country. The “most under-researched of the global flows” (World Bank 2002: 82) is the human resource. As stated previously, the export of global labor as a primary commodity is only second to oil (Salt 1992, World Bank 2003) and the flow of the human resource can be examined similarly to the natural resource. The ebbs and flows of economies of developed countries and the desire for both skilled and unskilled labor have the potential to increase the flows of humans in a global system.

4.1 Migration

The United Nations’ report on International Migration and Development (2006:23) describes migration as “complex because it is a process, not a single event, and because it can be repeated several times over the lifetime of an individual.” The report also suggests that migration exhibits a number of variations depending on the individuals who decide to migrate and the State controls that determine who will be allowed to enter or depart and how such activities will be carried out. Globalization has affected both the nature and the impact of migration flows.

Globalization is neither a recent nor unique process (Bunker and Ciccantell 2005) nor is migration. Migration is as old as human efforts to obtain food for survival but international migration is a relatively new phenomenon as the number of nation-states has increased. Recognized nation-states numbered 43 in 1900 but had grown to 191 by the year 2000 (Martin, Abella, and Kuptsch 2006). Each state creates regulations to determine the ability to cross its borders and thus regulates immigration flows both as a sender and as a receiver. Salt (1992) indicates the existence of a number of macroregional systems in which migration flows take place. Such systems are represented by the flow of migrants from Mexico to the United States, from Turkey to Germany, and from India to Saudi Arabia. Migration systems are often characterized by the movement of individuals from less developed countries to more developed countries and are influenced by a number of factors including needs of advanced economies, the availability of cheap transportation, improved communications, and encouragement by governments relying on remittances (Martin et al 2006, United Nations 2006).

The world population currently increases at the rate of 83 million persons per year with 82 million of these individuals being born in LDCs (representing 97% of world population growth) but the number of immigrants is increasing faster than the world population (Martin et al 2006). The aging population in advanced economies provides one explanation for the growth of immigration. The population of advanced economies in 2006 had 142 individuals aged 20-24 for entry into the workforce for every 100 individuals aged 60-64 retiring from the workforce but this ratio is expected to decrease to 86 per 100 in the next decade (United Nations 2006). In contrast, developing countries have a ratio of 342 entrants per 100 individuals of retirees. Shortfalls of domestic workers (Salt 1992) in developed countries serve as a factor in attracting the over abundance of workers in LDCs that may be experiencing economic slowdowns and high unemployment. Another explanation for the increase in immigrant flows is the shift of rural farmers to urban jobs that provide greater economic rewards. Migrant farmers are much more likely to accept 3D jobs or jobs that are dangerous, dirty, and difficult (Martin et al 2006, United Nations 2006) and adaptation to urban environments is essentially the same both in and out of the farmer's country of origin making emigration as attractive as out-migration.

Cheaper transportation costs and the ability to keep in contact with family members through improved communication networks have created a more inviting environment for immigrant workers. The United Nations (2006) classifies migrants as "settler migrants" and "migrant workers," differentiating those who plan to stay from those who are intending to migrate temporarily, and Martin, Abella, and Kuptsch (2006) classifies migrants as economic and noneconomic, differentiating those who migrate voluntarily from those who do not. The United States, Australia, New Zealand, and Canada represent developed nations that are willing to accept settler migrants. Settler migrants are offered the opportunity to apply for permanent residence and are accorded the same social and economic rights as native citizens. The usual criteria for acceptance as a settler migrant include having relatives already living in the receiving country, possessing a needed skill, or migrating on humanitarian grounds. Immigrant workers on the other hand are admitted for the sole purpose of temporary economic activity and are usually attached to a specific job or employer. Immigrant workers are usually admitted for a specified time period that is often less than a year (United Nations 2006). Most individuals migrate for the purpose of economic activity (World Bank 2002) and criteria such as these coupled with globalization have created a squeeze in immigrant demand thus producing an hourglass shape as migrants are drawn from highly skilled groups such as Indian programmers or low or unskilled workers such as Mexican farm laborers. A diverse group of individuals classified as migrants is created and a variety of motivations and goals are involved in the decision to migrate.

Decisions to Migrate

Itzighohn (1995) identifies several characteristics that may be present in families pursuing migration as a means to economic survival. Larger families and those in a late stage of the family cycle can afford to send migrants both emotionally and economically. Migrant families also tend to have higher incomes than neighbors and better educated members thus, supplying a higher human capital. Therefore, migration decisions are not random acts but the migrant represents a rational agent who is constrained by loyalty and commitment to the family (Lianos 1997). The positive and negative consequences of this framework are highly contested among scholars. The United States is the destination of 20% of the world's immigrant population and 60% of migrants live in high-income or developed economies (United Nations 2006).

Massey (1999) suggests an examination of four basic facts should be used in an attempt to determine and understand migration flows. Researchers and policymakers must consider "the structural forces in developing societies that promote immigration (*push factors*); the structural forces in developed societies that attract immigrants (*pull factors*); the motivations, goals, and aspirations of the actors responding to these forces by migrating internationally; and the social and economic structures that arise to connect areas of out- and in- migration" (Massey 1999: 303-304). Contemporary migration flows originate from the social, political, and economic transformation that occurs as capitalist markets penetrate nonmarket or premarket societies (Massey 1999). Entrance into the global economy can disrupt social and economic structures and produce forms of displacement. This displacement often creates a population of mobile workers who are attracted to the higher wages offered in urban, developed nations. Migration can also serve as a type of social insurance and allow families remaining at home to manage risks and overcome market failures during periods of development. Simultaneously, receiving countries attempt to regulate the number and the characteristics of immigrants arriving. Economic changes tend to shift immigration policy in both receiving and sending nations. “Immigration policy is the outcome of a political process through which competing interests interact within bureaucratic, legislative, judicial, and public arenas to construct and implement policies that encourage, discourage, or otherwise regulate the flow of immigrants”(Massey 1999:307). The pressures of globalization have promoted the movement of labor in search of economic security.

4.2 Labor Migration

The human face of globalization resides in the perpetual movement of individuals across borders (Terry and Wilson 2005) and the result is a redrawing of the global labor market map. “Workers move abroad to support family members and protect their futures at home” according to Terry and Wilson (2005: 6). Stalker (2000) suggests that the main reason most individuals move abroad is the prospect of earning more money and that migrants are generally aware of the location of potential jobs and the likelihood of finding one. Manpower Inc., one of the largest contract-worker suppliers, states

> “By far, the vast majority of workers are moving for better economic opportunities, either to a wealthier nation where the same work offers a better reward, moving to where there are more opportunities for individuals with their specific skills because the work is no longer available in their current location, or moving to where there are

> shortages of their skills and rewards are greater due to the laws of supply and demand" (Manpower 2008: 4).

The US Immigration Reform and Control Act (IRCA) of 1986 established the Commission for the Study of International Migration and Cooperative Economic Development. The commission found that "the main motivation for [immigrants] coming to the United States was economic" (Bacon 2008: 52). Both skilled and unskilled workers have become an indispensable part of a flexible, global workforce that allows employers to respond quickly to global market changes.

The "net return of migration" as described by Stalker (2000) is dependent on four factors; wage differentials, the likelihood of finding work, the chances of being deported if the immigrant lacks documentation, and the financial and psychological cost of migrating. These four factors determine whether or not the individual will seek to migrate and wage differentials can play a large part in making the decision to migrate. In a 1996 survey of deported workers from Mexico, workers reported earning $278.00 per week in the United States in contrast to earning $31.00 per week at their last Mexican job. Table 1 reflects the potential advantages and disadvantages involved in migration decisions. Disadvantages in the country of origin are generally referred to as *push factors*, while advantages in the country of destination are referred to as *pull factors*.

Stalker (2005) points out individuals classified as refugees or asylum seekers also play a part in the migrating workforce. The conflicts that produce refugees also create poverty and economic disruptions that force individuals to flee their country of origin and the international flow of labor is mixed with the flow of refugees. Seeking asylum may offer an alternative to bypass immigration controls and enter the workforce. Stalker (2005) states,

> "A few asylum seekers succeed. But even those who fail often become immigrant workers. It may take months or years to process the claims of asylum seekers, and in the meantime, many are allowed to work" (Stalker 2000: 32).

All of these factors have created a global workforce that is essential to the global economy and that is constantly on the move. Bacon (2008) attributes much of this migratory labor activity to the close relationship between trade and immigration policy, especially when related to United States trade policy, the power of International financial institutions such as the IMF and World Bank, and the development of transnational corporations.

Bacon (2008) cites trade agreements such as the North American Free Trade Agreement (NAFTA), the use of "structural adjustment programs," and the establishment of export processing zones (EPZs) as factors creating the need for workers to migrate. Not only have these created a migratory workforce but they have created new calls for "guest worker" programs and the establishment of "contract labor" as a means of flexibility for employers. Financial crashes and economic disasters have driven millions of workers abroad in order to earn enough to keep families at home together. EPZs have required a quantity of workers that "cannot be met by natural population growth" (Bacon 2008: 71). All of these factors have created a need for additional workers all over the globe thus making "labor migration a truly global phenomenon" (Stalker 2000: 31).

Workforce Needs

Manpower Inc. (Manpower 2008) represents a leader in the employment services industry. Established in 1948, the US company is worth $21 billion and specialized in "temporary and contract recruitment" as well as "outsourcing and consulting" in the global labor market. Manpower claimed 4,500 offices in 80 countries and five million permanent, temporary, and contract workers worldwide in 2007. In 2007, Manpower conducted a survey on the need for "foreign talent" entitled the "*2008 Borderless Workforce Survey*" that surveyed 28 thousand employers located in 27 countries.

The results suggest, according to Manpower Inc., that more individuals are living and working in a country other than their country of origin than at any other period in history and that movement is not a one-time, one-way migration (Manpower 2008). Stalker (2000) argues that the quantity of people on the move may not be greater than previous periods, but he agrees that the character of migration has changed and flows are more diverse with a great deal of back and forth movement. Manpower also recognizes economics as a driving force in labor force movement and suggests the ability to send remittances is a "huge factor" in driving immigration. Noting that almost all population growth takes place in less developed regions and that the population of developing countries is increasing six times faster than in industrialized countries, the survey indicates that "rapid population growth combined with economic difficulties push people to move away, and declining and aging populations force countries to accept migrants" (Manpower 2008: 3). One of the defining global issues of the early twenty-first century is labor migration. Manpower describes this as "brain globalization." Brain globalization suggests "there is a significant movement of both people to work and work to people as multinational organizations attempt to adapt their businesses to be close to their strongest consumer markets or, to find less expensive talent and reduce their costs to compete. At the same time, individuals move to where the best jobs and career opportunities are available, further exaggerating the effects of brain globalization" (Manpower 2008:7). The report also recognizes the efforts of governments to export individuals with the intention of receiving remittances and thus contributing to the GDP of their country of origin. This phenomenon is termed “brain export.” The United States has historically depended on immigrant labor (Bacon 2008) and has viewed the immigrant labor force as a workforce that could easily be increases or decreased as business demands.

Between 1996 and 2000, the foreign-born constituted almost one-half of the net workforce increase in the United Sates (Mosia 2002) and currently 20.3 million immigrants compose 14% of the US total workforce (Nguyen 2008). Immigrants filled 38% of the new jobs created between 1990 and 1998 (Nguyen 2008) and offer a solution to the ageing and skill problems threatening the US workforce as both high and low skilled workers are needed. Many new jobs in the twenty-first century will be knowledge- based and require postsecondary, vocational, or higher educational training (Nguyen 2008). Nguyen (2008) indicates that as many a 30% of immigrants hold an undergraduate degree and as many as 12% hold advanced degrees. International migration represents the only population component that can have a significant impact of the future workforce needs of the United States and other advanced countries experiencing population decline (McDonald and Kippen 2001). Reliance on immigrant labor and attempts to reconcile immigrant and domestic labor is reflected in the history of US immigration policy and an understanding of a receiving country’s policy is imperative to understanding of immigration (Donkor 2005).

4.3 United States Immigration History and Workforce Needs

Prior to 1875, there was no direct federal legislation restricting the admission of the foreign-born to the United States did not exist (Smith and Edmonston 1997, Briggs 2003). However, some federal and state regulations, designed not to limit the number of entrants but the type of immigrant, were enacted. Restrictions applied to the destitute, the physically handicapped, certain races, and those engaged in immoral activities. Briggs (2003) states that "an appreciation of historical circumstances is key to understanding the policy that governs the scale and shape the composition of the immigrant flows at any given time." (p.6) Changes to United States immigration policy can be explained by an examination of a series of "mass immigration" waves taking place over the last two centuries (Briggs 2003).

From 1788 until 1921, the United Sates imposed no annual restrictions existed on the number of individuals allowed to enter the country. Consequently, the number of foreign-born increased steadily from 1790 until 1860 with the first wave identified between 1830-1859. From 1807 through 1830 the cumulative number of immigrants totaled approximately one million persons and included both voluntary and involuntary migration (i.e. slavery). Annual arrivals totaled less than twenty thousand with most individuals arriving from the British Isles and Africa. In 1818, Congress denied a land grant request from the Irish and declared that America would not become a "nation of nations" (Briggs 2003). As the East experienced industrial and urban growth, five million immigrants arrived from 1830 to 1850. Many of the immigrants arrived from Germany, Ireland, and French Canada but as development began in the West, a large number of Chinese immigrants arrived in the 1840s. The effects of mass immigration in the urban East were experienced by the labor force and included wage suppression, a worsening of working conditions, and reduced pressure for shorter working hours. The need for a growing labor force would fuel the second wave of mass immigration from 1860 until 1890.

The destruction of the agrarian South during the Civil War of 1861-1865 was accompanied by an accelerated growth of business in the North. Advances in mechanization of industry and a growth in infrastructure bought ten million immigrants to the United States from 1861 until 1890. The foreign-born composed 14.8% of the United States population in 1890. Austria and Scandinavia joined the United Kingdom, Germany, and Canada as place of origin for new immigrants while the Central Pacific Railroad continued to recruit Chinese workers for the West. Many of these immigrants were unskilled workers who could be trained for growing industrialization (Briggs 2003). In 1864, Congress passed the Act to Encourage Immigration (Contract Labor Act) at the behest of business's need for a larger labor force. The act allowed private business to recruit foreign workers and pay for their transportation to the United States and in return, immigrants pledged up to twelve months of their wages as repayment. Transportation repayment combined with "maintenance" fees, created an immigrant workers status similar to indentured servants. Soon, the public and organized labor began to resist uncontrolled immigration. Resistance to rising number of Chinese immigrants recruited by the railroads and fleeing China's internal turmoil led to the Congressional passage of the 1882 Chinese Exclusion Act which represented the first significant effort by the government to restrict levels of immigration. The 1882 Act was followed in 1885 by the Allen Contract Act, which prohibited businesses from providing financial assistance to immigrant workers. Although the Allen Contract Act was the first attempt to limit immigration from Europe, rapid industrialization and strong economic growth combined with the need for workers created a third wave of mass migration from1890-1920 (Briggs 2003).

Immigration continued to rise, as manufacturing became the largest employment sector in the United States replacing agriculture. Immigration flows reached over one million persons annually during the years 1905, 1906, 1907, 1910, 1913, and 1914 (Briggs 2003).

The origin for many of these immigrants was Eastern and Southern Europe and although many came from agriculture backgrounds, a disproportionate number came to reside in the industrialized cities of the Northeast. Immigration became a labor issue as wages became depressed and working conditions worsened. The public and labor organizations began to pressure the federal government for immigration restrictions. Since 1882, the federal government had begun an oversight of immigration policy and had assumed complete control over immigration policy in 1891 (see Table 2).

The Immigration Act of 1882 assigned the responsibility of examining new immigrants to the Secretary of the Treasury. This was followed by the Immigration Act of 1891, which ended all state involvement in immigration issues and created the Bureau of Immigration (BI) within the Treasury Department. However, the BI was moved in 1903 to the Department of Commerce and Labor. The role of immigration enforcement was assumed with the 1904 creation of a set of inspectors to patrol the Mexican border to stop illegal immigration. In 1906, The BI became the Bureau of Immigration and Naturalization and in 1913 was assigned to the Department of Labor. In an effort to understand immigration impact, the 1907 United States Immigration Commission was created as an ambitious social science project designed to establish a formal immigration policy. The Dillingham Commission named for Senator William Dillingham was composed of three members of the House of Representatives, three members of the Senate, and three outside experts and produced a final report in 1911. The report suggested the definition of “superior” and “inferior” races, rules governing selectivity and restrictions on immigration, and pointed to economically adverse affects of unlimited immigration (Briggs 2003). A series of immigration acts followed the submission of the report (see Table 2) which represented efforts to control immigration through screening, numerical quotas, and banning of selected categories. The restrictions and quotas created by the Immigration Acts of 1917, 1921, and 1924 remained in effect until 1965 (see Table 2) and –in conjunction with the Great Depression and two World Wars--slowed immigration growth. The foreign-born constituted only 4.4% of the United States population in 1965. This figure represented the lowest in United States immigration history (Briggs 2003) although the United States had become one of the most influential nations in the world.

The end of WWII brought about a series of global changes and the United States became one of the most influential nations due to its military, political, and economic power. Presidents Truman, Eisenhower, and Kennedy viewed immigration reform as a national imperative but Congress refused to change the overall policies until the Johnson administration (Briggs 2003). Tens of thousands from the "wrong countries" (Briggs 2003) desired to emigrate. The failure to change overall immigration policy resulted in a series of ad hoc programs designed to assist people fleeing from communism. The Civil Rights movement became an additional factor influencing the call for new legislation as President Johnson attempted to build "the Great Society" (Briggs 2003). Overt racial bans could no longer be tolerated and in 1965, the Immigration Act lifted national quotas, centered immigration policy on family reunification, and established a seven category visa program (see Table 2). The goal of the Immigration Act of 1965 was not to increase the number immigrants but to reunite families and follow the example of a 1952 program designed to attract workers whose skills were needed. Inadvertently, the Act set off a fourth wave of immigration that currently continues. Once again, in an effort to gain control over both legal and illegal immigration, Congress passed a series of Immigration Acts (see Table 2). However, labor needs, once again, influence legislation.

Temporary Workers or Guestworkers

A large portion of immigration legislation and a number of ad hoc programs have addressed the necessity for temporary workers or non-immigrants to fill positions in the U.S. workforce. The Immigration Act of 1819 offered the first definition of non-immigrants but the first reporting requirements were not established until the Act of 1855 (Briggs 2003, USCIS 1997). The Immigration Acts of 1924 and 1952 enhanced the definition of non-immigrants and reporting methods by dividing temporary visitors into distinct categories based upon purpose for entry. Non-immigrants were officially designated as all persons who are not United States citizens but who seek to enter the United States for a temporary period of time, not for permanent residence (USCIS 2005). Miller (1982) and Bartram (2005) indicate that the temporariness of non-immigrants or guestworkers may be a primarily fictitious idea as many of the workers remain indefinitely or apply for permanent residence. Employers who become dependent on foreign workers often do not seek alternative labor sources and workers who are accompanied by family tend to establish local roots over the time period of employment. Although most non-immigrants do not intend to stay, reasons such as this increase the tendency to remain in the host country (Bartram 2005). However, the long history of recruiting and employing temporary workers by United States business has had the support of the federal government and has been accompanied by a series of policies and programs.

A labor shortage provided the enactment of most historical guestworker programs. Pressure from Southwest agriculture growers in 1917 led to the enactment of the First Bracero Program and granted a provision for the entry of “temporary” workers while lifting the literacy requirement of the Immigration Act of 1917 (Briggs 2004). Although the war ended in 1918, the program was extended until 1922. No longer justifiable, the program officially ended in 1922. However, enforcement was lax and WWII brought the assertion of another labor shortage. Growers requested a new contract labor program in 1941. In 1942, the Mexican Labor Program known as Public Law 45 (P.L.45) was attached to an appropriations bill. The Mexican Labor Program was limited to agriculture workers and was set to expire in 1947. The program continued informally and without regulation until 1951. The advent of the Korean Conflict produced an extension known as P.L.78 which was renewed three times and continued the Mexican Program until 1984. The height of the program witnessed the annual arrival of 439,000 braceros as temporary agriculture worker. Employers were required to provide prevailing wages, adequate housing, and reasonably priced meals as well as transportation cost from government reception centers. The Federal government determined the state allocation of workers. Individual states were responsible for distribution of workers to towns and cities. Although President Truman’s Commission on Migratory Labor found an inverse relation between the supply of immigrant workers and agriculture wages in 1952, the program continued until the American Federation of Labor (AFL) launched a successful drive to repeal P.L.78 in 1984 (Briggs 2004).Other programs such as the British West Indies Program (BWI) for Eastern growers, the Virgin Island H-2, and the Guam Program introduced large numbers of temporary workers and created social and infrastructure problems in the areas where these workers were utilized. The Immigration

Act of 1952 established a number of visa categories including the H-2 visa for "other temporary worker" to be used in the service sector (Briggs 2004). H-2 workers were allowed to take jobs if no citizen was available to perform the work. The 1986 Immigration Act further divided visa categories into H-1A for nonagricultural workers and H-2A for agricultural workers. Current legislation focuses on the need for additional temporary workers to fill United States jobs.

4.4 Current State of US Workforce

The United States currently has an aging workforce and population (McDonald and Kippen 2001, Judy 1997) that creates doubts as to the ability to replace workers and supply a future workforce to support an aging population. Aging populations often have higher demands as services and care for the aging involve labor-intensive jobs.

> "Healthy and well-to-do aged people will demand leisure and recreation services while frail aged persons will need a wide array of care services. Some of these services will be highly skilled (for example, sophisticated health services) but others will be low skilled (for example, transport and distribution and household maintenance tasks). Almost all of these services will be labor-intensive" (McDonald and Kippen 2001: 5).

Forty percent of all US workers will be age 55 or older by 2010 and reaching retirement age (Nguyen 2008). The severity of an aging population can be measured in the ratio of working individuals to the retired elderly (McDonald and Kippen 2001). In 1950, the US old age dependency ratio was seven working individual to one person 65 years of age or older (Nguyen 2008) but currently, this has dropped to five working individuals per retired person. The rate is expected to drop to three working individuals per retired person by 2030.

All US “baby boomers,” defined as those born between 1946 and 1964 (Fullerton 1995), will be 65 years old or older by 2030 (Bernstein and Edward 2008) and double the 2008 age 65 population (38.7 million) to 88.5 million residents by 2050. Residents 85 years old and older will triple by 2050. Simultaneously, the percentage of “working age” population (age 18 to 64) will decrease to 57% of the population. Demographics are rapidly changing the face and the needs of the workforce (Freeland, Fahlander and Scullion 2008). The National conference of State Legislatures (NCSL) reported that in the 1990s there would have been a shortage of 500,000 workers in thirteen occupational categories without the availability of non-citizen employees (NCSL 2005). In the 1990s, immigrants represented 1 in 9 United States residents, 1 in 7 United States workers, and one-half of all new workers with one quarter of immigrants occupying professional occupations and 20% occupying service industry jobs. Businesses face a shortage of workers and in some areas is forced to cut operations and services (Zezima 2008) if an immigrant population is unavailable to fill the empty labor pool. Sixty million US workers will retire in the next 30 years and the shortages of workers will be critical to the United State’s ability to compete in the global economy (Nguyen 2008). Migration streams will be required to supply the United States with a much-needed workforce (Nguyen 2008, McDonald and Kippen 2001). Labor needs of the United States combined with economic needs of individuals in other countries has help create circumstances in which migrations and the ability to send money “home” are viewed as an opportunity for economic growth and stability. Remittances provide the opportunity for immigrants to contribute to the financial well being of family and friends who remain in the immigrant’s country of origin. Remittances also provide a means of maintaining social ties with their community of origin.

Chapter 5 Remittances

Remittances are often viewed historically as an economic survival strategy for the poorer people of the world. Although the positive or negative value of this strategy is debated, poverty serves as a strong push factor for immigrants and changes in historical and theoretical explanations of poverty requires an understanding. Jones (1998) offers one analysis of such historical and theoretical changes.

The impact of money transfers is best understood when framed by historical economic and theoretical changes occurring at the end of the twentieth century (Jones 1998). Jones (1998) cites the commonality of numerous theories focusing on global problems and solutions and the tendency of these theories to change in focus with changing economic environments. The use of remittances as an economic strategy and their role in development varies theoretically with this changing environment. The literature of the 1970s (Jones 1998) concentrated on sequences of change, inequalities, cultural change, and the efficient use of resources and viewed government–controlled strategies as sources to lessen economic dependency. From this perspective, the most promise lay in state-run socialism. However, the economic crisis and restructuring of the 1980s and 1990s and membership in the General Agreement on Tariffs and Trade (GATT) created economic as well as theoretical shifts to the right. Government funds decreased; leaving the poorest sectors suffering the most and creating a shift to "alternative development" programs (Jones 1998). Grassroots strategies focused on small-scale low-tech projects designed to preserve culture and local control. Assisted by non-governmental organizations (NGO), these projects addressed social and economic issues among the poor sectors of developing nations. Literature and theoretical perspectives again shifted to the left and informed much of the research involving the use of migration and remittances as an economic strategy. The current environment termed “The New World Order” (Jones 1998) is economically conservative with a concentration on macro-scale trade and informed by trickle-down arguments for downscaling and decentralization. The overall effect has been regressive rather than progressive for many Third World countries. According to Jones (1998: 4) “[the migrants] are the safety net for the poor left behind by the agglomerative behavior of international capital, by the preoccupation of the international community with other matters, and by the indifference of their own governments.” Remittances become a strategy for survival and mobility under these circumstances.

5.1 Remittances and Development

The face of globalization is a human one and one facet that cannot be ignored is the perpetual movement of people across borders (Terry and Wilson 2005). Remittances from individuals may represent a small amount of capital but collectively the amount dwarfs official development assistance and often surpasses the leading exports of receiving countries. Atkinson (2005) reports that remittances are the second most important source of external finance for developing countries with 65% of remittances flowing to countries classified as developing and approximately twenty countries receive 80% of total worker remittances. Remittances represent the “financial counter part of the out flow of people” (Atkinson 2005: 178) generated by migration. “As millions migrate north, billions flow south” (Terry and Wilson 2005: ix) generating opportunities for both local and national economies. Enrique V. Iglesisas, president of the Inter-American Development Bank describes the power of remittances:

> "…The scale and scope of remittance can be a powerful lever to open up financial systems, mobilize savings, generate small business loans, and multiply development impacts for local communities in many other ways [and] coupled with the right incentives framework and technical capacities, these can be an important resource for the development of poor countries" (Terry and Wilson 2005: x).

Despite this, the role and importance of remittances in the development process is neither simple nor clear and the subject of much debate (Skeldon 2008, Haas 2007). A consensus on definition of development is difficult to find (Skeldon 2008, Haas 2007). Income growth has often served as a measure of development but others have argued that development must encompass a wide range of societal issues (Skeldon 2008, Haas 2007, Taylor 1999) that may be impacted by increased income. Instead of defining development in terms of monetary growth, Sen (1999) suggests the use of "freedoms" as a measurement of development. Freedoms represent the ability individuals or households to "lead lives they have reason to value" (Haas 2007: 2) and the ability to change their quality of life. Rather than using income growth as the test for development, the question that needs to be investigated is whether people are able to establish more control over their lives. Thus, well-being rather-- than income-generating factors-- are the true measure of development. Hass (2007) suggests that development views and policies have changed over time.

Haas (2007) defines four phases of migration, remittance, and development views and policies, which are summarized in Table 3. Large-scale industrialization and capital transfers occurred during the 1950s and 1960s and were viewed as a source of development and modernization for poorer countries (Haas 2007). Migration from developing to developed countries gained momentum (Skeldon 2008) and was often encouraged by sending country governments. The "developmentalist migration optimists" suggested that North-South transfers would stimulate growth and that remittances as well as the return of immigrants would help developing countries make rapid economic progress. Returning immigrants would also supply much needed experience, skills, and knowledge that had been obtained while abroad. However, this pattern viewed from a neoclassical theory of migration would suggest that migration would eventually cease as wage differentials equalized. Economic changes in the 1970s changed the migration/development approaches.

"Migration pessimist" (Haas 2007) began to focus on the possible negative impacts of migration and remittance behavior and suggested that they might reinforce underdevelopment. Frank (1966) suggests that the sustained expansion of capitalism requires the destruction of precapitalist economies (Portes and Walton 1981). Frank (1966) describes this process as his thesis of the "development of underdevelopment" and states, "If countries became underdeveloped because of capitalist penetration from the centers, it follows that those periods when they were least integrated into the world-economy networks would afford the best changes for autonomous development" (Portes and Walton 1981: 9). Of course, Frank is referring to Wallerstein's (1974) world-systems theory which states that capitalism necessarily has to penetrate every corner of the globe and that a dependency develops between core and periphery nations. Capital penetration into periphery countries is often a search for cheaper labor and greater profits (Portes and Walton 1981), and it creates "unequal exchange" as laborers receive lower wages but are exposed to new levels of consumption. Therefore, modern population movements are essentially displaced labor. Portes and Walton (1981) suggest a need to look beyond push/pull factors and examine levels of structural inequality that exists between regions as a source of motivation to migrate. Three theories inform this particular view. *Equilibrium theory* suggests that migration decreases population in areas if economic low-growth and provides labor in areas of economic growth. Exposure to Western-style values and forms of consumption motivate mobilization in order to obtain these and thus, modernization theory indicates individuals move to the source. *Causation-dependency theory* suggest that introduction of new production techniques into less developed areas creates a surplus of labor which promotes the out-migration of impoverished populations (Portes and Walton 1981). Factors such as these suggest the creation of remittance dependent economies where people spend most of their remittance income on immediate consumption. The exploitive periphery-core dependence is enhanced by migration and remittances and in turn creates growing global inequality. The introduction of *the new economics of labor migration* (NELM) in the 1990s offered a different view of migration and development.

NELM suggests that migration and remittances decisions are best viewed not as individual decisions but as household strategies (Stark 1991). In the context of "imperfect credit (capital) and risk (insurance)," Stark (1991) states that the active decision to send household members abroad represents an attempt to minimize risk. Poor people are not seen as passive victims of the global economy but actively engage in activities that will improve their livelihoods despite the constraints under which they live. Migration viewed through the lens of NELM returns human agency and results in a structure-actor interaction explanation of migration and remittance behavior.

5.2 Current Views on the Development/Remittance Relationship

Decisions to Remit

The greater portion of remittances tends to move toward rural and poorer sectors of Third World nations (Gupta et al 2007, Jones 1998, Itzigsohn 1995). However, the benefits must be weighed against the cost. Lianos (1997) suggest that cost to labor exporting nations includes a loss of labor supply, a distortion on age structure, and the depopulation of rural areas which must be contrasted with reductions in social tension caused by unemployment or underemployment in country of origin, skills gained in foreign countries by the immigrant, and the economic impact of monies returned home. Economists primarily view the remittance structure as positive while social scientists are more cautious in proclaiming the virtues of migration and the economic impact of remittances.

A number of studies indicate that migration decisions and the return of capital to the location of origin are often based upon economic and social discourses located at the family level. Questions of who will migrate, to where they will migrate, and for how long of a period will they migrate are calculated choices based upon the economic welfare of the immigrant and the family (Vanwey 2004, Conway and Cohen 1998, Jones 1998, Lianos 1997). Itzigsohn (1995) states, “Remittances are a rational and important strategy for subsistence and mobility under deteriorating labor market conditions” (p.636). Migration and remittances become a private method to redistribute income among family members and provide a method to access additional capital funds (Lucas and Stark 1985). Although motivation may be altruistic in nature, migration and remittances may be viewed in a contractual nature as a means of risk sharing and investment among family members. The migrant will adhere to the contract as long as it serves his or her interest. Typically, remittances may fall over the span of the migrant's time abroad but not within the first five years (Lucas and Stark 1985) and Hass (2007) suggests that immigrants may maintain remittance sending for 15-20 years. . However, NELM and transnational theories proposes that remittance decay is not inevitable and depends on the household arrangements (Haas 2007). Transnational theory holds that migrants maintain ties to their country of origin and are actively involved through established networks of connectivity (Haas 2007).

Vanwey (2004) and Lucas and Stark (1985) suggest three approaches in viewing immigrant motivation to remit. First, a sense of family loyalty and caring may be an underlying cause of migration but a purely altruistic motivation is empirically difficult to measure. Secondly, pure self-interest can provide motivation by addressing an aspiration to inherit, desire to invest in assets within the location of origin, or the intent to return home. In each of these situations, the desire of the immigrant is to return to their place of origin with a sense of security provided by economic assets that have been managed by trustworthy family members. Social and public assets may also have been secured through the practice of remitting income. A final approach to understanding immigrant remittance behavior is one of tempered altruism or enlightened self-interest. This motivational approach defines a contractual arrangement that is beneficial to both family and immigrant. An enlightened self-interest represents a lessening of risk for the immigrant and his/her family and an investment framework for economic security. Both the immigrant and his/her family serve as coinsurers as support can be supplied to the immigrant during times of unemployment or underemployment while the immigrant serves as the family's insurance against times of economic deprivation such as droughts. The positive and negative consequences of this framework are highly contested among scholars.

Remittance use and impact on Development

The greater proportion of remittance outflow is sent to developing countries and has become a noteworthy source of external financing (Gupta et al 2007, Wimaladharma et al 2004, Kapur 2004). The use of remittances as a sustaining income source can be historically documented. Remittances supported rural Irish communities during the Great Famine of 1846-1848 and became the most important source of capital for those communities (Wimaladharma et al 2004). Kapur (2004) cites the following five important features of remittance flow in the twenty-first century:

- Remittances are a significant source of external funding.
- The bulk of remittances do not accumulate to the poorest countries.
- Remittances are the least unstable of financial flows to developing countries.
- In smaller countries, remittances are the only viable income source outside foreign aid and tourism.
- Remittances are attractive due to the failure of other development schemes.

Dubbed the "new development finance", remittance flows can exceed international trade and be significant in terms of a developing country's GDP as witnessed in Tonga, Lesotho, and Jordan where remittances account for 25% of the GDP (Wimaladharma et al 2004). As this crucial role and dollar amount increases, Wimaladharma et al (2004) suggests the role of the state is to promote competition, increase the transparency of money movement, and to set standards for the industry developing around money transfers. A sophisticated informal network based upon trust is involved in numerous money transfers but the official outlets such as banks, money transfer companies, and credit card companies have realized the fee potential in providing remittance transfer service. Transfer fees have decreased, competition has increased, and many countries such as Mexico, Sri Lanka, and the Philippines actively facilitate money transfers and emigration (Wimaladharma et al 2004, Kapur 2004). Mexican consulates in the United States offer the *matricula consular* or identity card. Although the card has no effect on immigration status, some United States banks use the card as an identity source for banking needs. The Philippines offer incentives to remitters in the form of investment opportunities, land purchases, and tax breaks. Various countries have initiated other programs to encourage the practice of remitting thereby moving remittances from a purely migration phenomenon to an economic one and a phenomenon that has both micro- and macro-impacts upon receiving economies.

Micro-impacts of remittances are described in NELM as the ability of the household and the immigrant to diversify risk and survive economic crises as well as enhancing their standard of living by providing basic needs (Haas 2007, Stark 1991). Capital flows directly to the people who need additional support. Capital flow from developed to underdeveloped and developing countries represents a substantial source of income especially for poorer populations of the receiving country (Gupta et al 2007, Vanwey 2004, CBO 2005). The following prioritizes the distribution of remittances: 1. basic consumption and health needs, 2. education of other family members and the purchase of durable goods, 3. the buying of land or housing, 4. paying debts or making investments, and 5. savings (Gupta et al 2007, CBO 2005, Vanwey 2004, Conway and Cohen 1998). Positive family effects include 25-40% higher household income (Itzigsohn 1995), security and social mobility (Jones 1998), the education of potential new immigrants (Lucas and Stark 1985), and the preservation of rural places and livelihoods (Jones 1998). National positive effects may be seen in increased spending outside of rural areas, reduction of inequality (Jones 1998), the provision of foreign currency, contributions to the balance of payments, increased national income (CBO 2005), and a reduction of individuals entering the workforce during times of unemployment or underemployment (Itzigsohn 1995). However, increased inequality among households, decreased agricultural production, increased land speculation, inflation, and an increased demand for imported goods are negative national effects observed by Itzigsohn (1995). On a national level, remittances provide a relatively stable source of external financing and prove to be less volatile and less-cyclical. These factors increase the credit-worthiness of receiving countries and may help reduce trade deficits (Haas 2007). Haas (2007) cautions that these impacts both locally and nationally are often dependent on the stage of household migration as described in Table 4 and future plans of the immigrant.

Although remittance use is often associated with immediate consumption by the receiving family, many studies suggests that remittance–receiving households are more likely to invest than non-immigrant households (Haas 2007) and the impact of remittances tend to change over the lifetime of migration stages. Immigrants tend to be settled and maintain relatively stable incomes at late stage immigration. Once basic needs such as food, healthcare, clothing, primary education, housing, and debt payment have been satisfied, remittance-receiving households may invest in commercial enterprises. All of these activities can have an impact both on the household with immigrants and non-immigrant households. At the early stages of migration/remittance flows, locally purchased materials and construction of housing can provide a positive economic impact on communities. In addition, social events such as feasts, weddings, and funerals can provide needed income for local merchants. Late stage migration may contribute to commercial endeavors and business enterprises that extend the effects of remittances beyond the individual to the community level. Many of these expenditures create a multiplier effect that increases the economic productivity of the community as well as the remittance-receiving household but caution must be used when identifying the effects of immigrant remittances.

Haas (2007) states that "there is a tendency to overestimate the magnitude of migration and remittances" (p. 10) due to the selectivity of migration (Skeldon 2008). The poorest of individuals are often unable to take advantage of international migration due to the cost and risk associated with traveling abroad (Skeldon 2008, Taylor 1999). Also, middle-income countries receive the greater percentage of remittance income although remittances are more important to low-income countries. In addition, the ability to use remittances effectively relies on the structural environment available to the receiving household. In areas of weak or non-existent markets, remittance impacts may be limited to the fulfilling the basic needs of the receiving household thus explaining why remittances have a greater impact in some communities or countries and limited or no impact in others (Haas 2007). Occasionally, the local impacts occur through collective forms of remittances.

Diaspora and Collective Remittance

Skeldon (2008) states:

> "The word migration gives the impression of a definitive move: to a destination where the migrant will stay and eventually become a citizen of another country. Diaspora, on the other hand, draws attention to looking back, to importance of linkage between origins and destinations and to the fact that migrants may return or at least continue their involvement with their countries of origin" (p. 12).

Transnationalism or the "transnational community" is also closely related to the idea that individuals live and work in two or more countries while maintaining close links with their country of origin. Diaspora also includes co-ethnics who may have been born abroad. Whether addressing "brain drain," the loss of the highly educated to developed countries or "brain gain," the return of immigrants who have gained experience, education, and skills to developing countries, development is enhanced as immigrants retain a sense of belonging to their country of origin and participate economically and politically with their country of origin. Hometown associations (HTAs) and remittance organizations reflect a cooperative sense of belonging and a social responsibility to the communities of origin.

The activity of immigrants who pool their resources to send back to country of origin has received little attention in the remittance/development literature (Schuttler 2008) but collective immigrant organizations such as HTAs have multiplied in recent years (Orozco 2007). Orozco (2007) defines HTAs as "entities formed by immigrants who seek to support their place or origin, maintain their relationships with local communities [in country of origin], and retain a sense of community as they adjust to life in their new country of residence" (p. 215). Membership in HTAs is not widespread among immigrants but HTAs' development impacts can be noticeable when allied with appropriate government programs and policies, companies, and non-governmental organizations (NGOs). Immigrants integrate their community of origin and destination country in the global economy through their labor and often produce "hybrid cultures" with transnational identities that are economically tied to country of origin through four processes: remittances, demand for services and consumer goods, capital investments, and charitable donations through organizations that are raising philanthropic funds for the immigrant's home community (Orozco 2007). Capital investments and charitable funds are often associated with the activities of HTAs but only a small number of remitters, however, participate in HTAs or other collective organizations

(Schuttler 2008, Orozco 2007). Among Latin American and Caribbean immigrants, only eight percent were identified by Orozco (2007) as members of HTAs and members shared common characteristics not necessarily common to other migrants. HTA members were better off economically, had greater ties to their country of origin; were generally older, were US citizens who frequently visited their country of origin and possessed a mixed commitment to both homes. The members of HTAs often pool their resources to fund development projects in their community of origin. Such projects include road and school building as well as other public infrastructure projects. Schuttler (2008), however, classifies collective remittance behavior under three categories: collective donations, collective investments, and collective savings.

Collective donations are generally associated with development infrastructure projects and income-generating projects. The goal of this activity is to "harness the potential of migrants for development" in their country or community of origin (Schuttler 2008) and create a cooperative, participatory relationship with community members. *Collective investments* represents a pooling of resources following an economic logic involving risk and return on investments. Immigrants invest in projects to create jobs in their country of origin with the expectation of a profitable investment. Schuttler (2008) points out that this may also represent emotional and social ties to the country and that behavior such as this may enhance the investor's social standing in both their country of origin and among immigrants in their country of residence. *Collective saving* represents a way for immigrants to participate in development though microfinance institutions (MFIs). Collective deposits from diaspora organizations provide funds for individuals in smaller cities or rural communities as MFIs target micro-entrepreneurs and low-income individuals. However, as with individual or household remittances, the effectiveness of collective action is limited by the structures and environment in the receiving area.

5.3 Current Remittance Levels

Worldwide Remittances

The International Money Fund (IMF) defines remittances as the international transfer of funds sent by immigrant workers from the country where they are working to people in the country from which they came (CBO 2005). Estimated formal and informal global remittances in 2006 reached $300 billion with approximately $199 billion arriving in developing countries (Mohapatra, Ratha, and Xu 2006). However, the total economic impact according to the IMF must consider not only money transfers from immigrant workers but also the assets of returning emigrants and the compensation of workers who remain less than a year in a "host" destination (CBO 2005, University of California at Davis 2005). Using informal estimates, worldwide remittances may be 50% higher and may have reached as much as $400 billion for 2006 (Gupta, Pattillo, and Wagh 2007, Mohapatra et al 2006). In-kind remittances or the transference of goods such as computers and household appliances are not included in these figures and may total as much as one-quarter of the cash figures (Terry and Wilson 2005)

Remittances from the United States

The United States has continued to experience a growth in number of foreign-born residents and as a contributor to immigrant remittances. Table 5 summarizes the growth of both foreign-born residents and the volume of remittances leaving the United States since 2000.

The United States represents the single largest source of global remittances and accounts one-third of the global money flow measured (Mohapatra et al 2006, CBO 2005). Money transfers increased from $4.1 billion in 1981 to $25.5 billion in 2003. Monies transferred represent a figure higher than the official foreign aid or foreign investment in as many as a dozen countries and have become a significant source of external funds in these countries. In 2002, United States developmental assistance and development aid totaled $15.6 billion while remittances from the United States equaled $23.1 billion the same year. The Bureau of Economic Analysis (BEA) estimates a remittance growth of 5.6% annually in comparison to the 3.8% growth in the foreign-born population per year during the period of 1981 to 2003 (CBO 2005). Using all three forms of flow as defined by the IMF, outflow from the United States equaled $33.7 billion in 2002. The United States global share of outflow increased from a figure of 17% in 1981 to a level of 35% in the year 2003 (CBO 2005) with Latin America representing one of the largest recipients of remittance dollars. A 2004 survey of Latin Americans living in the United States indicated that 61% of immigrants sent money to their country of origin with an average of three thousand dollars annually per sender (CBO 2005). Significant ethnic variations are found in the amount of remittances returned to country of origin and such factors as length of time in the United States, age of the immigrant, and residence of minor children effect remittance amounts. Immigrants with minor children residing in their country of origin are twice as likely to remit as immigrants with no children (CBO 2005). As stated earlier, the flow of capital from immigrant workers has a significant impact on the country of origin. Therefore, it is important to understand the motivations for immigrants to engage in remittance behavior as well as the predictors that may indicate a willingness to send money to family and friends residing in their country of origin.

Chapter 6 Models and Hypotheses

A broad working definition of globalization is provided by Steger (2003: 10) who states, "[globalization] refers to a multidimensional set of social processes that create, multiply, stretch, and intensify worldwide social interdependencies and exchanges while at the same time fostering in people a growing awareness of deepening connections between the local and the distant." My purpose is to use theories of globalization to extend traditional demographic models that predict remittance behavior among a cohort of legal immigrants to the United States. The examination should verify previously established relationships between demographic characteristics of immigrants and their remittance behavior while also testing previously unexplored hypotheses of remittance behavior of immigrants suggested by work on globalization.

6.1 Need for new models

Gouldner (1970: 94) states "society has been parceled out analytically among the various social sciences" and that each has a "distinctive analytical interest." Nowhere is this more evident than in the attempt to understand migration and remittance behavior. Each disciple has designed a particular approach to understanding these social phenomenons (Wallerstein 2001); yet, some scholars suggest that a more holistic approach (Guarnizo 2003) should be applied. Gouldner (1970) suggests, "the most basic change in any science commonly derive not so much from invention of new research techniques but rather from new ways of looking at data that may have long existed" (p. 34). This research attempts to do just that. Understanding immigration and remittance behavior requires bringing global complexities to bear on what takes place at the local level (Sassen 2007). It is not easy to disentangle the global and the local while continuing to grasp simultaneously the implications of both. Sassen (2007: 4) states “the strength of the canon [of Political Science and Sociology] poses difficulties when it comes to opening up to the possibility of global formation and their multiscalar character” and “existing theory is not enough to map today’s multiplication or practices and actors contributing to [these] rescaling” (p. 6). She suggests a need to seek out alternative approaches to understanding global behavior while using existing national and sub-national data sets designed to measure factors unrelated to globalization. Spellman (2002) echoes this sentiment:

> “It is perhaps useful to consider a wider range of variables when attempting to understand international migration over the past half century, and into the next. Individual calculations about a better lifestyle, household decisions to allow certain members to migrate with the goal of assisting those back home (a form of insurance in countries where there are no state-backed unemployment and insurance schemes), fear or direct experience of persecution at the hands of intolerant regimes, response to famine, and capitalist market penetration into previously stable agriculture societies – all undoubtedly play a role in the complicated migration phenomenon.” (p. 221)

Remittance behavior has been a prime topic of research (Guarnimo 2003) and it often reflects immigrant’s attachment to their country of origin (Massey et al 2006, Diaz-Briquets and Perez-Lopez 1997) but simple demographic approaches offer only limited insights (Guarnino 2003) and overstate the importance of certain variables as definitive rather than associative (Boon 2006). I argue that to more fully understand remittance behavior; researchers must incorporate variables from various areas of inquiry and create new models that illuminate the complex nature of immigrant money transfers while producing a generalized portrait of immigrants who remit (Boon 2006). Combining variables from demographic models and globalization theory should offer a broader understanding of immigrant's propensity to remit and the amounts remitted.

6.2 Models and Variables of Interest

For a number of years, demographers have analyzed the relationships between characteristics of immigrants and their propensity to remit (IMF 2006, Vanwey 2004, Conway and Cohen 1998, Jones 1998, Lianos 1997, Itzigsohn 1995, Lucas and Stark 1985). They have used a variety of indicators to estimate the likelihood that immigrants will send money back to their country of origin. Remittance behavior is often viewed as taking place primarily at the local and at a national level but the global dimension is excluded (Guarnizo 2003). Demographic variables commonly used to estimate remittance behavior tend to focus on local and national macroeconomic processes and fail to address various social variants. Globalization theory can provide insight into those social processes defined by local interactions and structures (Sassen 2007, Guarnizo 2003, Bauman 1998) and clarify additional characteristics that inform immigrants' willingness to return portions of their income; thus giving a more holistic approach to remittance behavior.

Demographic variables

Massey and Akresh (2006) state "…the social world looks quite different to people depending on whether they are male or female, young or old, and married or single.."(p. 958), therefore, demographic variables are usually considered when examining the attitudes and behavior of people, including immigrants. Factors commonly included in demographic models include gender, age, education, marital status, and years in host country (DeVortez and Vadean 2006, Massey et al 2006, Vanwey 2004, Conway and Cohen 1998, Jones 1998, Lianos 1997, Diaz-Briquets and Perez-Lopez 1997, Itzigsohn 1995, Lucas and Stark 1985), relationships abroad, and personal income (DeVortez and Vadean 2006, Massey et al 2006, DeVortez and Vadean 2005, Menjivar et al 1998).

Demographic studies of remittance behavior among US immigrants find that men are more likely to remit than women and that younger adults are more likely to remit than older adults (Boon et al 2006). Income and employment status determined the financial capacity of immigrants to send moneys back to relatives in their country of origin, although many immigrants were willing to endure hardships to support relatives left in the country of origin (Boon et al 2006). Certainly, the presence of close relatives in the country of origin is associated with both the willingness to remit and the amounts remitted (DeVortez and Vadean 2006, Massey and Akresh 2006, Menjivar et al 1998), and this appears to be true of voluntary immigrants as well as refugees and asylum seekers (Menjivar et al 1998).

Globalization variables

A review of the literature on globalization and remittances suggests a number of additional variables that might be employed to understand the effects on the movement of individuals and capital around the globe on remittance behavior (Sassen 2007, DeVortez and Vadean 2006, Vanwey 2004, Stark 1991). A well-specified globalization model recognizes migration and remittance behavior not only as a global phenomenon but also as a local one that reflects various levels of engagement in the country of destination and country of origin. Therefore, I propose that an examination of development levels of country of origin, rural/urban backgrounds, an attitude of sojourning, employment status, investments located within and without the host country, and the ability to speak the host country’s language will provide insight into these multiscalar (Sassen 2007) practices reflected in remittance behavior.

Immigration has traditionally been viewed as a movement from less developed economies to more developed economies and as a risk diversion for households located in weaker economies (Sana 2005, Massey 1999, Glytsos 1997, Salt 1992, Stark 1991). The need for workers in stronger economies serves as a pull factor for immigrants and "labor globally [is] the second most primary commodity after oil" (Sana 2005: 1088). Sana (2005) also reports that in 2001, 83% of remittances flowed to developing countries many of which have an agricultural base. A study conducted by Rwelamira and Kristen (2003) in rural Africa found that a significant proportion of household income reported there was derived from immigrant's remittances and that "in the absence of formal capital markets household are forced to self-finance investments" (p. 3). Emigration and remittances provide the necessary investment while continuing ties between the immigrant and household members left behind. These ties are rarely severed (Rwelamira and Kristen 2003), indicating that many immigrants do not plan to settle permanently in their host country, implying that they are sojourners.

Thirty to forty percent of immigrants worldwide are likely to return to their country of origin (Boon et al 2006, Diaz-Biquets and Perez-Lopez 1997). Short-term migrants are more prone to remit and remitters are more likely to return than non-remitters (Sana 2005, 2008). Plans to return home have a positive impact on both propensity and volume of remittances (Menjivar et al 1998) and more funds are remitted when the purpose is savings and investment in the country of origin (DeVortez and Vadean 2005). Glytsos (1997) also suggests that many immigrants have a "target savings" predetermined and once the target is obtained, the immigrant plans to return home. The ability to reach these goals is determined by the employment status and class (Boon et al 2006, Massey et al 2006, Sana 2005, Diaz-Biquets and Perez-Lopez 1997, Glytsos 1997).

As established in the demographic literature, the capacity to remit is determined by the ability to earn income. Menjivar, DaVanzo, Greenwell, and Valdez (1998) state:

> "Whether immigrants are able to remit and the amount that they send may also be affected by their current employment status in the United States. Immigrants who are employed full time would be in a better position to remit and remit more than those who are not working or are working part time, because they have a more stable source of income." (p. 101)

Boon and his colleagues (2006) describe the capacity to earn as a key determinate in the ability to send money home and to make investments in both country of origin and host country. Both assets in the country of origin (Massey et al 2006, Sana 2005) and home ownership in the host country (Sana 2008, Massey et al 2006, DeVortez and Vadean 2005, Sana 2005, Menjivar et al 1998) are key indicators of remittance behavior. Investments abroad indicate a "divested material interest" (Massey et al 2006) while home ownership in the host country indicates a positive relationship and attachment to the country of destination (Menjivar et al 1998) and both may be a reflection of the immigrant's ability to speak English.

English proficiency is a key indicator of labor market attainment (Menjivar et al 1998). A lack of English skills often relegates immigrants to the bottom rung of the occupational status ladder thus affecting the capacity to remit (Sana 2005). A lack of earning capacity and the failure to develop English proficiency may also indicate the immigrant's intentions to return home (Sana 2008).

Immigration and remittance participation are complex issued that require a holist approach combining various areas of inquiry. Theories and models from Demography and Globalization provide two such areas of inquiry and variables taken from each of these areas will provide a broader understanding of immigrants and remittance behavior. Table 6 represents the variables selected from Demography and Globalization that, in some form (only one is suggested below), must be included in a fully specified remittance model.

6.2 Hypotheses

I hypothesize that globalization theory provides insight into various social processes defined by local interactions and structures (Sassen 2007, Bauman 1998) that may also explain remittance behavior.

Immigrants from less developed countries (LDC) are more likely to send money home than immigrants arriving from moderately developed countries (MDC) or highly developed countries (HDC). Remittances often are used as a survival tactic in the global economy, especially in countries identified as less developed. Neoliberal policies (Steger 2003, Chase-Dunn et al 2000) and the use of “structural adjustment programs” by international finance (Harvey 2005) remove state sponsored social assistance in LDCs and force individuals and households to seek other alternatives to build social capital or to survive. According to Jones (1998: 4) “[the immigrants] are the safety net for the poor left behind by the agglomerative behavior of international capital, by the preoccupation of the international community with other matters, and by the indifference of their own governments.” Remittances become a strategy for survival and mobility under these circumstances. Therefore, I hypothesize:

> H_1: Controlling for demographic characteristics, US immigrants from less developed countries (LDC) are more likely to remit than immigrants from moderately (MDC) and highly developed countries (HDC).

Migration and remittances serve to replace lost state assistance for many rural and urban immigrants from LDCs. A considerable number of immigrants are from rural areas (Martin, Abella and Kuptsch. 2006) and they often use remittances to supplement income of family members left in the country of origin (Itzigsohn 1995, Jones 1990). These facts would suggest a greater propensity of individuals from rural backgrounds to send money back to relatives in their home country. I hypothesize:

> H_2: Controlling for demographic characteristics, US immigrants originating from rural backgrounds are more likely to remit than immigrants originating from urban backgrounds.

The phenomenon of remitting to rural areas may also be related to ties with the land and a desire to build social capital thorough the acquisition of property (Gupta et al 2007, CBO 2005, Vanwey 2004). The building of social capital in the country of origin lends credence to the thought that many immigrants intend to return home and that asset accumulation in country of origin underlies remitting behavior (Airola 2007). Portes and Walton (1981) assert that immigration does not encompass entire nations but particular sectors, migration is not generally coerced but encouraged through inducements both internally and externally, and immigration streams are composed of individuals moving to sell their labor. Immigrants who return to their country of origin often or on a regular basis are more likely to send money home. These factors would seemingly indicate that many international migrants are sojourners, and that temporary immigration is a viable economic strategy (Chew and Liu 2004). Immigrants who do not wish to permanently migrate and assimilate tend to remit more and “to leave for prolonged visits overseas” (Massey and

Akresh 2006: 957) and immigrants who wish to maintain a status in their country of origin use remittances and visits to do so (Sana 2005).

I hypothesize:

> H_3: Controlling for demographic characteristics, US immigrants who return most frequently to their country of origin are more likely to remit than those who immigrate infrequently.

Many empirical studies of immigration and remittance behavior have ignored the possible differences in occupational categories among immigrants, so there exists a need to disaggregate the analysis of immigration and remittance behavior according to class of worker (Brown and Connell 2006). Brown and Connell (2006) suggest that immigrants, especially immigrants whose country of origin depends on remittances for economic reasons, choose occupations for their remittance potential. Similarly, a 2002 survey of overseas Filipinos (SOF 2003) found significant differences between occupation groups and amounts remitted.

New immigrants enter into a spectrum of jobs ranging from unskilled workers who may be unemployed or working for wages to professional that often enter into self-employment (Alba and Nee 1999). Alba and Nee (1999) state, “Researchers agree that self-employment constitutes an important aspect of the immigrant experience” (p.153) and Massey (1999) observes that most immigrants begin as wage earners with a specific goal of improving their status or well-being in their country of origin. Other research indicates that immigrant entrepreneurs use capital earned in the United States as a method of capitalizing business start-ups in their country of origin (Portes 1997). Not only do these practices inform sojourning but they may also indicate the types of employment sought in the country of destination. Self-employed immigrants may experience a conflict between good business practices such as reinvestment and the desire to remit. Self–employed immigrants may seek additional wage-employment as a way to reconcile these contradictions thus indicating types of employment may affect remittance behavior (Brown and Connell 2006, Portes 1997). I hypothesize:

> H_4: Controlling for demographic characteristics, US immigrants who own assets in their country of origin are more likely to remit than individuals with no assets in their country of origin.
>
> H_5: Controlling for demographic characteristics, US immigrants who are employed full-time are more likely to remit than immigrants employed part-time or not at all.
>
> H_6: Controlling for demographic characteristics, US immigrants who are self-employed are less likely to remit than immigrants who work for others or who work for others and self. Immigrants who do not work at all are less likely to send remittances than the self-employed.

English proficiency also affects the ability to earn (Sana 2005, Menjivar et al 1998) and immigrants who learn English may plan to stay longer in the country of destination and thus, have weaker attachments to the country of origin (Menjivar et al 1998). A failure to learn English is also associated with lower levels of assimilation (Sana 2008, Glytos 1997). Consequently, I also hypothesize:

> H_7: Controlling for demographic characteristics, US immigrants who speak English well are more likely to remit than immigrants who speak English poorly or who do not speak English.

The use of theories of globalization to extend traditional demographic models of remittance behavior among a cohort of legal immigrants to the United States should reify previous demographic findings predicting remittance behavior while shedding light on previously suggested but untested hypotheses of remittance behavior among immigrants. I will test this assertion in the following chapters.

Chapter 7 Methodology and Data

Data from this study are taken from the New Immigrant Survey (NIS).The NIS is the first attempt at a national survey of legal immigrants in the United States, and it represents an effort to fill the gap between existing data and informational needs concerning that adaptation of immigrants (NIS 2003). The ultimate purpose of the NIS is the creation of a public use database containing both pre- and post-immigration information. A collaborative effort by RAND, Princeton University, New York University and Yale University, the NIS is ultimately intended to be a longitudinal study. Currently, only the first wave of data is publicly available.

The NIS sample for Wave I was drawn from a complete list of all immigrants admitted to legal permanent residence (LPR or "green card") by the United States Office of Citizenship and Immigration (USCIS) and the Office of Immigration Statistics (OIS) between May and November 2003. Respondents are adult immigrants 18 and older who hold visas as principal immigrants or as accompanying spouses. Principals are defined as immigrants to whom the United States grants visas because they have met the eligibility criteria set forth for various classes of admission.

Respondents were interviewed between September 2003 and February 2004 (NIS 2003). The 8,573 completed surveys were drawn from four strata: spouses of United States citizens, employment principals, diversity principals, and other immigrants. The sample includes both "new-arrival" immigrants who arrive in the United States with documents obtained abroad and "adjustee" immigrants who were already in the United States with a temporary nonimmigrant visa (NIS 2003). Many “adjustees” are immigrants who spent at least some time in the United States as unauthorized immigrants.

Because immigrants demonstrate substantial geographic clustering in their settlement patterns, most respondents were drawn from the 85 largest US metropolitan areas. Interviews were conducted in person or by phone in seven languages with key concepts prepared in an additional seven languages. Sixty percent of the interviews were made by phone; the remaining interviews were conducted face-to-face.

The NIS provides data on demographic background, health measures, pre-immigration history, family connections and structure, the use of transfers (financial assistance), and economic history including assets abroad and in the United States for both adults and children. Data are divided into various mergeable thematic files. Only adult interviews were used for the analyses presented in this study. I used the September 2007 revised release from the following data files: demographic (file A), pre-immigration history (files B and B-ppp), employment (file C), income (files G and G-ppp), assets (files H and H-ppp), transfers (files I and I-ppp), social (file J), migration history (file K), appendum (file N), roster, and the Office of Citizenship and Immigration Services pre-load file. The pre-load file contains information taken directly from LRP applications and was not collected during the survey. PPP files contain the currency amounts of various indicators converted to US dollars using purchasing power parity over consumption (see Appendix B). The data in these files allow, for the first time, an examination of remittance behavior among a nationally representative cohort of legal immigrants that controls from pre-immigration conditions.

Unfortunately, the sample limits the ability to generalize beyond a single cohort of legal permanent residents to the United States.

7.1 Variables

Dependent variables

The characteristics that affect remittance behavior are the focus of the study. The purpose is to determine who remits, how much do they remit, and what do they remit. In order to do this, it is necessary to have an operational definition of remittances that has content validity as a measure of remittance sending. This is not easy. Remittances have been conceptualized as monies sent from the United States and by immigrants, which arrive in the immigrant's country of origin (CBO 2000). However, in many studies, any immigrant who states that they transferred money anywhere is treated as engaging in remittance behavior (DeVortez and Vadean 2006). This is exemplified by a 2006 Canadian study on remittances and social relations by DeVortez and Vadean (2006: 11) who note "Data used in this study does not allow us to differentiate between transfers sent inside or outside Canada." Consequently, they treat all transfers as remittances for the purpose of the study.

The NIS is designed to determine financial transfers that take place among the study population. A series of questions were asked to determine to whom money was sent and how much money was sent (see Appendix B). For example, a respondent might be asked," During the last twelve months, did you give any financial assistance (such as gifts, transfers, bequests, or loans) to your spouse during periods when he/she was not living with you in the same house?" followed by "How much did you give during the last twelve months to your spouse during periods when he/she was not living with you in the same house? However, only portions of receivers are later identified by the respondent as living outside the United States. Rather than treat all individuals who participated in financial transfers as remitters, as previous scholars have done (DeVortez and Vadean 2006), I split my sample. All respondents who send money to other people were designated as *givers* while respondents who stated that they gave financial help to a spouse, children, or parents and identified those people as living abroad were classified as *remitters.* Thus, using the precedent set by earlier studies, I can analyze a population of individuals who transfer funds (see Appendix B), and I can compare the factors that predict such giving to a category of "true remitters" for whom we know the money is going overseas. It should be noted that neither analysis is ideal. On the one hand, the sample of givers is inflated because it is drawn on the assumption that all money sent to friends and relatives represents remittances. On the other hand, the sample of remitters is biased, because it does not include sending to places that cannot be identified. Some of these places may be outside of the United States. For simplicity, I describe the methods of analysis below for the remitter subsample only; however, the same analysis will also be replicated using the giver subsample.

Remittance behavior is examined through four dependent variables: cash remittance (versus not), percent of wages remitted, goods versus cash remittance, and goods versus no remittances. *Cash remittance* is a dichotomous variable indicating whether (=1) or not (=0) the respondent sent cash in the last 12 months to any person known to be living abroad or, in the case of the giver subsample, any person, regardless of their whereabouts.

Dollar amount remitted is operationalized as the amount of cash remitted , converted to constant US dollars, where necessary. Earned income is constructed from four questions regarding the source and amount of income earned from self-employment, wages, tips, and professional practice. The amount of cash remitted is constructed from direct questions regarding amounts given to various friends and relatives.

Dependent measures were also created to examine the transfer of non-cash goods. The variable *goods versus cash remittance* indicate that the respondent (taken from a subset limited to respondents who sent either cash or goods abroad) sent only goods abroad (1) versus sent only cash or goods and cash (0). The variable *goods versus no remittance* indicate that the respondent (taken from a subset limited to respondents indicating they did not send cash) sent goods (1) versus sent neither cash nor goods (0).

Demographic variables

The demographic control variables used in this study are age; sex; educational attainment; marital status; residence of spouse, children, and parents; amount of time spent in the United States; earned income; and refugee status. Most of these variables are direct indicators that need no explanation. Residence of spouse, children and parents are each dichotomous variables indicating whether (=1) or not (=0) the respondent's spouse, any children, or any parent lived outside the United States, respectively. Time spent in the United States was calculated by subtracting the year of the interview from the year the respondent reported arriving in the United States on their last entry, adding in additional time previously spent in the country. The variable is topcoded at 25 years. Refugee status was taken from records provided by US Citizenship and Immigration Services, indicating that the respondent had been granted asylum or temporary protected status by the courts (=1) or not (=0).

Because there is no straightforward measure of income in the NIS, more explanation is needed. Although the NIS reports income from a variety of sources, there is no total income measure. Because sources of income for all household members are not available, it is not possible to add income from all sources to gain a single household income variable. Additionally, although adding together all sources of personal income for the respondent can theoretically, create total income, reported income from non-employment sources such as Social Security, appear to be questionable. This limitation led to the less-than-ideal choice of defining an earned income based on class of employment. Respondents were asked to identify whether or not they had income from four sources: self-employment, professional or trade activities, wages from hourly or salaried work, and tips, bonuses, and commissions. Each of the questions was followed by a question about amounts earned and a series of probes for respondents who were unsure of their earnings (see Appendix B). To impute income based on probes, midpoints of probe categories (generally in $25,000 intervals) were used. Respondents were encouraged to report earnings in their original currency. The currencies were later converted to current United States dollars as indicated above. Respondents reporting no income from any of the four work classes were considered to have earned income of $0. The rationale for using earned income in this analysis is based upon the fact that the capacity to earn, rather than simply having money, is a key indicator of remittance behavior (Boon et al 2006, DeVortez and Vadean 2006, Massey et al 2006, DeVortez and Vadean 2005, Menjivar et al 1998).

Globalization variables

Variables of interest, derived from globalization theory, are level of development of country of origin, rural background, sojourning, employment status, class of worker, assets abroad, assets in the United States, and English proficiency. Development levels are based on respondent's reported country of birth. These countries were then designated as less developed countries (LDC), moderately developed countries (MDC), and a highly developed country (HDC) using a classification developed by Braun (1997, see Table 2.1) based on World Systems Theory designations of core (HDC), semiperiphery (MDC), and periphery (LDC) places. Individuals who stated that they lived in a rural area at age ten were designated as immigrants from a rural back ground (=1). Both of these variables are limited in their ability to fully operationalize their intended concept. The country of birth may not be the country or countries to which the remitter is sending money, particularly if the immigrant has moved several times. Similarly, an immigrant who lived in a rural area at age ten may have moved to an urban area by age eleven. Such limitations are a frequently encountered problem with using secondary data.

Many immigrants plan to return to their country of origin (Boon et al 2006, Diaz-Biquets and Perez-Lopez 1997) and the desire to return may be reflected in the number of trips out of the United States (Massey and Akresh 2006, Sana 2005). Respondents were asked about every international move they had made for a period of 60 days or longer, since their first move and up to 40 moves were recorded. The sojourning variable created for this study is based upon the number of moves from the United States to other countries (for 60+ days) and topcoded at six moves, creating a variable ranging from 0 to 6.

Respondents reporting that they were employed more than 39 weeks out of the year and usually worked more than 32 hours a week were classified as fulltime workers (=1). Respondents who were not working or who were working only part-time were coded as 0. Class of worker was determined based on four sources of earned income: self-employment, professional or trade activities, wages from hourly or salaried work, and tips, bonuses, and commissions. Respondents were coded as self–employed if they reported earnings from either self-employment or professional or trade activities or both but reporting no earnings from the other two categories. Respondents were coded as wages earners if they reported earnings from hourly or salaried work, and tips, bonuses, and commissions but not from self-employment and professional or trade activities. Individuals who reported earnings from either of the self-employment categories and either of the wage categories were classified as both self-employed and working for wages. Individuals reporting no earnings were coded as not working (see Table 8). Class of worker is, thus, a categorical variable with self-employed as the reference variable.

Respondents were asked to report if they owned homes in the United Sates and/or abroad. They were also asked to report ownership of foreign real estate, businesses, farms, and transportation equipment. Respondents were also asked whether or not they had accounts in a foreign bank. Individuals reporting any foreign property or bank accounts were coded 1, while those reporting none were coded 0. Likewise, individuals who reported owning a home in the United States were coded 1, with all others at 0.

English proficiency was self-reported, with respondents classifying themselves as “speaks English very well,” “speaks English well,” “does not speak English well,” and ‘does not speak English." " Does not speak English" is the reference category. Table7 summarizes the variables used in this study and the expected relationship of dependent variables to independent variables.

7.2 Missing Data

As with most datasets, it is important to guard against biases arising from missing data. Table 8 presents a summary of the variables used, variable labels, descriptions of the variables, and the percentage of missing cases. Respondents who refused to answer questions or who answered "I don't know" were coded as a missing values. Earned income is the only variable where many respondents were unable or unwilling to respond. However, because the NIS had a series of income probes for those who initially reported "I don't know," even in that case there are no real missing cases. Hence, other than using the income probes to impute income, no other measures were taken to control for missingness.

In some cases of dichotomous variables, individuals not answering in the positive to a question were coded 0, if it made sense to do so. For example, respondents who were unable to answer the question about children located abroad because they were unaware of children or not sure of the location were coded as not having a child abroad, since it was assumed that immigrants who have children are more likely to remit (to them) than those who do not. Obviously, if a person does not know where their child(ren) are, they are unlikely to send them money. It is important to note, however, as Table 8 shows, that such responses were extremely rare.

7.3 Descriptive Statistics

The original population of the NIS consisted of 8573 respondents. Listwise deletion of missing cases and subsampling for certain analyses resulted in final sample sizes ranging from 3,888 to 8,364, depending on the analysis being done. Male respondents accounted for 48.2% (4,133) of the population of which 68.3% (5,856) were married. The average age of the respondents was 39 with the youngest being 19 years old, and majority had spent nine or more years in the United States. At least 50% (5,231) of the population had a high school diploma or higher degree with only 32% (2,745) reporting that they had not finished high school. Only 18% (1,548) reported that they were unable to speak English while 52.8% (4,530) reported an ability to speak English well or very well. Fifty percent (4,296) reported no income and 75% (6,423) reported an income of less than $13,500 (see Appendix B). Using the criteria for dependent variable creation discussed above, I was able to identify 14.6% (1,248) respondents who stated that they provided financial (cash) assistance to someone, somewhere but only 9.9% (848) that could be classified as true (cash) remitters (see Appendix B). Of those answering that they provide non-financial (goods) assistance, only 2.7% (195) could be identified as remitters. Demographic results are summarized in Table 9.

7.4 Analysis

Analysis 1: Characteristics of remitters

In the first analysis, I examined the characteristics that differentiate cash remitters from non-remitters (and givers from non-givers). The sample for Analysis I consists of immigrants who sent cash remittances in the last year versus those immigrants who sent nothing. Immigrants sending non-financial assistance (goods) only were eliminated from the sample.

Because the dependent variable is dichotomous, I utilized logistic regression techniques to model the general equation:

$$\text{Logit } (p) = b_0 = b_1X_1 + b_2X_2 + b_3X_3 + \ldots.. + b_kX_k$$

where p is the probability of presence of the characteristic of interest (remitting), the bs are the resultant regression coefficients, and the Xs are the various predictors added to the model. Logits that resulted from the analysis were converted to logged odds using the identity

$$\text{logit}(p) = \ln[p/1\text{-}p]$$

in order to provide a substantive interpretation to the findings, beyond simply direction and significance.

Many studies have used logistical regression as an alternative to ordinary least squares(OLS) regression when examining immigrant behavior (Frank and Aguilers 2004, Hummer 2002) and particularly to identify characteristics determining the likelihood of remittance behavior (Sana and Massey 2005, Menjivar et al 1998) because the latter is found to be less than ideal when determining dichotomous outcomes (Peng, Lee and Ingersoll 2002).The design of logistic regression allows the researcher to analyze the relationship between interval-level independent variable and a binary dependent variable (Pollock2006, Acock 2006) such to remit or not to remit. Logistic regression predicts the probability or likelihood of the behavior for each independent variable by creating an estimate called a logit. Although the behavior’s relationship to the independent variable may be nonlinear, the logit represents a linear relationship (Pollock 2006, Acock 2006). The formula:

$$\text{Logit}(p) = b_0 = b_1X_1 + b_2X_2 + b_3X_3 + \ldots.. + b_kX_k$$

may have an appearance similar to OLS regression, but there is a definite contrast as the coefficients of interest are expressed in terms of logged odds of the dependent variable, remitters, in this study. Using the variable that identifies remitters (p), the constant (a) will express the logged odds of remitting when all the variables of interest (X) are zero, and the regression coefficient (b) will estimate the change in the logged odds for each unit change of X (Pollock 2006). Unfortunately, logged odds are not easily interpreted in meaningful ways until they are converted to odds ratios. Using the logit and logistic command in Stata 9, both the coefficients and odds ratios can be determined for the independent variables. The odds ratio gives a sense of the percent likelihood (or unlikelihood that a category of the dependent variable will occur for each unit change in the independent variable. An odds ratio of 1 indicates no relationship or no change in the dependent variable for each unit change in the independent variable while an odds ratio greater that 1 indicates a positive relationship and an odds ratio less than 1 indicates a negative relationship. By subtracting the odds ratio from 1and multiplying by 100, I can estimate the percent change in the odds for each unit change in the independent variable.

Remittance behavior is complex and as pointed out previously, the NIS has several limitations. As with the studies cited, my goal is not to establish causality but to examine the likelihood that immigrants will send money to friends and relatives outside the United States. Logistic regression offers a means to express that the likelihood of remitting will or will not occur when considering variable taken from globalization theory, but cannot definitely determine the cause of remitting.

Logistic regression is used ideally with a large sample in which many respondents fall into the 1 or (p) category. My sample is large, but fewer than 500 respondents fall into the p category for either cash or goods remittance sending. In such cases it is better to use an exact form of logistic regression to obtain maximum likelihood estimates (Derr 2000) unfortunately, the one known statistical program that can produce Fisher's Exact test for logistic regression, Stata 10, is still in developmental stages. Convergence could not be achieved at the system's maximum memory capacity in attempts at using the exlogistic command with Stata 10. Consequently, I used the logistic and logit commands on Stata 9, but I also conducted Chi-squared (χ^2) test for independence and Fisher's Exact Test on bivariate analyses of the dichotomous dependent variables against variables derived from globalization theory to test for statistical significance with small sample size. Although coefficients presented in the logistic regression here should be interpreted with caution, the results of the Fisher's Exact Test add additional support for the findings.

Analysis II: Dollar amount of earned income remitted

In the second analysis, I examined the factors that predict the dollar amount of income remitted from among those that remit (and a percent of income given by those who give). The sample is limited, therefore, to immigrants who sent cash remittances. The dependent variable is amount remitted in US constant dollars. Using multiple regression allows me to examine those variables that impact the amount of money sent to relatives and friend outside the United States or *dollar amount of wages remitted.* The general formula for multiple regression is written as:

$$\hat{Y}= b_0 + b_1X_1 + b_2X_2 +b_3X_3\ldots..b_kX_k$$

where $\hat{Y}$ is the predicted value of the dependent variable, b_0 is the intercept or constant, b_k is the regression coefficient for the effect of X_k and X is the independent variable. When holding all other variables constant (controlled), I can observe the impact on the dependent variable of a one unit change occurring in the selected independent variable. Truncated regression coefficients and standardized coefficients (i.e., betas) are reported on models. An examination of betas will also allow me to determine the relative importance of the predictors, while coefficients will allow me to check variables against the hypothesized sign.

Analysis III: Goods remittance

In the third analysis, I examine the characteristics of immigrants who send non-cash remittances. This will have two parts. In the first analysis, the dependent variable will differentiate goods senders versus cash only senders. In the second analysis, the dependent variable will differentiate good senders versus immigrants sending nothing. Ideally, one multinomial logistic regression analysis would be conducted to simultaneously compare all three groups, but small sample sizes limit the use of multinomial regression, which requires at least 500 cases in each category (Leon 2004). Instead, logistic regression analysis was used based on the same logic described for Analysis I. Because two analyses are used, the probability of error doubles, so the results of the two analyses will not be used comparatively. Logistic regression coefficients (with significance levels) are reported. Control variables and variables of interest remain the same in all of my analyses.

Chapter 8 The Propensity to Remit

Remittance behavior represents a complex interaction between immigrants and individuals who remain in their country of origin. Often migration and remittance decisions are made by households and the immigrant. However, once the member of the household has emigrated, a number of factors may influence their desire and ability to send money home to family and friends left behind. The purpose of the study is to suggest that a more holistic approach may be used to examine remittance behavior rather than to establish causal characteristics. This chapter examines a number of predictors that may indicate immigrants who are likely to remit cash while residing in their host country.

I used previous demographic studies and globalization theory to construct two models for examining characteristics that might influence the propensity to remit. Data from the NIS were used to generate the dependent variable *remitters* who are defined as immigrants who reside in the United States as LPRs and send cash to friends or relatives that live abroad (=1) or did not send money(=0). Remitters are distinguished from *givers* who are defined as immigrants who reside in the United States as LRPs and send cash to someone somewhere (see Appendix C for an analysis of *givers*). Using a series of questions asking if the respondent sent money to their spouse, child, or parent (see Appendix B) combined with specific questions about the location of these individuals abroad (versus in the United States), I was able to identify 848 respondents that could be classified as *remitters*. Because the dependent variable is dichotomous, I constructed logit and logistic regression models to test my hypotheses and to obtain log odds and odds ratios for the independent variables. Specifically, I examine three models: a modified replication in which known demographic predictors are tested in their ability to differentiate remitter sand non-remitters in the NIS sample (referred to hereafter as the demographic model), a model in which variables taken from various globalization theories and studies are tested in their ability to differentiate remitters from non-remitters (referred to hereafter as the globalization model), and a model combining all predictors (referred to hereafter as the full model). The logit and logistic results for all three models are presented in Table 10.

The results of the demographic model indicate that many of the variables selected from the demographic literature behave as expected with this sample of immigrants. The overall model is significant at the $p<.001$ level according to the model chi-square statistic and has a McFadden pseudo R^2 of .13. Males are 23% less likely to remit than females ($p<.001$) and as respondent's age increases by one year, they are 2% less likely to remit ($p<.001$). In the demographic model, neither years of education nor being married affected the propensity to remit. Respondents reporting close relatives living outside the United States were more likely to be remitting ($p<.001$). Individuals who reported a spouse living abroad were four times more likely to remit than those whose spouse resided in the United States ($p<.001$). Respondents with at least one child abroad were 5.6 times more likely to remit than individuals whose children resided in the United States ($p<.001$) while respondents with at least one parent abroad were three times as likely to remit than individuals with no parent abroad ($p<.001$). The length of time spent in the United States was not significant in the demographic model nor were income categories, marital status, refugee status or educational attainment. Only 58 remitters identified themselves as refugees and represented less than 7% of the remitter population. Since my data are limited to a single cohort of legal immigrants, this may account for the small differences between my findings and those of previous studies.

The results of the globalization model show that the model is significant at the $p<.001$ level according to the model chi-square statistic with a McFadden pseudo R2 of .11. When compared to respondents who originated in LDCs, respondents who came from MDCs were 37% less likely to remit ($p<.001$) while respondents from HDCs were 57% less likely to remit ($p<.001$). Respondent's rural background was not significant, but this may be due to measurement difficulties. Remittances supply essential capital flow to rural areas with an agriculture base (Rwelamira and Kristen 2003), and 37 percent of the sample used here identified themselves as living in a rural area at the age of ten. It is possible, however, that respondents may have moved by age 11 and established residence in an urban area. Unfortunately, this cannot be established with the data available. Making one or more international moves increases a respondent's likelihood of remitting by 21% with each additional move ($p<.001$). Fulltime employment (versus not) was not significant but the class of employment proved to have a significant impact on the propensity to remit ($p<.001$). Respondents who were self employed were approximately five times more likely to remit than individuals with no employment($p<.001$) while individuals who worked for wages were seven times more likely to remit than unemployed individuals ($p<.001$). Respondents who reported some form of self-employment and who state they also worked for wages were 8.4 times more likely to be sending cash to individuals abroad than individuals who reported that they were not working ($p<.001$). Owning assets abroad and ownership of a home in the United States were not significant in the globalization model but may be a reflection of the small number of respondents claiming ownership. Only 98 remitters (11%) stated that they possessed assets outside the United States while less than 1% (n=7) stated that owned a home in the United States. For the defined sample, English proficiency was negatively related to the propensity to remit with those speaking English very well being 39% less likely to remit than individuals who did not speak English at all ($p<.001$) and those who spoke English well were 24% less likely to remit than individuals who did not speak English ($p<.05$). Remitters who spoke English poorly were not significantly different from non-speakers.

The full model had a superior fit to both the demographic and globalization models. In a model to model comparison using a likelihood ratio test, the full model to demographic model comparison yields a p-value of less than .001 allowing me to conclude that adding the globalization theory-derived variables significantly improves the predictive power of the model. The same is true in a full model to globalization model comparison, thus, suggesting that the integration of globalization and demographic variables will allow a better understanding of remittance behavior.

The full model is significant at the $p<.001$ level according to the model chi-square statistic and has a McFadden pseudo R^2 of .23. Males are 22% less likely to remit than females ($p<.001$) and as respondent's educational attainment increases by one year, they are 2% less likely to remit ($p<.001$). In the full model, neither age nor being married affected the propensity to remit. Respondents reporting close relatives living outside the United States were more likely to be remitting ($p<.001$). Individuals who reported a spouse living abroad were three times more likely to remit than those whose spouse resided in the United States ($p<.001$). Respondents with at least one child abroad were 6.2 times more likely to remit than individuals whose children resided in the United States ($p<.001$) while respondents with at least one parent abroad were three times as likely to remit than individuals with no parent abroad ($p<.001$). The length of time spent in the United States was significant in the full model and for each year residing in the United States, remitters were 5% more likely to remit ($p<.001$). Once again, income categories and refugee status were not significant in the full model. Respondents originating in HDCs remained significant and were 42% less likely to remit than individuals who originated in LDCs ($p<.01$). Respondents making one or more international trips were 25% more likely to remit with each additional trip outside the United States border ($p<.001$) Class of worker remained significant ($p<.001$). Respondents who were self employed were 4.3 times more likely to remit than individuals with no employment ($p<.001$) while individuals who worked for wages were seven times more likely to remit than unemployed individuals ($p<.001$). Respondents who reported some form of self-employment and who state they also worked for wages were nine times more likely to be sending cash to individuals abroad than individuals who reported that they were not working ($p<.001$). Assets abroad, US home ownership, and English proficiency were not significant in the full model.

It must be noted that in the full model some regression coefficients increase with the combination of demographic and globalization variables. For example, coefficients for children and parents abroad increased from the demographic model to the full model as well as development level of country of origin. As this suggested an interaction effect most likely between location of parents and LDCs, I tested for differences in parents located in LDCs versus parents not located abroad and found no significant interaction. I tested several other logical interactions but was, likewise, unable to establish a significant interaction effect. From this, I can only conclude that some results in the full model may indicate a suppressor effect that is being created by unexplained homogeneity that cannot be explained with these data. Although some large significances changes occur with relatively small coefficient changes, I believe this can be explained by the multicolineariry between the independent variables and while this makes the models less stable, the intercorrelation is not enough to nullify my results. I reiterate, however, that the importance of the analysis is that the models give an expanded appreciation for the factors that may inform the propensity to remit. Although the fluctuations in the coefficients cannot be explained, they are minimal and perhaps not significant.

The results of this analysis of this sample of remitters reinforce the complexity of remittance decisions and the variations in factors that may influence immigrants to send of monies to other individuals. The importance of having close relatives residing outside the United States is reinforced by the increased likelihood of sending monies and although, the income categories were not significant the results suggests that the amount earned is not as important as the ability to earn. While self-employment and working for wages are significant ($p<.001$), the fact that remitters who seek some sort of wage job in addition to self employment are nine times more likely to remit than those not employed supports the need to examine types of employment as well as job categories (Brown and Connell 2006). Immigrants' plans to remain or return to their country of origin (Massey and Akresh 2006, Sana 2005, Chew and Liu 2004) are identified as a important factor in determining remittance behavior and was supported by the sojourning variable used in the study.

Unfortunately, the results, also, reflect the difficulties that occur when using secondary data. Small cell sizes may yield some important variables non-significant. Other variables do not measure concepts as neatly as can be hoped. The NIS, however, does offer the opportunity to work with a diverse cross section of the US immigrant population and the establishment of a more holistic and globalized approach to study immigrant behavior rather than the specific behavior of individual nationalities or ethnic groups. The likelihood ratio test reinforces the suggestion that adding globalization variables to remittance models will enhance our understanding of remittance sending, and the number of significant variables attests to the importance of considering these additional factors.

Chapter 9 Dollars Remitted

Immigrants surveyed in the NIS who reported that they sent money to spouses, children or parents living outside the United States also reported the dollar amount that they sent. These amounts as expected vary in quantity. In the previous chapter I examined the predictors that might identify immigrants who engaged in remittance behavior. In this chapter, I use the same characteristics to examine the dollar amounts remitted by the sample.

The NIS asked a number of questions regarding the transfer of cash from the respondent to various individuals (see Appendix B) that were followed by questions regarding the amount of cash sent. Respondents were allowed to indicate various currencies used in these transfers and these amounts were then converted to constant US dollars. Respondents who reported transferring cash to other individuals were coded as *remitters* and *givers* using the known location of receiving individuals (see Chapter 7 and Appendix B) as an identifier. The reported constant US dollar amounts were matched to remitters and givers thus allowing the creation of a *dollar amount remitted* and a *dollar amount given* variable. In this chapter, I analyze the *dollar amount remitted*. An analysis and discussion of *dollar amount given* is found in Appendix D. Remitted dollars represent cash sent to individuals living outside the United States in contrast to transferred dollars that represent monies given to others whose location may not be known. Using the same demographic and globalization models created for examining the propensity to remit (see Chapter 8), I examined the relationship of the variables to the dollar amount remitted. Because there is almost no literature that attempts to examine the impact of remitter characteristics on the amount of remittances sent, variables for both the demographic model and the global model were chosen from studies that primarily examined the characteristics of individuals who engaged in remittance behavior defined as sending cash to relatives outside the United States (Sana 2008, Gupta et al 2007, Airola 2007, Massey et al 2006, Boon 2006, DeVortez and Vadean 2006, Brown and Connell 2006, IMF 2006, Martin, Abella and Kuptsch. 2006, Sana 2005, Vanwey 2004, Chew and Liu 2004, Guarnimo 2003, Alba and Nee 1999, Conway and Cohen 1998, Jones 1998, Menjivar et al 1998, Portes 1997, Lianos 1997, Diaz-Briquets and Perez-Lopez 1997, Glytsos 1997, Itzigsohn 1995, Salt 1992, Stark 1991, Lucas and Stark 1985).

OLS regression analysis rests on a set of underlying assumptions including linearity, normality, and random distribution. In order to achieve linearity, I transformed dollar amounts sent using its natural log. I also took steps to achieve normality and randomness. Individuals in the sample who do not send remittances are send $0 and represent 7,539 respondents in the full model. Because of this, the distribution of the sample becomes negatively skewed and assumptions of normality are violated. However, eliminating all of the individuals who sent $0 violates the assumption of random distribution, and throws off any weighting. Using truncated regression allows for the relaxation of the assumption of normality without inflating error terms. Truncated regression will produce slopes and standard errors that are less biased than those obtained from OLS regression in cases where only a subset of the population is analyzed (Frone 1997). The results of the analysis are shown in Table 11.

The demographic model is significant. The overall model is significant at the $p<.05$ level according to the model chi-square statistic but only one variable was significant. Age of the respondent was negatively related to the dollar amount sent ($p<.01$) and a one year increase in age is associated with a 2% decrease in the dollar amount remitted.

The globalization model is also significant at the $p<.001$ level according to the model chi-square statistic. The development level of the respondent's country of origin is important when determining the amount of money sent. A respondent originating from an MDC will remit 46% ($p<.001$) more than respondents from LDCs while those coming from a HDC remit 61% ($p<.01$) more than those from LDCs. A respondent who owns a US home will remit 52% ($p<.01$) more than those who do not while those who speak English very well send 94% ($p<.001$) more than those who speak no English. A respondent who reported speaking English well sends 50% ($p<.01$) more than those who speak no English. Home ownership and English proficiency may indicate a greater level of assimilation as well as a sense of stability. Some scholars have found that remittance sending may have a long lifespan up to 15-20 years (Haas 2007), and it indicates whether or not the motive of remittance sending is altruistic or self-interested (Vanwey 2004, Lucas and Stark 1985). Altruistic remitters may continue to remit after they have established themselves in their country of destination because their motive remains the well being of friends and family left behind. Self-interest remitters, on the other hand, attempt to build assets in their country of origin as they plan to return. These variables may also reflect a stable and predictable income thus allowing the respondent to send greater amounts. Arriving from an MDC or HDC may provide an advantage (such as having a set of skills in high demand) not shared by individuals coming from an LDC. Overall, the pattern tends to suggest that the most advantaged respondents send the most money.

The full model is significant at the $p<.001$ level according to the model chi-square statistic. Age remains significant; for every one year increase in age, remitted amount decreases by 2% ($p<.05$). Education is significant at the $p<.01$ level with remittance amounts negatively related to increases in education. For each year increase in educational attainment, remittance amount decrease 4%. A relative living abroad is positively related to the amount remitted and a respondent with a child abroad will remit 44% more than respondents who do not have children abroad ($p<.001$), while a respondent with a parent abroad remit 44% more than respondents who do not have a parent abroad($p<.05$). Development levels of country of origin also remained significant in the full model ($p<.001$).

Origin in an MDC results in a 52% increase in the dollar amount remitted ($p<.001$) over those living in an LDC while originating in an HDC represents a 77% increase in the amount remitted over those living in an LDC. Coming from rural background (versus urban) results in less money being remitted. Those from a rural background send 31% less than those from an urban background ($p<.05$). US home ownership and English proficiency remain positively related to the dollar amount remitted. Respondents owning a home in the United States send 88% more than those who do not($p<.001$) and those speaking English send 84% more than those who speak no English ($p<.001$). Those who speak English well send 48%more than those who speak no English ($p<.01$). The findings with regard to English ability and home ownership run counter to suggestions that such factors are predictors of intent to return to country of origin (and thus have greater motivation to feather a nest abroad); however, the findings are consistent with the idea that those with greater resources (as indicated by speaking the dominant language and owning a home) have more discretionary income to send abroad.

The demographic model does little to explain variations in the dollar amount remitted by US immigrants but the globalization model provides more insights into who may send more. The more holistic approach using the combination of predictors expands the characteristics that one might observe when trying to determine which immigrants might send greater amounts over time. The full model suggests that immigrants who have gained a degree of economic stability through assimilation as represented by proficiency in English and home ownership are more likely to be sending greater amounts. This fact may also reflect that these immigrants arrive from MDCs and HDCs. However, the fact that the respondent has a parent or child who lives abroad increases the dollar amount that they are likely to remit.

Chapter 10 The Propensity to Send Goods

In the previous chapters, I used demographic studies and globalization theory to test models for examining characteristics that might influence the propensity to send cash money to others and the amount of cash sent, but cash is not the only form of transfers that represents sending something of value to others. People also send textiles, furniture, jewelry, and other goods to family and friends living abroad. For example, migrant farmworkers purchase fabrics unavailable in the home villages to send to wives and mothers in Mexico, and Filipino immigrants may make return visits to their country of origin laden with boxes of gifts for their former countrymen (Sana 2005, Pido 1985). In this chapter, I explore this form of remittance sending.

Respondents to the NIS were asked if they provided assistance to others in the form of clothes, furniture, household goods, tools, vehicles, or livestock. Data from the NIS were used to generate the dependent variable *transfers goods* which is defined as indicating immigrants who reside in the United States as LPRs and send goods to friends or relatives that live abroad (=1) or did not send goods (=0). Goods are defined as any item sent to friends and relatives other than cash transfers. The NIS, however, asked only about goods were that sent to someone other than spouse, child, or parent and thus poses three difficulties for the analysis. First, I am further limited in my ability to determine whether or not these goods were sent abroad (see Appendix B)since the NIS does not reveal whether or not individuals beyond spouses, children, or parents of the respondent are abroad or not. Second, it is not entirely clear to whom these goods were intended. A child or elderly parent might be under the guardianship of a friend or relative and their presence might influence the sending of goods to that guardian. Third, the variable does not capture the full range of remittance giving because it does not include goods remittances sent directly to parents, spouses, or children.

Despite these limitations, there is still some value in examining goods sending. The analysis of remitters versus givers (see Chapter 8 and Appendix B) and other remittance research (DeVortez and Vadean 2006) suggests that many transfers can be treated as remittances even if the exact location of the receiver cannot be positively identified. There are 246 respondents who reported transferring goods in the previous year. To examine the propensity to send goods, I used logit and logistic regression analysis. However, because logistic regression analysis is most robust in a model with this many predictors when there are at least 280 cases in each category, I also conducted chi-squared (χ^2) tests for independence and Fisher's exact test to determine the significance of the chi-squared relationship on bivariate analyses of the dichotomous dependent variables against variables derived from globalization theory to lend credence to any subsequent findings from the logistic regression analysis. The results of the bivariate analyses are shown in Table 12.

Although the chi-square test only establishes a relationship between variables (Singleton and Straits 2005), it is "the oldest and most widely applied test for statistical significance" (Pollock 2006: 121) and gives the researcher inferential power to make decisions about the variables. Larger chi-square values generally indicate a greater certainty that a relationship exists. Because the overall sample size (n = 7971) would likely yield statistically significant relationships for all chi-square test, the non-significant results are particularly interesting. From these tests, a relationship is not observable between remitters and the globalization variables except originating in a country describes as less developed (LDC) versus not. Rural background ($p<.01$), fulltime employment ($p<.05$), and assets owned abroad ($p<.001$) are also significantly associated with transferring goods.

Based upon the appearance of a relationship between the propensity to send goods and some of the globalization characteristics, despite the small cell size in the sending goods category, I used logistic regression and logit modeling to examine three models similar to those in the previous chapters: a demographic model, a globalization model, and a full model. The logit and logistic results for all three models are presented in Table 13.

The results of the demographic model indicate that many of the variables selected from the demography literature did not behave in the same manner as expected for cash remitters (see Chapter 8) which is not entirely surprising since these variables were derived from models that predict the likelihood of sending cash. The overall model is significant at the $p<.001$ level according to the model chi-square statistic and has a McFadden pseudo R^2 of .04. The model produced three significant variables education, marital status, and income. For every one year increase in educational attainment, the respondent was 9% more likely to send goods to others ($p<.001$) which may be an indication of highly skilled immigrants whose families receive gifts or goods rather than cash remittances. Married individuals were 32% less likely to be sending goods to others ($p<.05$). Sixty percent of those who transferred goods were married. The results likely reflect household strategies for survival and assimilation as well as the establishment of the family in the host country since both spouses are present. In so far as goods sending is an extra (something in *addition* to money) and since the transfer of goods did not include transfers to spouses, children, or parents (see appendix

B), we can expect that those who are not married may have more extraneous cash to spend on gifts for friends and families abroad. This notion is supported by the results that indicate that income may play an important role in the ability to purchase items to send. Individuals earning more than $13,500 and less than $40,000 were 77% more likely to be sending goods than respondents earning less than $13,500 ($p<.01$) and respondents earning greater than $40,000 were 93% more likely to provide goods to others than those who earned less than $13,5000 ($p<.01$). The fact that income is important in goods sending but less important in cash sending signals that goods sending may not be considered the same type of survival assistance strategy that cash sending is. Since immigrants appear to send cash whether or not they have a lot of it and goods sending seems to be income dependent, this may mean that goods are more reflective of gifts; a sharing of abundance among those who have it with friends and family in their country of origin. This notion is further underscored by the fact that neither gender, age, nor lengths of time in the United States were significant. About 10% of the population claimed refugee status but refugee status was not significant to the transferring of goods either.

The results of the globalization model show that the model is significant at the $p<.01$ level according to the model chi-square statistic with a McFadden pseudo R^2 of .02. Two variables were significant. Respondents from rural backgrounds were 37% less likely to send goods than those from urban backgrounds ($p<.01$) while respondents who possessed assets abroad were 75% more likely to be sending goods that those who did not possess assets abroad ($p<.01$). These findings may simply be proxies for the income finding for the demographic model. To the extent that those from rural background may be less skilled (and therefore poorer), and those with assets abroad may be wealthier, those with more may be able to afford sending gifts abroad as well as money. No other global variables were significant

The full model had a superior fit to both the demographic and globalization models. In a model to model comparison using a likelihood ratio test, the full model to demographic model comparison yields a p-value of less than .001 allowing me to conclude that adding the globalization variables significantly improves the predictive power of the model. The same is true in a full model to globalization model comparison, thus, suggesting that the integration of globalization and demographic variables will allow a better understanding of remittance behavior.

The full model is significant at the $p<.001$ level according to the model chi-square statistic and has a McFadden pseudo R^2 of .06. Educational attainment remained significant with an 8% more likelihood of sending goods occurring with each additional year of education ($p<.001$). Married respondents were 31% less likely to send goods than non-married respondents ($p<.05$). Individuals earning more than $13,500 and less than $40,000 were twice as likely to send goods than those earning less than $13,500 ($p<.01$) and respondents earning more than $40,000 were twice as likely to send goods than those earning less than $13,500 ($p<.01$). Since adding income to the model rendered rural background non-significant, this lends credence to my assumption that the variable is a proxy for income. However, respondents possessing assets abroad remained 58% more likely to be sending goods than individuals who did not possess assets abroad so that variable is not a proxy for income, unless it reflects the wealth required to acquire assets abroad. Also, insofar as wealth and income are different, owning assets abroad may reflect a degree of financial confidence that comes from the security of wealth that lends itself to sending goods.

The examination of the propensity to send goods to others identifies several variables that are significant in correctly classifying senders and non-senders but it must be noted that variables for both the demographic model and the global model were chosen from studies that primarily examined the characteristics of individuals who engaged in remittance behavior defined as sending cash to relatives outside the United States (Sana 2008, Gupta et al 2007, Airola 2007, Massey et al 2006, Boon 2006, DeVortez and Vadean 2006, Brown and Connell 2006, IMF 2006, Martin, Abella and Kuptsch. 2006, Sana 2005, Vanwey 2004, Chew and Liu 2004, Guarnimo 2003, Alba and Nee 1999, Conway and Cohen 1998, Jones 1998, Menjivar et al 1998, Portes 1997, Lianos 1997, Diaz-Briquets and Perez-Lopez 1997, Glytsos 1997, Itzigsohn 1995, Salt 1992, Stark 1991, Lucas and Stark 1985) . Although the sending of goods to others may be important, it is an under-examined area of remittance behavior. I suggest that the identification of several variables as significant lends support to the need for a greater examination of goods sending. However, caution must be maintained when applying the findings from this NIS population of LPRs to other immigrant populations. The sample of goods senders is small (n=246), 71% came from MDCs or HDCs, 60% had some college education or a higher degree, and 24% earned more than $40,000 in the twelve months prior to the interview. The variable most likely to determine the sending of goods in the study was *income category*. The ability to purchase goods, the level of education, and the development level of the country of origin suggests that good may be a more a less appropriate form of support than cash for the population examined. Once again, it must be noted that questions regarding the sending of goods did not include goods transferred to spouses, children, or parents which may or may not impact the results. This means, therefore, that “goods sending” is not a form of remittance sending, insofar as remittance sending is a means of supplementing survival for friends and family members abroad. Instead, goods transfers seem to be similar to what they are for natives; the giving of gifts. Those who can afford it, do it. Those who cannot, do not.

Chapter 11 Conclusions

Remittance behavior is complex and entrenched in a myriad of personal, social, and economic relationships. The purpose of this study was to clarify these complex relationships and to bridge the gap between existing literature by combining demographic and globalization predictors of remittance activity.

Wallerstein (2004) begins his explanation of World-Systems Analysis by explaining the process by which various disciplines originated and then began to define the boundaries of their perspective fields of study. This process has led to the development of discipline specific approaches to numerous subjects including globalization, migration/immigration, and the flow of remittances from country of destination to family and friends who remained in country of origin. Discipline specific approaches can lead to the failure to properly specify predictive models by omitting important predictors of behavior as each discipline focuses on their specific areas of concern. I have demonstrated that demographers have a defined a set of predictors that provide the lens for viewing migration and remittance behavior based on demographic theories of migration behavior. Scholars working from globalization theory tend to use other predictors when developing their models for explaining identical behavior. I have presented models that suggest a combination of these approaches creates both better specified models and a broader understanding of the factors that determine who will send monies, the amounts that they might send, and their use of in-kind remittances (the sending of goods in addition to cash or the sending of goods only). Although not an exhaustive list, the combination of the predictors that I chose, based upon the limitations of the secondary data available have offered additional insight into remittance behavior at both the macro- and micro-levels and have demonstrated the difficulty of disentangling the global and the local when it comes to immigrants and their motivation to return both cash and goods to those left behind. Similarly, I have been able to establish that a number of globalization variables can serve as predictors not only for the propensity of immigrants to remit but also the amount of cash that they may send to their country of origin. These predictors combined with demographic variables provide a better image of the level at which the immigrant might remit. Finally, the data suggest that cash remittance and in-kind remittances may represent different remitting patterns, and although cash provides a mechanism for economic survival, in–kind remittances serve as gifts. As remittance volume increases in the global economy, their impact both locally and globally must be recognized.

Remittances and Migration

The flow of remittances through formal channels has continued to increase and it is suggested that these flows only represent a fraction of the capital that moves from immigrants to friends and family left in their country of origin. I have suggested that this steady increase may be associated with the spread of global capitalism and the resulting changes that accompany globalization. Globalization is neither a new phenomenon nor new subject of interest, but in many academic circles and popular media, it has come to represent a period of constant social change that has occurred since the mid-1970s in association with changes in economic philosophy and policy. The shift from Keynesian economics to a neo-liberal approach provided the background in which global financial institutions such as the IMF and World Bank gained power that rivals the nation-state while the growth United States financial hegemony was secured through trade agreements. As many countries sought to establish a position in the global economy, residents at the local level felt the impacts especially when their country of residence had been subjected to "structural adjustment programs" attached to loans procured through the powerful global financial institutions. This globalization process often creates push/pull mechanisms that encourage individuals and households to seek migration as an economic survival strategy as their home country often meet the criteria demanded by SAP loan repayments by cutting social services and welfare programs as well as engaging in new trade arrangements which open the country to foreign investors. Loss of government subsidies and programs, new foreign competition for domestic businesses and currency adjustments can lead to tougher economic times for nationals. This process often takes place in countries described as less developed (Wallerstein's periphery) countries, and as profitable work becomes harder to find, households and individuals look to the more developed countries (Wallerstein's core) for work and the opportunity to supply needed cash and goods for family and friends.

Simultaneously, developed countries such as the United States have a long history of labor needs both in the developing stage and as mature nation-states. Currently, the United States has a need for both skilled and unskilled labor and economic opportunity found in the United States provides a powerful draw for individuals residing in countries that offer limited opportunities for economic advancement and stability. Advancements in technology have aided in this push/pull phenomenon not only by creating cheaper modes of travel and communication for the immigrant but by producing worldwide images suggesting that the United States is a country of opportunity. An ageing population in the United States also produces the need for a greater number of imported workers. The results is a flexible and mobile workforce traveling the globe in search of opportunity and serving the needs of global capitalism and often motivated by the survival of friends and family who remain in the immigrant's country of origin. However, flows of people like capital are subject to the policies and programs of the receiving state.

The United States has historically been dependent on immigrant labor (Bacon 2008), but it has simultaneously sought to control the number, quality, and ethnicity of those who cross the border. Immigration cannot be understood outside of the policies that establish control of sovereign borders (Donkor 2005). Evidence of this effort to control immigration is reflected in the attempts to legislate immigration policy (see Table 2). The need for immigrant labor, however, has not diminished (see Table 5) and the flow of remittances leaving the United States has continually grown (see Table 5). Considering this history within the frame work of globalization, this study has expanded the understanding of immigrant's remittance behavior.

Those Who May be Likely to Remit

The propensity to remit is determined by a complex set of social ties as well as limitations that may exist in the immigrant's ability to earn income. As suggested by this study, various predictors are used by different disciplines but a holistic approach that considers factors suggested by several disciplines may serve to better identify immigrants who engage in remittance behavior. For example, using my demographic model, I am able to determine that the immigrant most likely to remit is a younger female with family living outside the United States and she is especially likely to remit if she has a child living abroad. However, this is a limited description of an individual likely to engage in remittance practices. Approaching the propensity to remit using my globalization model, I am able to determine that the most likely candidate for sending remittances originates from an LDC, tries to return home whenever the opportunity is available, may have a limited English vocabulary, and works for wages while also engaging in some form of self-employment. Once again, this limited approach describes an industrious individual from a developing country who may travel home whenever possible either visiting or establishing a migration pattern which allows for the accumulation of capital and periods of returning home to check on investments thus suggesting they are what Schiller (1999) terms a transmigrant. Remitter characteristics are identified by both models but both give a limited portrait of the immigrant who is most likely to engage in remittance behavior. A more encompassing portrait is available by combining the models. The fully-specified model suggests that the immigrant most likely to remit is a less educated female originating from a developing country that has lived in the United States for a longer period of time and has at least one child living in her country of origin. She works for wages as well as engages in some form of self-employment and visits her country of origin whenever possible. The combination of predictors from demographic models and globalization approaches has given a much richer portrait of the immigrant who may be sending monies home to family and friends. Using the full model, the immigrant least likely to be sending cash to friends and relatives in country of origin is male with a high level of education, without family abroad, who has been in the United States for a short period of time, and who is unlikely to return to country of origin on a frequent basis; in other words, a skilled professional who plans to make his life in the United States. Of course predictors only give a description of the immigrant who is most likely to engage in remittance behavior and in real world situations, we may find a variety of individual engaging in remittance sending that do not fit our models. However, the holistic approach of combining demography and globalizations enhances our ability to profile the immigrant who is most likely to be sending money home. Although these models enhance our ability to determine who might remit, it must be remembered that remittance behavior is complex and also involves many social psychological factors such as attitudes, beliefs and norms. These factors would allow me to create better models but the NIS does not include to such information.

Having established predictors that might allow us to describe immigrants who are most likely to send cash home, I examined the possibility of using the same predictors to explain the dollar amounts of cash remitted. Data from the NIS allowed me to examine the dollar amounts that remitters reported sending to their country of origin. Once again, I used the three models described to examine the ability of the predictors to give an explanation for variation in dollar mounts sent. The demographic model suggests that as an immigrant grows older, they may decrease the amount of money sent back to friends and families. This may occur as social ties with their country of origin decrease either through length of absence or as the immigrant grows older, he r she brings family to the United States. These factors may be reinforced by the globalization model that suggests immigrants from more developed countries who have invested in the United States by purchasing a home and learning English send more dollars than immigrants who do not possess these characteristics. Both models, however, offer a limited explanation for dollar amount variations. Once gain, a more holistic approach that combines the demographic and globalization predictors, offers an expanded explanation for the amount of cash remitted. Using the full model, we can predict that the immigrant who is remits the greater amount of cash may be younger with a lower level of education that has a parent or child living outside the United States. They are unlikely to come from a less developed country and are likely to have originated from an urban background. They are more likely to own a U.S. home and to speak English at a proficient level.

The newer model representing the holistic approach to remittances suggests a more expansive portrait of the individuals who are likely to remit and offers additional insight into the dollar amounts that a particular immigrant might potentially remit. The movement from a discipline specific approach to a more inclusive approach drawing from one or more disciplines has enabled me to create a better description of remittance behavior among U.S. immigrants in this sample. The more inclusive approach has also offered new insight into the use of in-kind remittances.

Goods: Survival or Luxury

Although the NIS data are limited on the use of in-kind remittances, the data are sufficient for an examination goods use as a remittance practice. Using the three models previously used to examine the propensity to remit and the amount of cash remitted, I examined the ability of these variables to predict the propensity to use goods (instead of cash) as remittances. The results indicate that income and wealth in the form of assets are the only predictors that indicate the possible use of in-kind remittances. Although most of the predictors in all three models do not clarify the likelihood that an individual will send goods to friends and relatives, the models do provide a unique insight into the possible purpose of in-kind remittances. Cash remittances represent an economic survival process (Jones 1998, Lianos 1995, Iizigsohn 1995, Stark 1990) but in-kind remittances appear to resemble a form of gift giving or possibly the provision of luxury items rather than items needed for economic survival. Immigrants who earn more and whose relatives need less financial support remain attached to their country of origin. Social ties and obligations do not disappear. Immigrants who visit “home” often carry gifts and support local festivities (Sana 2005, Pido 1999) as well as send goods to relatives living abroad. A thorough examination of this practice is beyond the scope of this study and the data available. However, this study does suggest that in-kind remittances are not viewed the same as cash remittances by immigrants who engage in one or the other or both.

Future Research

Globalization, migration, and remittances represent complex phenomenon that are intertwined and an understanding of one is often dependent on an understanding of the other two. The purpose of this study is to gain a greater understanding of immigrants and their use of remittances. The findings presented here can only be generalized to the single cohort of LPRs living in the United States. However, the results are important because they allow us to view the complex nature of remittance behavior in a global economy. All three phenomenon continue to expand and are unlikely to decrease. Policy makers and citizens need information that will provide awareness as to the factors that often force individuals to leave their country of origin and pursue life in a different environment. Migration is often done at a great sacrifice from the immigrant both physically and mentally and the cost often means leaving family and friends behind. However, the same expressive and instrumental ties that existed in their country of origin accompany the immigrant to their country of destination. Remittances, both cash and in-kind, represent a fulfillment of those ties

Discipline specific examinations of remittances are valuable and provide a wealth of information about immigrants and remittance behavior. They also provide unique portraits of globalization and its impacts. However, they resemble the scrambled pieces of a picture puzzle. Each piece provides a small portion of a larger picture but the picture cannot be revealed until all the pieces are combined. Taking a more holistic approach to immigration allows us to put the pieces together for a more defined portrait of remittance behavior.

I suggest that researchers in the future should draw predictors from multiple disciplines and interdisciplinary communication should be increased. Macro and micro-approaches to migration and remittance behavior should not be viewed as exclusive but an understanding of the interaction of the global and the local is imperative to an understanding of remittance behavior. Additionally, an understanding of informal remittance systems and remittance behavior among the undocumented is needed. Finally, this study has suggested that in-kind remittances and cash remittances represent exclusive behaviors. More research is needed to understand the use of goods and their purpose in the global flow of money, goods, and people.

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Appendixes

Appendix A Tables

Table 1: Factors Influencing Economic Migration Decisions

Emigration from sending country		**Immigration to receiving country**	
Potential Advantages	**Potential disadvantages**	**Potential Advantages**	**Potential disadvantages**
Employment	Poor working conditions	Services that free women to enter the labor force	Competition for jobs
Greater Income	Long hours	Cheaper goods and services	Lower local wages
Training or education	Lower status work	Opportunities for mobility	
New cultural experience	Racism or discrimination	Richer cultural life	Strange language and customs
Meeting new people	Separation from family	Experiencing other countries	Creation of immigrant ghettos

Source: Stalker 2000

Table 2: Selected Immigration Acts of the United States

Year	Provisions of the Act
1882	Chinese Exclusion Act: 1. Restricted immigration of Chinese workers 2. Allowed for deportation of illegal Chinese immigrants 3. Forbade Chinese from becoming naturalized 4. Gave the Secretary of Treasure the power to examine new arrivals
1891	Immigration Act of 1891 1. Ended state involvement 2. Created Bureau of Immigration (BI) within the Treasury Department 3. Empowered BI to deport unlawful aliens
1917	Immigration Act of 1917 1. Required literacy test for immigrants 2. Implemented serious effort to screen immigrants 3. Created the "Asiatic Barred Zone": banned immigrants from most Asian countries except Japan (controlled through a "Gentlemen's Agreement") and the Philippines
1921	Immigration Act of 1921 (temporary) 1. Imposed annual numeric ceiling on number of immigrants (358,000, not applied to Western Hemisphere) 2. Imposed first ethnic quotas
1924	National Origins Act 1. Set an annual admission goals 2. Set exact country quotas 3. Specified exclusions for the Japanese 4. Ended "open door" immigration
1948	Displaced Persons Act: allows war homeless to come to the United States

Table 2: Continued

Year	Provisions of the Act
1952	McCarran-Walter Act 1. Allowed examination of ideology 2. Set quotas for skills desired by United States
1965	Immigration Act of 1965 1. Removed national-origin quotas 2. Created seven category visa system 3. Set first quotas for Western Hemisphere (120,000 ceiling) 4. Set 20,000 limit per country of Eastern Hemisphere (170,000 ceiling) 5. Required advance labor certification 6. Eliminated discrimination against Asians 7. Emphasized family reunification 8. Set quota for refugees (17,400 or 6%)
1980	Refugee Act of 1980 The definition of refugee made to conform to the United nations definition Annual limitation of 17,400 refugees raised to 50,000 each year Provides for orderly but flexible process to deal with "special humanitarian concerns" of the United States Establishes an explicit asylum provision in the immigration law for first time Creates the Office of the United States Coordinator for Refugee Affairs and the Office of Refugee Resettlemant
1986	Immigration Reform and Control Act Requires employers to check legal status of immigrants Imposed fines and penalties on employers who hire unauthorized immigrants Provided legalized status to unauthorized immigrants who could prove long-term residence Increased border enforcement

Table 2: Continued

Year	Provisions of the Act
1990	Immigration Act of 1990 1. Provided unlimited visas to family members 2. Reduced visas to unskilled workers 3. Increased visas for priority workers and professionals 4. Allocated 10,000 visas for investors with $1 million or more if creating jobs for at least 10 citizens 5. Created “diversity” visa for ‘underrepresented” countries 6. Created immigrant classification of “Temporary Protected Status” for some assylumseekers
1994	Immigration and Nationality Act (section 245i) 1. Created three year period for unauthorized immigrants to pay $1,000 fine and become legal without leaving United States if proving family ties or employer sponsorship (renewed 2000, 2001)
1996	Illegal Immigration Reform and Immigration Responsibility Act (attached to fiscal budget) 1. Increased size of Border Patrol and INS investigators 2. Funded Mexican border fence 3. Specified that one day overstay voids visa stamp 4. Restricted public assistance to legal immigrants for first five years 5. Limits to five years public assistance over lifetime 6. Bars noncitizen immigrants in residence for more than five years from some assistance programs 7. Creation of the “Visa Waiver Program” (VWP) a. Reciprocal with 27 countries; tourist enter without visas b. Two percent overstay results in probation or country removal from program

Table 2: Continued

Year	Provisions of the Act
2001	Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (United States Patriot Act) 1. Invokes "enemy combatant" designation (United States) a. Use of military tribunals b. Individuals held indefinitely c. Vigorous interrogation 2. Triples Northern Border Patrol 3. Creates department of Homeland Security (DHS) and empowers it to control INS 4. Calls for strengthening of entry/exit system (i.e. fingerprints and photographs)
2002	Homeland security Act 1. INS divided into three bureaus a. U.S Citizenship and Immigration Service (USCIS) b. Investigation and Customs enforcement (ICE) c. Customs and Border Protection (CBP) 2. Visa issuing moved from State Department to DHS

Table 2: Continued

Year	Provisions of the Act
2005	Proposed legislation; 1. Comprehensive Enforcement and Immigration reform Act a. migrant workers allowed three two year work periods with mandatory one year gap at end b. families cannot live with relative but visit for 30 days c. eliminate diversity visas d. Create temporary worker investment funds in sending countries to encourage return of immigrant 2. Secure America and Orderly Immigration Act a. 400,000 new visas for “essential foreign workers” b. Two three year work terms; travel in and out of country during work time c. At end of six years must leave, be inline for immigrant visa, $2,000 fee/fine

Source: Briggs 2003; Smith and Edmonston 1997; Kennedy 1981

Table 3: Main Phases in Migration and Development Research and Policy

Period	Research community	Policy field
Before 1973	Development and migration optimism	Developmentalist optimism: capital and knowledge transfers by immigrants would help in development take-off.
1973-1990	Development and migration pessimism (dependency, brain drain)	Growing skepticism; concerns about brain drain; after experiments with return migration policies focused on integration with receiving countries; migration largely out of sight in development filed.
1990-2001	Readjustment to more subtle views under influence of increasing empirical research	Persistent skepticism; tightening immigration policies
After 2001	Boom in publications, mixed, but generally positive views	Resurgence of migration and development optimism and sudden turnaround of views; brain gain; remittances and diaspora involvement; further tightening of immigration policies but greater tolerance for high-skilled immigration.

Reproduced from Haas 2007

Table 4: Relation Between Household Migration Stage, Consumption, and Investments

Stage	**Migration**	**Consumption and investment patterns by migration households**
I	Immigrant in process of settling	Most urgent needs are filled if possible: food, health, debt repayment, education of children
II	Immigrant settled and has more or less stable work	Housing construction, land purchase, basic household amenities, continued education
III (option a)	Ongoing stay	(Higher) education of children. Diverse investments: commercial housing and land, shops, craft industries, agriculture. Magnitude, spatial and sectoral allocation depending on household income, macro and local development/investment context
III (option b)	Return	Continuing investments (as IIIa) if the household has access to external income (for example, pension, savings or creation of business)
III (option c)	Family reunification	Traditional view: no significant investments besides help to family/community members: this view is challenged by evidence that more and more immigrants seem to adopt transnational lives and identities, which may be associated with continued home country engagement and /or investments.

Reproduced from Haas 2007

Table 5: Growth of US Foreign-born Population and Remittance Outflows

Year	Number of Foreign Born in US*	US Remittances Outflow** (millions)
2000	29,985,000	30,961
2001	31,811,000	34,592
2002	32,453,000	36,126
2003	33,471,000	36,545
2004	34,244,000	39,305
2005	35,690,000	41,072
2006	37,548,000	42,974

Sources: *US Census (American Community Survey 2005 & 2006)

** World Bank

Table 6: Variables of Interest for Remittance Models

Demographic Model	Globalization Model
Gender	Development Level of Country of origin
Age	Less developed
Education	Moderately developed
Marital status	Highly developed
Spouse abroad	Rural or urban background
Child abroad	Number of moves
Parents abroad	Full-time Employment
Years in United States	None
Earned Income	Self-employed
Less than $13,500	Wage employed
$13,500 to less than $40,000	Both
$40,000 or more	Asset abroad
Refugee status	Owns home in United States
	English Proficiency
	Speaks very well
	Speaks well
	Speaks poorly
	No English

Table 7: Variables Used in the Study

Variable	Description	Hypothesized sign
Cash remittance	Sent cash remittance in the last year (=1) versus did not send cash in the last year (=0)	n/a
Dollar amount of wages remitted	Cash remitted in constant United States dollars	n/a
Goods versus cash remittance	Sent goods in the last year (=1) versus sent only cash (=0)	n/a
Goods versus no remittance	Sent goods in the last year (=1) versus sent nothing (=0)	n/a
Gender	Male (=1) versus Female (=0)	+
Age	Ordinal variable with 10 categories ranging from 1 (less than 20) to 10 (60and older)All categories in between are 5-year cohorts (20-24,35-29, etc.)	-
Educational attainment	Interval variable indicating years of education completed, topcoded at 25+.	+
Marital status	Married (=1) versus not married or currently separated (=0). Cohabiting partners coded 0.	+
Spouse abroad	Spouse or partner live in a foreign country (=1) versus spouse or partner live in the United States (=0)	
Children abroad	At least one child (biological, adopted, or stepchild) living in a foreign country (=1) versus all children live in the United States (=0)	+
Parent abroad	At least one parent living in a foreign country (=1) versus all parents living in the United States (=0)	+
Time in United States	Interval variable indicating the number of years lived in the United States since last move to the United States.	-

Table 7: Continued

Variable	Description	Hypothesized sign
Development of country of origin	Respondent's country of origin code as less developed countries (LDC), moderately developed countries (MDC), or highly developed countries (HDC) based on Braun's (1998) typology.	
Less developed	Reference	n/a
Moderately developed	MDC (=1) versus LDC or HDC (=0)	-
Highly developed	HDC (=1) versus LDC or MDC (=0)	-
Rural	Lived in rural area at age 10 (=1) versus did not live in a rural area (=0).	+
Sojourner status	Interval variable indicating number of international moves reported by the respondent.	+
Full-time worker	Worked more than 39 weeks and more than 32 hours a week in last 12 months (=1) versus working less (=0) in last 12 months	+
Class of worker	Reported sources of income were used to determine type of employment.	
Self-employed	Earns income from self- employment and professional practice (=1) versus wages and tips (=0). Reference	n/a
Work for wages	Earns income from wages and tips (=1) versus earnings from professional practice and self-employment (=0).	+
Both	Earns income from self-employment and/or professional practice and tips and/or wages (=1) versus other (=0).	+
None	No earnings from self-employment, wages, professional, or tips (=1) versus other (=0).	-
Assets in country of origin	Dichotomous variable indicating ownership of assets in country of origin (=1) versus none (=0)	+
Owns US home	Dichotomous variable indicating ownership of home in United States (=1) versus none (=0)	+

Table 7: Continued

Variable	Description	Hypothesized sign
English proficiency	Ability to speak English	
Speaks English very well	Speaks English very well (=1) versus other levels of proficiency (=0)	+
Speaks English well	Speaks English well (=1) versus other levels of proficiency (=0)	+
Speaks English poorly	Speaks English poorly (=1) versus other levels of proficiency (=0)	-
Does not speak English	Reference	-
Earned income	Dollar amount earned from employment	
Less than $13,500	Reference	n/a
$13,500 to less than $40,000	Earned $13,500 to less than $40,000 (=1) versus earning less or more (=0)	+
$40,000 or more	Earned $40,000 or more (=1) versus earning less (=0)	+
Refugee status	Refugee/Asylee/Parolee status (=1) versus other immigrant statuses (=0)	-

Table 8: Variable Descriptions and Missing Percentages

Variable	Dataset designation	Description	% Missing*
Cash remittance	remitters	Sends cash to individuals outside United States	0%
Cash amount remitted	remitamt	Dollar amount remitted	0%
Dollar amount of wages remitted	remitamt	Dollars of respondent's earned income remitted	0%
Goods remitted	remitsgds	Sends goods abroad	.02%
Cash transferred	givers	Gives cash to other individuals	<.01%
Cash amount transferred	transamt	Dollar amount given to others	0%
Percentage of cash transferred	tranprct	Percentage of respondent's earned income given to others	0%
Goods transferred	transgds	Provides non-financial assistance to others	22%
Gender	male	Male	0%
Age	age	Age of respondent	.5%
Educational attainment	educ	Years of education completed	.3%
Education category	edcat1	Less than High School	.3%
	edcat2	High School education	.3%
	edcat3	Some college or college degree	.3%
	edcat4	Some graduate work	.3%
Marital status	married	Married	<.01%
Spouse abroad	spousabrd	Spouse lives outside United States	<.01%
Children abroad	childabrd	At least one child lives abroad	.5%
Parent abroad	parentabrd	At least one parent lives abroad	.5%
Time in United States	ustime	Years since last move to United SStates	2.2%

Table 8: Continued

Variable	Dataset designation	Description	% Missing*
Development of country of origin	ldc	Lesser developed country of origin	.4%
	mdc	Moderately developed country of origin	.4%
	hdc	Highly developed country of origin	.4%
Rural			.3%
Sojourner status	moves	Number of international moves	1.5%
Fulltime			<.01%
Class of worker	selfemp	Self-employed	0%
	work	Works for wages and/or tips	0%
	both	Self-employed and works for wages	0%
	none	Does not work	0%
Assets abroad	assetabrd	Owns assets outside the United States	0%
United States home	homeus	Owns home in United States	0%
English proficiency	engvwell	Speaks English very well	<.01%
	engwell	Speaks English well	<.01%
	engnwell	Speaks poor English	<.01%
	engnone	Speaks no English	<.01%
Earned income	income	Income earned from employment	0%
Income category	inccat1	Less than $13,500	0%
	inccat2	$13,500 to less than $40,000	0%
	inccat3	$40,000 or more	0%
Refugee status	refugee	Refugee/Asylee/Parolee	0%

Table 9: Description of the Population

Variable	Total Sample(n=8573)	
	n	%
Cash remittance (remitters)	848	9.89
Goods remitted	195	2.27
Cash transferred (givers)	1248	14.56
Goods transferred	246	2.87
Male	4133	48.21
Education category		
Less than High School	2745	32.02
High School education	1308	15.26
Some college or college degree	3205	37.38
Some graduate work	718	8.38
Marital status	5856	68.31
Spouse abroad	398	4.64
Children abroad	1932	22.54
Parent abroad	5751	67.40
Development of country of origin		
Less developed	2563	29.90
Moderately developed	4907	57.24
Highly developed	1065	12.42
Rural	3340	38.96
Fulltime worker	4717	55.02
Self-employed	379	4.42
Work for wages	3567	41.61
Both	331	3.86
None	4296	50.11

Table 9: Continued

Variable	Total Sample(n=8573)	
	n	**%**
Assets abroad	967	11.28
United States Home	81	.94
English Proficiency		
Speaks English very well	2353	27.45
Speaks English well	2177	25.39
Speaks English poorly	2475	28.87
Does not speak English	1548	18.06
Income category		
Less than $13,500	6423	74.96
$13,500 to less than $40,000	1248	14.56
$40,000 or more	899	10.49
Refugee status	554	6.46

Table 10: Odds Ratios (and Logit Coefficients) Associated with Remitting in the Last 12 Months

	Demographic Model	Globalization Model	Full Model
Male	.77*** (-.26)		.78* (-.24)
Age	.98*** (-.02)		.99 (-.01)
Years of Education	.98 (-.02)		.98* (-.02)
Married	1.00 (.01)		1.05 (.05)
Spouse abroad	3.93*** (1.37)		3.00*** (1.09)
Child abroad	5.63*** (1.73)		6.24*** (1.83)
Parents abroad	2.82*** (1.04)		2.95*** 1.08)
Years in US	1.07 (.06)		1.05*** (.05)
Earned Income (<$13,500 = ref)			
$13,500 to less than $40,000	1.23 (.21)		.96 (-.04)
$40,000 or more	1.12 (.18)		.97 (-.03)
Refugee	1.00 (.00)		1.00 (.00)

Table 10: Continued

	Demographic Model	Globalization Model	Full Model
Country of origin (LDC = ref)			
MDC		.63*** (-.46)	.84 (-.18)
HDC		.43*** (-.84)	.58** (-.56)
Rural background		.92 (-.08)	.82 (-.20)
Number of moves		1.21*** (.19)	1.25*** (.23)
Full-time worker		.93 (-.08)	1.06 (.06)
Class of worker (none = ref)			
Self-employed		4.71*** (1.55)	4.32*** (1.46)
Wage employed		6.94*** (1.94)	7.24*** (1.98)
Both		8.35*** (2.12)	9.15*** (2.21)
Asset abroad		1.02 (.02)	.98 (-.05)
Owns United States home		.58 (-.54)	.56 (-.59)

Table 10: Continued

	Demographic Model	Globalization Model	Full Model
English proficiency (none = ref)			
Speaks very well		.61*** (-.49)	.82 (-.20)
Speaks well		.76* (-.28)	.99 (-.01)
Speaks poorly		.81 (-.21)	.82 (-.19)
Log pseudolikelihood	-2098.27	-2138.56	-1825.67
Wald chi-square	613.33	318.85	787.92
Pseudo R^2	.13	.11	.23
n	8249	8364	8057

SOURCE: New Immigrant Survey

*p<.05; **p<.01; ***p<.001

Table 11: Truncated Regression of the Natural Log of Dollar Amounts Remitted

	Demographic Model	Globalization Model	Full Model
Male	.02 (.13)		.12 (.13)
Age	-.02** (.01)		-.02* (.01)
Years of Education	-.03 (.01)		-.04** (.01)
Married	-.18 (.14)		-.14 (.13)
Spouse abroad	-.00 (.19)		.12 (.18)
Child abroad	.14 (.15)		.44** (.16)
Parents abroad	.24 (.21)		.44* (.21)
Years in US	-.01 (.01)		.00 (.01)
Earned Income (<$13,500 = ref)			
$13,500 to less than $40,000	.07 (.16)		.06 (.17)
$40,000 or more	-.15 (.25)		-.14 (.23)
Refugee	-.11 (.23)		-.17 (.23)

Table 11: Continued

	Demographic Model	Globalization Model	Full Model
Country of origin (LDC = ref)			
MDC		.46*** (.14)	.52*** (.15)
HDC		.61** (.23)	.77*** (.23)
Rural background		-.10 (.12)	-.31* (.14)
Number of moves		-.03 (.06)	.01 (.06)
Full-time worker		-.10 (.13)	-.04 (.13)
Class of worker (none = ref)			
Self-employed		-.16 (.33)	-.10 (.33)
Wage employed		.25 (.17)	.26 (.18)
Both		-.03 (.29)	.00 (.29)
Asset abroad		-.11 (.16)	-.16 (.18)
Owns US home.		.52** (.21)	.88*** (.27)

Table 11: Continued

	Demographic Model	Globalization Model	Full Model
English proficiency (none = ref)			
Speaks very well		.94*** (.20)	.84*** (.22)
Speaks well		.50** (.17)	.48** (.18)
Speaks poorly		.25 (.16)	.07 (.17)
Log pseudolikelihood	-1095.65	-1075.47	-1037.38
Wald chi-square	27.89**	88.77***	151.64***
Approximate R^2	.0024	.0028	.0155
n	710	710	695

SOURCE: New Immigrant Survey

*p<.05; **p<.01; ***p<.001

Table 12: Chi-squared and Fisher's exact test of Globalization Variables on Propensity to Send Goods

Variable	Chi^2	Fisher's exact
Less developed country of origin	.07	.43
Moderately developed country of origin	.52	.26
Highly developed country of origin	2.06	.09
Rural background	8.38	.00**
Sojourner status	8.24	.12
Fulltime employment	3.94	.03*
Self-employed	1.00	.20
Works for wages	2.26	.08
Self employed and works for wages	.02	.54
Not employed	1.22	.15
Assets abroad	13.99	.00***
Owns home in U.S.	3.32	.08
Speaks English very well	1.46	.13
Speaks English well	.01	.50
Speaks English poorly	2.05	.08
Does not speak English	.18	.36

SOURCE: New Immigrant Survey

*p<.05; **p<.01; ***p<.001

Table 13: Odds Ratios (and Logit Coefficients) Associated with Sending Goods in the Last 12 Months

	Demographic Model	**Globalization Model**	**Full Model**
Male	1.22 (.20)		1.31 (.27)
Age	1.00 (.00)		1.00 (.00)
Years of Education	1.09*** (.09)		1.08*** (.08)
Married	.68* (-.38)		.69* (-.38)
Spouse abroad	.89 (-.18)		.85 (-.17)
Child abroad	.92 (-.08)		.97 (-.03)
Parents abroad	.86 (-.15)		.81 (-.21)
Years in US	.99 (-.01)		.99 (-.01)
Earned Income (<$13,500 = ref)			
$13,500 to less than $40,000	1.77** (.57)		1.97** (.68)
$40,000 or more	1.93** (.66)		1.99** (.69)
Refugee	1.50 (.41)		1.70 (.53)

Table 13: Continued

	Demographic Model	Globalization Model	Full Model
Country of origin (LDC = ref)			
MDC		.92 (-.08)	.88 (-.13)
HDC		1.33 (.28)	1.28 (.24)
Rural background		.63** (-.46)	.78 (-.25)
Number of moves		1.09 (.09)	1.06 (.05)
Full-time worker		1.28 (.25)	.78 (-.25)
Class of worker (none = ref)			
Self-employed		1.14 (.13)	1.06 (.06)
Wage employed		.83 (-.19)	.80 (-.22)
Both		.85 (-.16)	.74 (-.29)
Asset abroad		1.75** (.56)	1.58* (.46)
Owns US home.		1.29 (.25)	.95 (-.05)

Table 13: Continued

	Demographic Model	**Globalization Model**	**Full Model**
English proficiency (none = ref)			
Speaks very well		1.20 (.19)	1.38 (.34)
Speaks well		.96 (-.04)	1.03 (.03)
Speaks poorly		.99 (-.01)	1.05 (.05)
Log pseudolikelihood	-1061.89	-1088.49	-1020.87
Wald chi-square	86.92	29.60	127.81
Pseudo R^2	.04	.02	.06
n	8155	8276	7971

SOURCE: New Immigrant Survey

*p<.05; **p<.01; ***p<.001

Table 14: Odds Ratios (and Logit Coefficients) Associated with Giving in the Last 12 Months

	Demographic Model	**Globalization Model**	**Full Model**
Male	.79** (-.24)		.81* (-.21)
Age	.99** (-.01)		1.00 (.00)
Years of Education	.99 (-.01)		.99 (-.01)
Married	.96 (-.05)		.97 (-.03)
Spouse abroad	3.14*** (1.14)		2.38*** (.87)
Child abroad	2.57*** (.94)		2.68*** (.98)
Parents abroad	1.63*** (.49)		1.64*** (.49)
Years in US	1.06*** (.06)		1.04*** (.04)
Earned Income (<$13,500 = ref)			
$13,500 to less than $40,000	1.29* (.26)		1.06 (.06)
$40,000 or more	1.22 (.20)		1.05 (.05)
Refugee	1.25 (.22)		1.30 (.27)

Table 14: Continued

	Demographic Model	Globalization Model	Full Model
Country of origin (LDC = ref)			
MDC		.67*** (-.41)	.77** (-.27)
HDC		.48*** (-.73)	.59*** (-.53)
Rural background		1.00 (00)	.96 (-.04)
Number of moves		1.17*** (.15)	1.18*** (.17)
Full-time worker		.94 (-.06)	1.00 (.00)
Class of worker (none = ref)			
Self-employed		4.69*** (1.54)	4.20*** (1.43)
Wage employed		5.76*** (1.75)	5.68*** (1.74)
Both		8.63*** (2.15)	8.23*** (2.11)
Asset abroad		.96 (-.04)	.93 (-.07)
Owns US home.		1.01 (.01)	.99 (-.01)

Table 14: Continued

	Demographic Model	Globalization Model	Full Model
English proficiency (none = ref)			
Speaks very well		.82 (-.20)	1.00 (.00)
Speaks well		.98 (-.02)	1.18 (.16)
Speaks poorly		.97 (-.03)	1.03 (.03)
Log pseudolikelihood	-2987.00	-2849.92	-2630.05
Wald chi-square	326.56	414.01	609.08
Pseudo R^2	.06	.11	.15
n	8249	8364	8057

SOURCE: New Immigrant Survey

*p<.05; **p<.01; ***p<.001

Table 15: Truncated Regression of the Natural Log of Dollar Amounts Given to Others

	Demographic Model	**Globalization Model**	**Full Model**
Male	-.00 (.12)		.03 (.12)
Age	-.00 (.00)		-.00 (.01)
Years of Education	-.01 (.01)		-.02 (.01)
Married	-.08 (.12)		-.04 (.12)
Spouse abroad	-.02 (.18)		.01 (.18)
Child abroad	-.19 (.14)		.09 (.14)
Parents abroad	.33 (.13)		.41** (.13)
Years in US	-.01 (.01)		-.01 (.01)
Earned Income (<$13,500 = ref)			
$13,500 to less than $40,000	-.04 (.14)		-.09 (.15)
$40,000 or more	-.02 (.24)		.00 (.23)
Refugee	-.07 (.21)		-.09 (.22)

Table 15: Continued

	Demographic Model	Globalization Model	Full Model
Country of origin (LDC = ref)			
MDC		.53*** (.12)	.57*** (.13)
HDC		.71*** (.22)	.78*** (.23)
Rural background		-.03 (.11)	-.15 (.13)
Number of moves		-.08 (.06)	-.08 (.06)
Full-time worker		-.00 (.11)	.04 (.12)
Class of worker (none = ref)			
Self-employed		.11 (.28)	.17 (.27)
Wage employed		.28* (.15)	.33* (.15)
Both		.23 (.24)	.34 (.24)
Asset abroad		.02 (.14)	.01 (.15)
Owns US home.		-.04 (.42)	.07 (.50)

Table 15: Continued

	Demographic Model	**Globalization Model**	**Full Model**
English proficiency (none = ref)			
Speaks very well		.85*** (.18)	.78*** (.19)
Speaks well		.64*** (.16)	.64*** (.17)
Speaks poorly		.25 (.15)	.17 (.15)
Log pseudolikelihood	-1669.98	-1647.47	-1595.11
Wald chi-square	18.31	87.92***	111.15***
pseudo_R2	.0001	.0088	.0114
n	1023	1027	1003

SOURCE: New Immigrant Survey

*p<.05; **p<.01; ***p<.001

Appendix B NIS Questions used in Variable Construction

Cash remittance **–** this is a dichotomous variable coded 1 if the respondent gave an answer to any of the questions below that indicated that they sent money to someone not living in their house. Recipients were then checked to insure that they lived outside the U.S.

[I2] GIVE TO SPOUSE WHEN NOT LIVING SAME HOUSE

During the last twelve months , did you give any financial assistance (such as gifts, transfers, bequests, or loans) to your spouse during periods when {Text fill: he/she} was not living with you in the same house?

[I6] GIVE MINOR CHILDREN NOT LIVING SAME HOUSE

During the last twelve months, did you give or send any money to any of your children age 16 and under during periods when they were not living with you in the same house? Please include only money you gave directly to your children and not any monies you may have already told us about. Please include all biological children, stepchildren and adopted children under age 16.

[I8] GIVE CHILDREN OVER 17 NOT LIVING SAME HO

During the last twelve months, did you give or send money to any of your children age 17 and over when they were not living with you in the same house? Do not count any financial assistance that you may have already told us about. These children should include your own biological children, adopted children and step-children.

[I13A.01] WHO DO YOU GIVE MONEY TO?

Which of your parents or step-parents did you give money to? Your mother?

[I13A.02] WHO DO YOU GIVE MONEY TO?

Which of your parents or step-parents did you give money to? Your father?

[I13A.03] WHO DO YOU GIVE MONEY TO?

Which of your parents or step-parents did you give money to? Your mother and father?

[I13A.04] WHO DO YOU GIVE MONEY TO?

Which of your parents or step-parents did you give money to? Your stepmother?

[I13A.05] WHO DO YOU GIVE MONEY TO?

Which of your parents or step-parents did you give money to? Your stepfather?

[I13A.06] WHO DO YOU GIVE MONEY TO?

Which of your parents or step-parents did you give money to? Your mother and stepfather?

[I13A.07] WHO DO YOU GIVE MONEY TO?

Which of your parents or step-parents did you give money to? Your father and stepmother?

[I17A.01] WHO DO YOU GIVE MONEY TO?

Which of your spouse’s parents or step-parents did you give money to? Spouse’s mother?

[I17A.02] WHO DO YOU GIVE MONEY TO?

Which of your spouse’s parents or step-parents did you give money to? Spouse’s father?

[I17A.03] WHO DO YOU GIVE MONEY TO?

Which of your spouse’s parents or step-parents did you give money to? Spouse’s mother and father?

[I17A.04] WHO DO YOU GIVE MONEY TO?

Which of your spouse’s parents or step-parents did you give money to? Spouse’s stepmother?

[I17A.05] WHO DO YOU GIVE MONEY TO?

Which of your spouse’s parents or step-parents did you give money to? Spouse’s stepfather?

[I17A.06] WHO DO YOU GIVE MONEY TO?

Which of your spouse’s parents or step-parents did you give money to? Spouse’s mother and stepfather?

[I17A.07] WHO DO YOU GIVE MONEY TO?

Which of your spouse’s parents or step-parents did you give money to? Spouse’s father and stepmother?

[I21] GIVE RECEIVE FROM SIBS NOT SAME HOUSE

During the last twelve months, did you give or receive any financial assistance to or from any of your siblings when they were not living with you in the same house? Do not count any financial assistance that you may have already told us about.

[I27] GIVE OR RECEIVE SPOUSES SIBLING

During the last twelve months, did you or your spouse give or receive any financial assistance to or from any of your spouse's siblings when they were not living with you or your spouse in the same house? Do not count any financial assistance that you may have already told us about.

[I31] GIVE RECEIVE OTHER RELATIVES

During the last twelve months, did you give or receive any financial assistance to or from any other relatives besides your spouse, children, parents, spouse's parents, siblings, or spouses' siblings or friends when they were not living with you in the same house? Do not count any financial assistance that you may have already told us about.

[I39M] WHERE GIVE TO FRIENDS

Did you give financial assistance to these friends when they were living outside the United States or when they were living within the United States?

Percent of wages remitted

U.S dollar amount remitted divided by earned income reported multiplied by 100

Earned income

[G4] INCOME FROM WORK FROM SELF-EMPLOYMENT

Did any of your earnings from work in the last twelve months come from self-employment?

[G5] HOW MUCH SELF-EMPLOYMENT INCOME

Before taxes and other deductions, about how much did your self-employment income amount to in the last twelve months, including any profits left in the business?

[G7] INCOME FROM WAGES AND SALARY

Did] any of your earnings in the last twelve months come from wages and salaries?

[G7A] HOW MUCH WAGES AND SALARY

Before taxes and other deductions, about how much wage and salary income did you receive in the last twelve months?

[G9] INCOME FROM PROFESSIONAL PRACTICE

Other than what you may have already told me about, did any of your income in the last twelve months come from a professional practice or trade?

[G9A] HOW MUCH FROM PROFESSIONAL PRACTICE

Before taxes and other deductions, about how much did you receive from a professional practice or trade in the last twelve months?

[G11] INCOME FROM TIPS

Other than what you may have already told me about, did any of your income in the last twelve months come from tips, bonuses, commissions, etc?

[G11A] HOW MUCH FROM INCOME FROM TIPS

Before taxes and other deductions, about how much did your last twelve months of income from tips, bonuses, commissions, etc. amount to?

U.S. dollar amount remitted

[I3] HOW MUCH GIVE TO SPOUSE

How much did you give during the last twelve months {Text fill if A142_X was in the past two years: "or since you were married if it was in the last twelve months"}, to your spouse during periods when {Text fill: he/she} was not living with you in the same house?

[I7] HOW MUCH GIVE MINOR CHILDREN

How much did you give in total during the last twelve months to all your children under age 16 during periods when they were not living with you in the same house? Please include only money you gave directly to your children {Text fill if A52=1: "and not any monies you have already told us about that you provided to your spouse"}.

[I10.01] HOW MUCH GIVE TO CHILD OVER 17

How much financial assistance did you give to {Text fill: CHILD NAME} during the last twelve months during periods when you were not living together? Do not count any financial assistance that you may have already told us about before.

[I14.01] HOW MUCH GIVE TO PARENTS

How much financial assistance did you {Text fill: "or your spouse"} give to your {Text fill: PARENT NAME} {If I13a=RF or DK, text fill: parents or step-parents) during the last twelve months during periods when you were not living together? Do not count any financial assistance that you may have already told us about.

[I18A.01] AMOUNT I18 [spouse’s parents]

[I23.01] HOW MUCH GIVE TO SIBLING

How much financial assistance did you {Text fill if A52=1: "or your spouse"} give to {Text fill: SIBLING NAME} during the last twelve months during periods when you were not living together? Do not count any financial assistance that you may have already told us about.

[I28.01] HOW MUCH GIVE TO SPOUSES SIBLING

How much financial assistance did you or your spouse give to {Text fill: SIBLING NAME} during the last twelve months during periods when you were not living together? Do not count any financial assistance that you may have already told us about.

[I32A] AMOUNT I32 [relatives]

[I41] HOW MUCH GIVE TO FRIENDS OUTSIDE U.S.

Goods sent (remitted)- Respondents are assumed to have sent goods (coded 1) if they answered yes to any of the following questions.

[I52] PROVIDE NON FINANCIAL ASSISTANCE

During the past twelve months, did you provide any non-financial assistance in the form of goods or materials to anyone other than your spouse or children during periods when they did not live with you?

Gender

[A6] GENDER

I need to ask these questions of everyone, are you male or female?

Age

[A7MO] YEAR BORN

In what year were you born?

Educational attainment

[A20] YEARS SCHOOL COMPLETED

Now, I have a few questions about your education. How many years of schooling in total have you completed?

Marital status

[A52] CURRENT MARITAL STATUS

Are you now: INTERVIEWER: IF R IS MARRIED AND ALSO LIVING TOGETHER WITH SOMEONE ELSE IN A MARRIAGE-LIKE RELATIONSHIP, CODE 'MARRIED' HERE.

1 Married

2 Living together in a marriage-like relationship but not married

3 Separated

4 Divorced

5 Widowed

6 Never married, not living with someone in a marriage like

Spouse abroad

[A137MO.01] COUNTRY OF RESIDENCE FOR SPOUSE OR PARTNER

What country does your current husband/wife/partner live in?

Children abroad

[A270MO.01] BIOL CHILD COUNTRY CURRENTLY LIVING IN

What country is [this child] currently living in?

[A397MO.01] ADOPTED CHILD COUNTRY CURRENTLY LIVING IN

What country is [this child] currently living in?

[A526MO.01] STEP CHILD COUNTRY CURRENTLY LIVING IN

What country is [this child] currently living in?

Parent abroad

[A815MO.01] FATHER COUNTRY CURRENTLY LIVING IN

What country is [FOR X=1 / your father; FOR X=2 / your mother; FOR X=3 / this other person] currently living in?

Time in U.S.

[K20] YEAR ARRIVED COUNTRY NOW LIVE

Development of country of origin

[A9AMO] COUNTRY BORN

In what country were you born?

> Respondent's country of origin code as LDC (less developed countries), MDC (moderately developed countries), or HDC (highly developed countries) using Braun's *The Rich Get Richer* Table 2.1: Division of Countries into Core, Semiperiphery, and Periphery in Modern World Systems

38 CANADA

44 CHINA, PEOPLES REPUBLIC

47 COLOMBIA

55 CUBA

62 DOMINICAN REPUBLIC

65 EL SALVADOR

69 ETHIOPIA

88 GUATEMALA

92 HAITI

98 INDIA

105 JAMAICA

111 KOREA

135 MEXICO

152 NIGERIA

163 PERU

164 PHILIPPINES

166 POLAND

172 RUSSIA

215 UKRAINE

217 UNITED KINGDOM

218 UNITED STATES

224 VIETNAM

301 EUROPE & CENTRAL ASIA

302 EAST ASIA, SOUTH ASIA & THE PACIFIC

304 OTHER NORTH AMERICA

305 LATIN AMERICA & THE CARIBBEAN

306 AFRICAN SUB-SAHARAN

307 MIDDLE EAST & NORTH AFRICA

308 OCEANIA

310 ARCTIC REGION

Rural

[A964] CHILDHOOD LIVING IN A RURAL AREA

Were you living in a rural area when about age 10?

Sojourner status

[K16.01] DID YOU LEAVE FOR AT LEAST 60 DAYS

Did you subsequently leave that country to live in another country for at least 60 days?

[K18B] IWER CODE DOES RESPONDENT CURRENTLY LIVE IN THE COUNTRY LAST MENTIONED?

Fulltime

[C33.01] HOURS PER WEEK CURRENTLY WORK

How many hours a week do you usually work at this job?

[C37.01] WEEKS PER YEAR USUALLY WORK

Counting paid vacations as weeks of work, how many weeks a year do you usually work on this job?

Employment

[G4] INCOME FROM WORK FROM SELF-EMPLOYMENT

Did any of your earnings from work in the last twelve months come from self-employment?

[G7] INCOME FROM WAGES AND SALARY

Did] any of your earnings in the last twelve months come from wages and salaries?

[G9] INCOME FROM PROFESSIONAL PRACTICE

Other than what you may have already told me about, did any of your income in the last twelve months come from a professional practice or trade?

[G11] INCOME FROM TIPS

Other than what you may have already told me about, did any of your income in the last twelve months come from tips, bonuses, commissions, etc?

Assets in country of origin

H33MO.01] COUNTRY OF HOME

In what country is your {Text fill: IF FIRST ITERATION: "second" }{Text fill: IF

ITERATION 2 TO 10: "next"} home located?

[H52] ANY REAL ESTATE OUTSIDE U.S

Is any of this real estate located outside of the United States?

[H69] HOW MANY FARMS YOU OWN

How many farms and businesses do you own? #______________{2-digits}{check: <=10}[H70] {Specify number and then do questions H70 to H89 for each farm and business.}

h70_1mo what country business located-modif

[H115MO] WHAT MAIN COUNTRY ARE ACCOUNT

In what main country are these checking or savings accounts held?

[H137MO] H135 WHAT MAIN COUNTRY HELD

In what main country is this transportation equipment kept?

English Proficiency

[J14]

HOW WELL SPEAK ENGLISH

CP-A9a=United states, skip} How well would you say you speak English? Would you say:

1930 1 Very well

2177 2 Well

2475 3 Not well

1548 4 Not at all

Appendix C The Propensity to Give

Table 14 replicates the analysis of findings presented in Chapter 8, but the sub-sample used here includes all respondents who reported transferring cash to others, regardless of current residence of the receiver.

The results of the demographic model indicate that many of the variables selected from demography literature behave as expected with this sample of immigrants. The overall model is significant at the $p<.001$ level according to the model chi-square statistic and has a McFadden pseudo R^2 of .06. Males are 21% less likely to given females ($p<.01$) and as respondent's age increases by one year, they are 1% less likely to give.01). In the demographic model, neither years of education nor being married affected the propensity to give. Respondents reporting close relatives living outside the United States were more likely to be giving ($p<.001$). Individuals who reported a spouse living abroad were 3.4 times more likely to give than those whose spouse resided in the United States ($p<.001$). Respondents with at least one child abroad were 2.5 times more likely to give than individuals whose children resided in the United States ($p<.001$) while respondents with at least one parent abroad were 63% times as likely to remit than individuals with no parent abroad ($p<.001$). The length of time spent in the United States was significant in the demographic model and suggested that for each year spent in the United States, respondents were 6% more likely to give ($p<.001$). The higher income category of earning more than $40,000 was not significant but respondent earning more than $13,500 to less than $40,000 were 29% more likely to give than respondents earning less than $13,500 ($p<.05$). The middle income bracket may suggest an earning point that allows the immigrant both a living wage and the ability to send some funds to others. Refugee status was not significant in this model. Only 96 givers identified themselves as refugees and represented less than 8% of the giver population.

Globalization variables were selected from various studies in the movement of people and money around the globe. The purpose of my study is to suggest a more holistic approach may be used to examine remittance behavior rather than to establish causal characteristics. It is important to remember the limitations of the NIS (see Appendix E) and the process used to establish and operationalize variables (see Chapter 7). Once again, caution must be used in the interpretation of significance or non-significance of a variable in this study. Although the use of the globalization variables selected (see Chapter 6) can be supported, rural background, full time employment, assets abroad, US home ownership, and English proficiency were non-significant among the giver population.

The results of the globalization model show that the model is significant at the $p<.001$ level according to the model chi-square statistic with a McFadden pseudo R2 of .11. When compared to respondents who originated in LDCs, respondents who came from MDCs were 33% less likely to remit ($p<.001$) while respondents from HDCs were 52% less likely to remit ($p<.001$). Thirty-eight percent of the population identified themselves as living in a rural area at the age of ten and remittances supply essential capital flow to areas with an agriculture base (Rwelamira and Kristen 2003). However, respondents may have moved by age 11 and actually come from an urban background but this cannot be established with the data available. Respondent's rural background was not significant but when making one or more international moves, respondent's likelihood of giving increased 17% with each additional move ($p<.001$). Fulltime employment was not significant but the class of employment proved to have a significant impact on the propensity to give ($p<.001$). Respondents who were self employed were approximately five times more likely to give than individuals with no employment($p<.001$) while individuals who worked for wages were 5.6 times more likely to give than unemployed individuals ($p<.001$). Respondents who reported some form of self-employment and who state they also worked for wages were 8.6 times more likely to be giving cash to individuals than individuals who reported that they were not working ($p<.001$). Owning assets abroad and ownership of a home in the United States were not significant in the globalization model but may a reflection of the small number of respondents claiming ownership. One hundred and forty-six givers (10%) stated that they possessed assets outside the United States while less than 1% (n=13) stated that owned a home in the United States. For the defined population, English proficiency was not significant.

The full model had a superior fit to both the demographic and globalization models. In a model to model comparison using a likelihood ratio test, the full model to demographic model comparison yields a p-value of less than .001 allowing me to conclude that adding the independent globalization variables significantly improves the predictive power of the model. The same is true in a full model to globalization model comparison, thus, suggesting that the integration of globalization and demographic variables will allow a better understanding of giving behavior.

The full model is significant at the $p<.001$ level according to the model chi-square statistic and has a McFadden pseudo R^2 of .15. Males are 19% less likely to give than females ($p<.05$). In the full model, age, marital status, and educational attainment were not significant. Respondents reporting close relatives living outside the United States were more likely to be remitting ($p<.001$). Individuals who reported a spouse living abroad were 2,3 times more likely to give than those whose spouse resided in the United States ($p<.001$). Respondents with at least one child abroad were 2.6 times more likely to give than individuals whose children resided in the United States ($p<.001$) while respondents with at least one parent abroad were 64% more likely to give than individuals with no parent abroad ($p<.001$). The length of time spent in the United States was significant in the full model and for each year residing in the United States, givers were 4% more likely to give ($p<.001$). Once again, income categories and refugee status were not significant in the full model. Givers originating in MDCs were 23% less likely to give than individuals originating in LDCs ($p<.01$) while givers originating in HDCs were 41% less likely to give than those originating in LDCs ($p<.001$). Respondents making one or more international trips were 18% more likely to give with each additional trip outside the United States border ($p<.001$). Class of worker remained significant ($p<.001$). Respondents who were self employed were 4.2 times more likely to give than individuals with no employment ($p<.001$) while individuals who worked for wages were approximately six times more likely to give than unemployed individuals ($p<.001$). Respondents who reported some form of self-employment and who state they also worked for wages were 8.2 times more likely to be sending cash to individuals than individuals who reported that they were not working ($p<.001$). Assets abroad, US home ownership, and English proficiency were not significant in the full model.

It must be noted that in the full model some regression coefficients increase with the combination of demographic and globalization variables. For example, coefficients for children and parents abroad increased from the demographic model to the full model as well as development level of country of origin. As this suggested an interaction effect most likely between location of parents and LDCs, I tested for differences in parents located in LDCs versus parents not located abroad and found no significant interaction. I tested several other logical interactions but was, likewise, unable to establish a significant interaction effect. From this, I can only conclude that some results in the full model may indicate a suppressor effect that is being created by unexplained homogeneity that cannot be explained with these data. I reiterate, however, that the importance of the analysis is that the models give an expanded appreciation for the factors that may inform the propensity to remit. Although the fluctuations in the coefficients cannot be explained, they are minimal and perhaps not significant.

The results of this analysis of this sample of givers reinforce the complexity of remittance decisions and the variations in factors that may influence immigrants to send of monies to other individuals. The importance of having close relatives residing outside the United States is reinforced by the increased likelihood of sending monies and although, the income categories were not significant the results suggests that the amount earned is not as important as the ability to earn. While self-employment and working for wages are significant ($p<.001$), the fact that remitters who seek some sort of wage job in addition to self employment are nine times more likely to remit than the unemployed supports the need to examine type of employment as well as job categories (Brown and Connell 2006).

Previous scholars have treated all individuals who participated in financial transfers as individual who were engaging in remittance behavior (DeVortez and Vadean 2006). The analyses of the remitter population (see Chapter 8 for discussion of *remitters*) and the giver population suggests that this practice may be appropriate. Significant and non-significant variables were very similar for both populations suggesting that givers are actually sending money to persons abroad. However, caution in generalizing and interpretation must be used as slight differences do exist.

The results, also, reflect the difficulties that occur when using secondary data. The NIS, however, does offer the opportunity to work with a large cross section of the US immigrant population and the establishment of a more holistic and globalized approach to study immigrant behavior rather than the specific behavior of individual nationalities or ethnic groups. The likelihood ratio test reinforces the suggestion that adding globalization variables to remittance models will enhance our understanding and a limited number of significant variables attest to the fit of the models. Also, due to the small sample size, variables identified as significant are important to understanding the remittance behavior of US immigrants.

Appendix D Dollars Given

Table 15 replicates the findings presented in Chapter 9 using a sub-sample of all respondents who reported sending cash to friends and family, regardless of where these people reside.

The demographic model is not significant and has no significant variables. However, the global model proves to be significant at the $p<.001$ level according to the model chi-square statistic. Respondents who originated in MDCs gave 53% more than those originating in LDCs ($p<.001$) while respondents originating in HDCs gave 71% more than those originating in LDCs ($p<.001$). Individuals working for wages gave 28% more than individuals who did not work ($p<.05$). Respondents reporting that they spoke English very well gave 85% more than those who reported speaking no English ($p<.001$) and respondents reporting that they spoke English well gave 64% more than those who spoke no English ($p<.001$).

The full model is significant at the $p<.001$ level according to the model chi-square statistic. Respondents who reported having a parent abroad gave 41% more than those who reported not having a parent abroad ($p<.01$). Respondents originating from MDCs gave 57% more than those originating in LDCs ($p<.001$) while respondents originating from HDCs gave 78% more than those who originated in LDCs ($p<.001$). Wage earners who worked for others gave 33% more than those who did not work ($p<.05$). Respondents who reported that they spoke English very well gave 78% more than those who spoke no English ($p<.001$) while respondents who reported that they spoke English well gave 64% more than those who did not speak English $p<.001$).

The demographic model does little to explain variances in the dollar amount remitted by U.S. immigrants but the globalization model provides insights as to may send more. The more holistic approach using the combination of predictors expands the characteristics that one might observe when trying to determine which immigrants might send greater amounts over time. The full model suggests that immigrants who have gained a degree of economic stability through assimilation as represented by proficiency in English and home ownership are more likely to be sending greater amounts. This fact may also be reflected that these immigrants arrive from MDCs and HDCs. However, the fact that the respondent has a parent or child who does not reside in the United States increases the dollar amount that they are likely to give.

Appendix E The New Immigrant Survey and Associated Problems

The NIS

The New Immigrant Survey (NIS) is the first attempt at a national survey of legal immigrants in the United States, and it represents an effort to fill the gap between existing data and informational needs concerning immigrants (NIS 2003). The ultimate purpose of the NIS is the creation of a public use database containing both pre- and post-immigration information. The longitudinal study represents a collaborative effort by RAND, Princeton University, New York University and Yale University and was financially supported by the National Institute of Child Health and Human Development, The national Institute on Aging, and the Office of Behavioral and Social Science Research. Additional support was provided by the National Science Foundation, The United States Citizenship and Immigration Service, the Office of the Assistant secretary for Planning and Evaluation, and the Pew Charitable Trusts. Research design was tested in a 1996 pilot survey (NIS-P). Principal Investigators (PIs) were supplied lists of immigrants recently admitted to legal permanent residence (LPR) by the United States Office of Citizenship and Immigration (USCIS) and the Office of Immigration Statistics (OIS). Respondents are adult immigrants 18 and older who were admitted to LPR during recently defined periods and who have visas as principals or as accompanying spouses. Principals are defined as immigrants that the United States grants visas because they have met the eligibility criteria set forth for various classes of admission.

The first full wave (NIS-2003) randomly sampled immigrants who received LPR between May and November 2003. Respondents were interviewed the final five months of FY 2003 and the first two months of FY 2004 (NIS). The original sample included 12,500 individuals. A target response was set at 70% or 8,750 respondents and in March 2005, a decision was made to use the 8,573 (68.6%) completed surveys. Respondents represented four strata: spouses of United States citizens, employment principals, diversity principals, and other immigrants. The sample includes both “new-arrival” immigrants who arrive in the United States with documents obtained abroad and “adjustee” immigrants who were already in the United States with a temporary nonimmigrant visa (NIS 2003). Most “adjustees” are immigrants who spent at least some time in the United States as unauthorized immigrants.

The sampling area includes the largest 85 Metropolitan Statistical Areas (MSAs), and respondents include those from the top 38 counties. Massey (NIS 2005) indicates that immigrants demonstrate substantial geographic clustering as demonstrated by the fact that 89% of immigrants lived in the largest MSAs and 4-5% lived in the 38 top counties. The NIS also includes a randomly selected sample of immigrants living in an additional 10 MSAs and 15 county pairs. One percent of immigrants lived abroad but these were excluded due to difficulties in confirming addresses. Immigrants who had requested legal documentation or “green cards” be mailed to them were randomly selected for the survey. The sampling technique was as follows:

1) The OIS prepared electronic files and sent them to PIs.
2) PIs selected and adult sample using a random-number statistical routine.
3) PIs sent the sample to the survey organization: National opinion Research Center (NORC)

Surveys were prepared in seven major languages with key concepts prepared in an additional seven languages. Interviews were conducted as soon as possible to insure correct addresses. Sixty percent of the interviews were made by phone and conducted in the respondent's language of choice. The remaining interviews were conducted face-to-face.

The study established demographic background, health measures, pre-immigration history, family connections and structure, the use of transfers (financial assistance), and economic history including assets abroad and in the United Stated. Data was collected using various questionnaires and store in numerous individual files. The data provided by the NIS allow an examination of transfer behavior among the national immigrant population. At the same time, the sample limits the ability to generalize beyond a single cohort of legal permanent residents to the United States. Also, refugee status was derived from United States Citizenship and Immigration Services (USCIS) data. Therefore, I was only able to classify immigrants as refugees if they were awarded formal status by the courts. Individuals who were forced migrants whose application for asylum were denied were excluded. Despite this limitation, the NIS offers the first access to vital information concerning immigrant capital flows or remittances. However, the NIS provides a number of challenges and is not without problems.

Data Problems

Location of relatives and friend

Remittances are defined as monies and goods sent to friends and relatives residing in the immigrant's country of origin and originating from the immigrant's country of destination. The NIS asked a series of questions regarding the transfer of cash to several categories of individuals including but not limited to spouse, child, mother, father, step-parent, in-laws, siblings, and spouse's siblings (see Appendix B). Although general “transfers” by immigrants have been used to represent remittance behavior (DeVortez and Vadean 2005), a true reflection of cash remittances requires knowing the location of the receiver. It is at this point the NIS becomes problematic. Transferees and receivers as well as amounts transferred are recorded in transfers (file I and I-ppp) while location of relatives is located in demographic (file A). Unfortunately, the demographic file established the location of spouse, children, and parents and provides no other information concerning siblings or in-laws. The failure to obtain this information limits the ability to identify all individuals who engage in transfer behavior as remitters. As a result, only transfers given to spouses, children, or parents who are located outside the United States may be used as remittances. This eliminated a number of individuals whose location cannot be established and required a separate analysis of transferees and remitters.

Income

Income may be derived various sources and the NIS attempts to exhaust known sources of income through numerous questions located in multiple files. Income questions are located in income (files G and G-ppp), pre-immigration history (files B and B-ppp), and assets (files H and H-ppp). However, no question occurs that establishes the gross or net income of the respondent during the last twelve months. While a twelve month income figure might be established, it would involve an extremely complicated process involving an undeterminable number of lines of code. Due to the complicated process involved in determining overall income and the relevance of earnings related to the ability to secure economic stability, a simpler process of determining an “earned income” was employed. Earned income can be determined by using the income file (G and G-ppp). However, this limitation fails to capture the use of other income sources such as interest on savings, pensions, or earnings on investments.

Rural versus Urban

Socialization can often vary depending on the environment in which it takes place. Transfers from rural immigrants have significant impact in their community of origin (Gupta et al 2007, CBO 2005, Vanwey 2004). Therefore, the remittance behavior of immigrants originating from a rural background may be different from immigrants originating from an urban background. The NIS asked respondents if they lived in a rural area at the age of ten. This information is located in the demographic (A file). However, there is no apparent follow-up in the demographic file (A) or in any other file that would allow for the determination of the respondent's moving to an urban area after age ten or for the confirmation that they remained in a rural area until they migrated. The ability to generalize about rural significance can be severely limited due to this lack of information.

In-kind transfers

Two limitations exist in the transfer of goods questions (see Appendix B). Transfer of goods is limited to relatives and friends and excludes spouses, parents, and children. As mentioned earlier, spouses, children, and parents are the people who can be positively identified as living outside the United States. Therefore, the precedent of using transfers to represent remittance behavior must be employed when analyzing in-kind remittance behavior. Also, spouses, children, and parents represent the main receivers of remittances. The second limitation involves the use specific goods to determine transfer of goods. Using a limited number of specific goods automatically excludes a number of other possibilities that might represent in-kind transfers.

Despite these limitations, the NIS offers the opportunity to examine transfer and remittance behavior among U.S. immigrants.

Vita

Randall Adams was born in Tampa, Florida on November 29, 1952. He graduated from Franklin High School in 1970 and subsequently attended Middle Tennessee State University for his undergraduate education. He graduated from MTSU in 1975 with a Bachelor of Science degree in Sociology. He spent the next 27 years working for the Kroger Company in various positions. In 2003, he returned to MTSU to earn a Master of Arts in 2004. After completion of his M.A., he took a position at Tennessee Tech University as an Instructor of Sociology and in 2005, he began work on his Ph.D. His Doctor of Philosophy degree in Sociology from the University of Tennessee was earned in 2008.