

Remittance Behaviors of International Migrants in Comparative Perspective: Evidence from Rural China

Abstract

Extant studies on remittance behaviors have mostly focused on village economic contexts in the migration origin country and a single pathway of remittances from one destination country to communities in the origins. In this paper, we compare two pathways of remittances from the United States and Europe to two regions in China's Fujian Province. Using data from a 2002-2003 survey on international migration from Fujian Province, we show that the propensity to remit was only responsive to household economic disadvantages in the underdeveloped Mingxi region, and substantial larger amount was received by households in Fuzhou, where longer emigration history and unique local norms were practiced to stimulate remittances. In addition, while policy contexts at both origin and destinations and local norms all helped to pattern the usage of remittances, local positional power only seemed to respond to the forces of local culture in directing them into public projects in Fuzhou.

With a rapid growth of international migration from China since the economic reform in the late 1970s, the volume of remittances those Chinese migrants sent back to China have increased drastically for the past few decades. It was estimated that since 2003, China has ranked top three among all remittance receiving countries (World Bank 2011). For the past few decades, followed by a broader presence of Chinese migrants in different parts of the world (Liang 2001, Cheng 2007, Lu et al. 2013) is a diversification of remitting pathways to China, with two of the most salient being the U.S.-China and Europe-China pathways. In 2010, a number of \$10.6 billion were sent from the U.S. to China (World Bank 2012); and remittances flows from Italy to China, amongst hundreds of possible remittance corridors from EU countries to other countries, accounted for the largest during 2008-2010, with the amount around 1.8 billion euro in 2010 (Eurostat 2012). By investigating the social processes behind the two pathways of remittances sent to rural China, from United States and Europe, this study examines how the origin context combines with the broad receiving context to shape the decisions to remit and amount of money to remit on the part of international migrants, as well as the usage patterns of remittances by migrant households remained in rural China.

This main research question is approached by investigating four dimensions of community contexts from migrant origins: economic, historical, cultural and micropolitical contexts how they possibly interact with household contexts, as well as policy context in the U.S. and Europe countries, and the ways in which they might play a differentiated role in the whole lifespan of remittances – whether they were sent, the amount they were sent and the ways they were used. We first examine how economic context in the community, intertwined with household characteristics play a role in determining migrants' decision to repatriate financially.

Second, we assess the ways in which other contextual factors lying on both the sending and receiving sides of international migration would influence the amount of remittances. Third, we investigate the ways in which political context in rural China, the remittance receiving end, shape the spending patterns of remittances. Of particular interest is the role of political capitals, obtained by being local cadres, in directing and channeling the flow of remittance expenses.

Studies on the social processes of migration have gained large progress in terms of their examination of various aspects of *community contexts* both empirically and theoretically. For example, cumulative causation theory hinges on cross-community historical and social contexts and over the years it was broadly buttressed and refined by studies across different contexts. By contrast, compared to the large volume of literature and substantial theoretical development on all the different community analysis in examining the migration process, studies on remittances remained to be rather household- or individual- centric. The handful analyses at community level was mainly restricted to the economic dimension –be it micro local economic levels, agricultural contexts and economic infrastructure, –or macro financial contexts, such as real interest rate, rate of peso devaluation and inflation (Durand et al. 1996). Remitting behaviors and usage patterns were potentially assumed to follow certain path along the economic line – the experiences of remittances were determined jointly by the economic status of the migrants as well as the micro-macro- economic conditions of the migrant sending communities.

We instead argue that remitting behaviors and spending patterns is a series of social processes – other contextual dimensions, such as political, cultural or historical contexts, as well as migration destination contexts also greatly moderate the whole experiences of remittances, from the hands of international migrants to the hands of their families back in their home countries. Thus comparative cross-setting studies are needed given the multi-dimensionality of

this issue. By investigating two remittance pathways, comparing two clusters of migrant sending communities with an array of disparate community contexts as well as destination contexts, we address the differentiated roles of various contexts in shaping the social processes of sending, receiving and using remittances during the process of international migration. This study provides one of the first efforts to compare different pathways and experiences of remittances embedded in disparate contexts of giving and receiving. Similarities found across contexts may lend support or facilitate formation of theories explicating the fundamental processes beneath the inter-regional finance transfer. Differences across contexts allow for identification of specific situations under which remitting behaviors differ and patterns of spending vary. Moreover, as a crucial part of influences brought about by international migration, the receiving and using of remittances not only reflects certain social dynamics underpinning the migration process, but also carries significant implications as to community ,regional or national development. Hence a comparative study of remittances from their onset to them blending into the market of the origin country is able to link various macro- and micro political social contexts both in the origin and destination of migration process.

Data used in this study was conducted in two regions in Fujian Province, China between years 2002-2003. Data collection adopted the ethnosurvey approach used in the Mexican Migration Project (MMP) with certain adaptations into Chinese contexts, such as collection of information on local cadres in locality (Liang et al. 2008). Fujian Province was used as the research site because it has been one of the most important migrant sending provinces in China and bears diverse local institutions and culture that brew disparate streams of international migrants (Lu et al. 2013). Two main pathways of international migration feature this area: one involves emigrants who stream to the United States clandestinely, and the other is characterized

by emigrants involving in a legal international migration trip to the less distant Europe. Comparative research on these two streams of migration processes as contextualized in both origin and destination places was systematically conducted in this area, and yielded fruitful perspectives on the dynamics of migration processes for the two migration streams from a comparative view (Lu et al. 2013). This study aims to contribute to this comparative literature by examining remittance experiences for these two streams of migrants and look more closely into the various forms of impacts of remittances on those communities and how different social processes conditions these forms of impacts.

Contexts and pathways of two streams of international migration in comparison

We first introduce the two pathways of international migration originated from China, primarily from the two areas in Fujian Province, Fuzhou and Mingxi, and their respective contexts. International migration from China to the United States and Europe could trace back to the gold rush and colonial expansion ages respectively (Poston and Hua 2007, Alexander 1973). After a pause between the 1949 Revolution and the ensuing three decades of planned economy in China, new waves of international migration from China began to surge immediately in an unprecedented scale following the economic reform and Open Door Policy in late 1970s. Given its location in southeast coastal areas and memories of international migration in some of its areas, Fujian Province quickly rise as one of the top migrant sending areas to other parts of the world (Liang 2001). Presents of Fujianese immigrants are quite visible in the United States as the booming of Chinese restaurants were largely attributed to migrants from rural areas in Fujian; the Europe-bound migrants from this area also quickly gained its prominence in small manufacturing businesses since the 1980s, majorly in Italy and Hungary. Given the limited quantity of research on international migration from China compared to other large emigrant sending countries (eg.

Mexico), studies on these two streams of international migrants from rural Fujian are relatively well documented (eg. Chin 1999, Pieke et al. 2004, Li 2005, Keefe 2009, Lu et al. 2013). The two streams of international migration in Fujian can be largely demonstrated by the US-bound migrants from Fuzhou and Europe-bound migrants from Mingxi. In their analyses on comparisons of two migration processes originated from the two areas, Lu et al. (2013) provide a systematic and historical picture of international migration and the various local contexts lied in Fuzhou and Mingxi. For the disparate ways that different contexts might operate in migration processes and remittance processes respectively, we organize multiple aspects these contexts as they might be essential for our analytical purposes.

Local economic contexts for Fuzhou and Mingxi

Located at east coast of Fujian Province, the Fuzhou region is one of the most developed regions in the province. As they began to leave the traditional fishing and farming industry, the rural villagers are engaging in small businesses such as internet café or construction industries. By contrast, located inland and a more mountainous area (Figure 1), Mingxi is relatively underdeveloped economically in the 1990s and 2000s. Hand in hand with differences in economic levels between the two towns is a changed lifestyle in rural Fuzhou with a larger number living in newly-built luxury houses, while a certain part of Mingxi people remained a rather traditional rural living styles in the till the 2000s.

Migration histories and selectivity in migration processes

Besides the basic economic developments these regions underwent, differences also lie in migration histories and selectivity of migration processes originated from the two regions. Fuzhou region is known to send international migrants since Ming Dynasty hundreds of years

ago, and also serves as a pioneer in the resurgence of migration wave since the economic reform in the late 1970s. Figure 2 and Figure 3 compare the number and rate of emigration from Fuzhou and Mingxi by year in the sample. According to Lu et al. (2013), there are three stages of migration in this region since the late 1970s: the first is linked with legal family reunions with families already overseas decades ago; the mid-1980s to the mid-1990s witnessed a rapid increase of irregular migration to the United States for villagers with little connections overseas, stimulated by previous migration flows and fortune accumulation of migration-associated households, and smuggling enterprises were set up and become high profitable (Chin 1999); and during the third stage, Chinese government stepped in to contain the volume of illegal migration for out-migration and barriers to emigration was exceptionally high. Given that most of migration occurred during the latter two stages in this region, a larger number of emigrants were undocumented in nature. On the other hand, emigration from Mingxi started at the end of the 1980s and quickly gained momentum since then. By the early 2000s, approximately one tenth of the Mingxi population had emigrated. Such a rapid increase in emigration in this region is largely due to the favorable political context toward migration –unlike emigration from Fuzhou, ways of emigration in this area were mostly legal and channeled through labor export. Once landed in the new country, immigrants to these European countries most probably overstay their visa and fall back to undocumented status; the first step of landing in their European destination, however, is mostly legal and legitimate. Walking within the legal line, local governments in Mingxi took a proactive approach and provide services to facilitate emigration, including efforts to simplify paper work and offer consultations on job opportunities or even language support (Li 2005).

The difficulties encountered by the US-bound migration from Fuzhou were further aggregated by the extended length of trip and stunning migration fees for emigration from

Fuzhou¹. Therefore, emigration from Fuzhou region has become more selective on an arrange of capitals, such as human, social and political capitals. The selectivity on those capitals were reflected as that Fuzhou-US emigrants were more selected on educational attainment, family networks, and the help provided by a possible cadre member in the household becoming more important than their Mingxi-Europe migrants. The prominent role of political capitals are particularly interesting in that it not only facilitated cadre related individuals to migrate more easily, it also lowered migration fees for potential migrants related with local cadres (Lu et al. 2013). How, then, is the experiences of remittances be moderated by the persisting presence of local capitals in this area is yet to be explored.

Immigrant policies in remittance sending countries

An important contextual factor on remitting behaviors of international migrants lies on immigrant policies in immigration destination countries, or remittance originating countries. Immigration policies in the United States are relatively strict compared to their European counterparts in general at least by the 2000s. Quota is set up for each national origin except family reunification in the U.S., and amnesty is rarely granted. Since the late 1970s which marked a start of massive migration to the US from Fuzhou, only in 1986 the Reagan administration put forward an amnesty for undocumented immigrants. On the contrary, multiple amnesties were offered by the European Union (EU) countries during late 1980s and 2000s. In Italy, for example, where the majority of the Mingxi-Europe migrants tend to reside, amnesties were put into action in 1986, 1990 and 1995; a similar story happened in Spain in 1986, 1999 and 2000. The lack of natural barriers across countries in Europe and the integration of the EU

¹ Migration fees have increased from around \$18,000 in the 1980s to \$35,000 in the 1990s, and reached as high as \$70,000 in the 2010s (Keefe 2009).

further facilitated immigrants to obtain legal permanent status in these countries. Combined with the relatively short distance from Europe to China, it enabled a certain number of Europe-bound emigrants with foreign residency or citizenship to come back and forth between their home country and destination countries, whereas their US counterparts still struggled for legal status.

Government orientations and cultural influences in remittance receiving regions

Being a traditional *qiaoxiang* (*hometown of emigrants*), where history of emigration is long and magnitude of emigration is significant, rural Fuzhou also has other physical presences that distinguished itself from other towns that emigration is low or just initiated. Besides luxury houses built along cemented roads, a set of public infrastructure are eye catching – schools, cultural centers, senior recreational centers were built up with inscriptions of donors' names and the sum they have contributed. With their names inscribed, the social status of the donors, usually emigrants, and their family members will be elevated in the locality (Liang et al. 2008). It is even a common practice in rural Fuzhou that the project initiator, being local government or private party, would resort to international migrants and their family members remained in the community for financial contribution, while name inscriptions are promised either on the façade or by the side of such construction. This cultural practice, encouraged by local government, may help to stimulate a larger amount of remittances and direct to public use. On the other hand, Mingxi, with a shorter history and a pressing economic development prospect, not only those symbolic practices were not seen in general, but local government has been striving to stimulate business investment from overseas (Li 2003). Given disparate culture and differentiated efforts from the part of government on channeling the expenses of remittances, in what ways the spending patterns of Fuzhou and Mingxi emigrant households respond to these contexts and institutional efforts are essential issues to address.

Research hypotheses

Our comparison of contexts lying in the exit and receiving sides of remittances from those Fujianese international migrants suggests that distinct contexts at both sides might engender disparate experiences of remittances, from the probability to remit, to the amount of remittances, and the ways remittances were spent in the host community. First of all, economic standards of families are closely associated with remitting behaviors of migrants. Household economic status is nested within a broader community conditions, and we argue that to what extent remittance is sensitive to household economic status is not only determined by household economic status solely, but also the joint levels of living standards on the part of the household and the broader community as a whole. In other words, given that living standards in Fuzhou communities are prominently higher than their counterparts in Mingxi, we would expect differentiated remitting behaviors from the two streams of migrants as to their household financial status as well as the households' position in the community. And yet we argue that this difference in the responsiveness of remittance behaviors brought about by differentials in basic financial needs are reflected on the propensity to remit, rather than an marginal per capita increase in remittance levels. Thus we derived our first hypothesis:

H1: The probability of remitting for Mingxi-Europe migrants is more sensitive to household economic demands and relative financial positions in the local community than their Fuzhou-US counterparts.

We argue that while improving a lower living standard is still a pressing need for migrant households, the propensity to repatriate financially will be driven by this immediate economic needs of family members. At the same time, as improved living standard is quite visible (eg. new

houses built) in a financially deprived community, the decision to remit is thus more responsive to the monetary demands of those who were even economically disadvantaged in those communities than their counterparts in a relatively wealthy community. Emigration related households were asked whether they received remittances the year before the survey time, and if so, how much they have received the year before. The economic burden of an individual household is measured by its dependency ratio, while its relative economic rank is captured by whether household income is above village median in 2001.

While the amount of remittances received by migrant households can be conditioned by a wide spectrum of contextual factors, we argue that historical and cultural differences may play a major role in creating the differences in the volume of remittances by the two streams of international migrants. Fuzhou has been a famous *Qiaoxiang* for hundreds of years and has established a common practice, or a culture of praising and glorifying remittances contributors in public demonstration, usually in the form of name inscriptions on the constructions which emigrants contributed to. Stimulated by the expectations of raising family names, international migrants might be encouraged to send back a larger amount of money and input some of it on a wide range of public projects being constructed, such as public schools, village entrance gates etc. Moreover, the ensuing change of life styles brought about by longer history of emigration and receiving remittances might initiate heavier demands as to the sum of remittances they expect to receive in Fuzhou. While still largely remained in a traditional rural lifestyle, the Mingxi households may be relatively easily content with an amount at a relatively lower level. These differentials in remittance amount for the two towns might be further perpetuated by homogenizing the volume of remittances within a community in the form of emigration related

households adapting a similar reference frame with those surrounding themselves in the community. Thus we developed our second hypothesis:

H2: US-bound emigrants from Fuzhou sent substantially larger sum back home than the Europe-bound emigrants from Mingxi.

Given a distinctive orientation in local policy toward guiding households' remittance spending, we argue that policy contexts play a role in channeling these remittances for the two towns. The cultural and policy emphasis on contributing to public project in Fuzhou would predict a significantly higher percentage devoting to local infrastructure than the Mingxi households. An exploratory tabulation further revealed that there was no households in Mingxi who ever contributed to local public project, which is coherent with our prediction. On the other side, we would also predict that Mingxi households were more likely to contribute money to business than their Fuzhou counterparts due to much effort from Mingxi government. In addition, the policy context in destination countries might also play a role – in Europe where frequent amnesties were given in the 1980s and 1990s, immigrants were able to legalize quickly and travel back and forth between China and destination countries. To the extent that small businesses were what most Europe-bound emigrants engage in their destinations, this freedom of individual agent enabled transnational ties, especially business ties to build up in a timely manner; and it also allowed legalized migrants to attend business themselves by tapping into the market caveat that they learned after migration from an international horizon, in the region or origin or even other regions of China.

H3: Emigrant related households from Mingxi were more likely to spend remittances on business.

Lastly, political capital, or positional power were extensively discussed and confirmed in terms of its persisting power in various social settings. In the realm of international migration, studies in Fuzhou showed that positional power still existed and reflected in at least two ways – individuals from households with village cadres are more likely to embark on an international trip; and if they do, they are likely to pay reduced fees to get to the destinations (Liang et al. 2008, Lu et al. 2013). However, when Fuzhou-US and Mingxi-Europe migration streams are in comparison, this advantage is only salient for the former, as political capitals were most needed in order to circumvent institutional barriers which is only prominent in the context of rural Fuzhou.

With respect to political capital as it is contextualized in remittance behaviors, we expect that, to gain better political records, the spending patterns in migrant households with cadres are more responsive to political slogans and directions of local governments. Specifically,

H4.1. migrant households with cadres in Mingxi are more likely to invest remittances on businesses than other households in the region;

H4.2 migrant households with cadres in Fuzhou are more likely to contribute remittances on local public projects than other households in the region.

As for H4.2, we have more rationale and reasons, other than extending political capital for cadres themselves, to expect that political capital in rural Fuzhou plays a crucial role in directing remittances to local infrastructure. First of all, as it has been demonstrated and glorified publically and historically instituted in local practice in Fuzhou, contributing remittances to local public projects provides a way through which individual and household's social standings in the community can be safely elevated. As to cadres, not only household social status, but their

political legitimacy would be further strengthened and widely recognized within the community if names of their families appear in newly built constructions. Second, to the extent that they also control a large amount of social capitals – a close connection with the main players in communities, political elites might be more pressured to donate and among the first to know such information when opportunities of constructing new projects arise. Third, either out of self-selection or as a result of working for the community over a period of time, local cadres are usually individuals who are more willing to identify with the community and maintain a certain sense of responsibility for the community as a whole. Such sentiment might also serve to propel them to contribute remittance money to local projects. Eventually, those cadre-related households might be at a better financial position than others after emigration of their family members, given the reduced sum of migration fees these households had to pay for smugglers. This way cadre related households were somehow unleashed from the mounted financial burden of paying back migration fees, leaving them more leeway to diversify their remittance spending.

Data and Methods

The data used in this study were collected by the same group of people with the same method. Between 2002 and early 2003, the survey was carried out in rural Fuzhou region, as well as Mingxi County (Liang et al. 2008). The survey design followed the ethnosurvey method for the Mexican Migration Project (MMP) and Latin America Migration Project (LAMP). Standard questionnaires were used in the survey and probability sampling procedure was adopted. Besides collecting information on household and migration characteristics, the survey was also modified to adapt the Chinese context – for example, whether being a cadre in the community was asked in the household survey. With regard to remittance information, questions were asked whether household members have ever received remittances, whether received remittances the year prior

to the survey, the amount received overall and the year prior, and where they mainly used their remittances in general. Options for their spending patterns include: paying for family's living, paying off emigration cost, supporting the elderly, building or purchasing housing, helping to raise children born overseas but sent back to China, supporting local education and other public projects, building ancestry grave, doing business, and other purposes.

Household economic status and its financial position in community were measured by household dependency ratio and whether household income was above village median in 2001. Given that annual household income was a sensitive issue for households in this region in general, there was about 50 percent of missing values for income in 2001. Nevertheless, annual household income at years 1990 and 1995 were also asked and the percentages of missing values were quite low. We thus performed multiple imputation based on the following characteristics: household income in 1990 and 1995, total family expenses, home ownership as well as whether has a cadre in the family, assuming missing at random. Household's political capitals were assessed by whether has a cadre or former in the household. Properties of emigrant individuals, such as age, years of education, duration of stay in destinations, emigration cost and income after emigration were averaged within the household as remittances were measured at household level. Number of emigrants in the household is therefore controlled to adjust for possible cross level errors.

Multivariate logit regressions will be firstly performed to predict probability of sending remittances for the overall emigrants the year prior to the survey, the Fuzhou-US emigrants and Mingxi-Europe emigrants respectively. Tobit models with a lower limit of zero will be employed to assess the amount of remittances each migrant household received the year prior for the overall group and the two separate streams of migration. Eventually logit regressions will be

used to predict remittances spent on business and public projects for the three groups respectively. In all of the above models, destination characteristics indicating stream of international migration (Fuzhou-US=1) was incorporated for the aggregated group. In order to obtain a better predicting power for remittance usage patterns, cumulative amount of remittances each household received was also included, assuming that the total amount of remittances plays a role in channeling remittance spending patterns.

Results

Table 1 compares the two streams of international migration from Fujian by remitting status (remitted the year prior to the survey, and not remitted). Consistent with findings from previous literature, emigration fee in Fuzhou-US migration exceeds the other group by over ten folds. Annual household income was 1.5 to 2 times higher for households in Fuzhou than households in Mingxi, signaling the differentials in local economic development. Fuzhou households in general received a much larger sum of remittances as well given longer history of migration and possible larger remittances per year. For both migration streams, the number of those who remitted well surpassed that of those who did not. Not surprisingly, the non-remitters in general stayed shorter period of time, make less money in destination, and with less familial economic burdens. Figure 4 further depicts the two streams of international migrants as to their probability repatriation by duration of stay overseas. For both groups their propensity to remit increases as their time of stay extended. Due to a shorter history of international migration in Mingxi, only 3 cases fall into the 9+ years category and 1 of them remitted the year prior so this part of the line was painted grey, as the handful cases should not dominate the whole trend. Similar story occurred in Figure 5, as will be explained later, the one case who has stayed overseas over 9 years was an outlier.

To further examine migrants' decision to repatriate financially as is contextualized in different circumstances, multivariate logit regressions were modeled for the overall migration group, the Fuzhou-US migrants and Mingxi-Europe migrants (table 2). For the overall population, higher dependency in the family and lower economic standing in the village (though marginally) is associated with higher propensity for migrants to remit. These two economic indicators, further, is mostly driven by the Mingxi migrant households, whereas the two factors are not statistically significant in Fuzhou. This finding confirms our first hypothesis that the decision to remit by migrants from communities with lower economic conditions is more sensitive to particular disadvantaged household economic standings. With limited economic resources, immediate household financial needs become a prominent factor to take into account in the calculation of the migrants when it comes to the decision to repatriate money or not.

The trends of remittance amount sent by emigrants from the two regions over the years are plotted in Figure 5. The steep surge for Fuzhou-US migrants in the first couple of years is due to the stunning smuggling fee that emigrants from Fuzhou have to pay back the first few years after they landed in the US. The ensuing trends for the two groups, however, take diverse directions – a longer time spent in Europe for immigrants originated from Mingxi is associated with larger amount of remittances, whereas staying extended time for Fuzhou-US migrants means a declined volume of remittances. It is also worth noting that, however, given the diverged trends for these remitting amounts, the remittances Europe-bound migrants sent sit at a lower level than their US-bound counterparts, even at the higher end of the staying period (an outlier indicating one migrant from Mingxi was shown in grey).

Consistent with our second hypothesis, as shown in table 4 in predicting amount of remittances, net of other factors, Fuzhou emigrants sent a surplus of 3760 dollars per household

compared to their Mingxi counterparts. We suspect that this could be due to a changed consumptuous lifestyle in rural Fuzhou accompanied with long history of emigration, and the set of informal structure and practices that encourage large remittances. It is also worth noting that in Fuzhou where large sums of money were paid to smuggling heads, the volume of remittances were significantly associated with emigration fees, while it hardly seems to be the case for the Mingxi emigrants who entered the foreign border with legitimate papers and much lower cost.

Appendix A and B show the remittance spending patterns by households overall and over the years in Fuzhou and Mingxi respectively. In general, about 2.42% remittances were spent on businesses for households in Fuzhou, and in Mingxi the percentage is 4.95%. Table 4 demonstrates a few factors associated with the probability of spending remittances on business. It seems that even after controlling for probability of doing businesses, Mingxi households still appeared to be more interested and active in investing remittances in business. This finding is consistent with our third hypothesis, which underscores the role of local policy context in channeling the usage of remittances, a decision made by individual households.

With regard to the role of political capitals in diverging cadre-related households' usage patterns from other households, the results are quite mixed. On the one hand, in Mingxi, despite of intensive local political slogans to draw remittances into business and the ensuing appeals for local cadres to polish their political record by complying, migrant households with cadres did not seem to have an increased probability to invest the sum they received overseas on business, which fails to confirm Hypothesis 3.1. The hesitation to invest into business in a more ambitious way for the cadre related households, as has been predicted, could be derived from the concern that direct and guaranteed profit are not particularly expected economically; or the expectations of what they would have obtained by investing in business, either economically or politically, are

not forceful enough to lead to behavioral changes as shown in remittance spending behaviors. Of particular interest to us is the resistance to governmental influences from local elite families, as reflected in a similar propensity to devote remittances to places where local government strives to attract to – business.

On the other hand, as shown in table 5, having a cadre in a household is associated with an increased odd of devoting remittances to local public projects by 48-percent ($\exp(0.3945)-1$) in the area of Fuzhou. Local political elites in Fuzhou appeared to be more responsive to politic orientations in terms of directing remittances they received heavily on public projects as the government had desired. Rather than asserting that political capitals work better in the context of Fuzhou than in Mingxi, we instead stress the importance of the role that local culture and informal institutions played, a structure that communities in Fuzhou possessed but Mingxi communities lack of in attracting remittances in ways that the governments had hoped for. In rural Fuzhou, not only households' social standings will be promoted by contributing to local infrastructure and have names prescribed onto those buildings, but local political elites' political legitimacy can be further strengthened as well, by way of complying with this culturally sustaining practice. As opportunities arise for building a public project, all the main players in the community were mobilized with the expectations that community appraisal was initiated in the form of name inscriptions, as practiced for hundreds of years in those communities. Thus, pressures were also on local elite families to contribute. This way, political capitals were sustained and developed through the practice of a widely accepted and recognized community event. The reduced migration fee cadre-related families had to pay further endowed them a larger financial resources needed. Therefore, we argue that political capitals were only mobilized to

governmental demands when such demands were consistent, or deeply rooted within the larger and longer social and historical contexts in which all the members of the community embrace.

Another interesting finding lies in the positive association between migrants' duration of stay and their tendency to contribute to local public project. Besides the statistical significance in regression models for the duration term, Appendix A also shows in detail that a longer stay is linearly associated with increased probability of donating remittances to local infrastructure. This direction goes the opposite way from what was found in Mexican cases, which might reflect emigrants' tight connection with their hometowns even after migrated over an extended period of time. This connection is further reinforced or manifested by the physical demonstration of name inscriptions in the origin communities in rural Fuzhou.

Conclusion and Discussion

With the scale of international migration from China increased rapidly in recent decades, the total volume of remittances sent back to China has climbed to one of the top levels. Two of the most important pathways of remittances to China were US-China and Europe-China corridors, among which Fujian Province occupies a salient component as the reception end of remittances. In Fujian Province, Fuzhou-US migration and Mingxi-Europe migration were two of the main streams and occupy a great percentage of remittances in total. Thus the two clusters of communities – Fuzhou and Mingxi, were put into comparative perspective, and the differentiated social processes that determine emigrants' willingness to remit, the amount to remit and spending patterns of the remittances in the home country were investigated. Our comparative study is based on the knowledge that remittance behaviors are situated within a set of combined and interconnected contexts in the remittance origin and reception sides, and

disparate contexts engender distinctive experiences of remittances, namely, whether remittances were sent out in the first place, the amount of remittances sent, and how they were spent. Our study aims to address the distinctive contexts that condition these remittance behaviors and thereby underscore how specific contexts operate through diverged paths of experiences of remittances.

Our results show that first of all, household economic conditions interact with community economic contexts in impacting migrants' decision to remit. Specifically, the propensity to remit is quite responsive to household income ranks and household "burdens" in the lower income Mingxi region, but not in Fuzhou where living standards were higher. After a certain economic threshold, the decision to remit was not as much influenced by either their economic conditions or the economic standings of migrants' family members remained in their hometown. Second, although hard to capture directly, results suggest that international migration histories and the deep-rooted culture to encourage remittances (physical display of contributors' names on the constructions that they contributed building up) probably play a significant role in attracting larger volume of remittances back to town. Moreover, as different dimensions of contexts at various levels tend to be intertwined together, we further argue that this "remittance culture" – culture that encourages remittances and directs them to public projects by a set of local practices over the years further stimulates households with political capital to be more active in donating money to public infrastructure. This is where political capital intersects with the cultural contexts. Third, Local government policy orientation is effective in channeling remittances into places they emphasize, be it business or public project. However, the power of policy alone does not seem to be strong enough to influence the decision of political elites as to their remittance usage to ways political power hoped them to. Other contextual factors, such as local culture or norms,

may provide a more powerful force to push political elites to act differently when facing various options of remittance spending. Finally, contexts in migration destination, or remittance sending countries, such as immigration policy also play a part in remittance behaviors, at least potentially in constructing transnational business ties and propelling remittances to be spent on businesses.

This study also helps us to improve our understanding of the relationship between positional power and international migration in China. Earlier research has painted a self-interest-motivated portrait of local cadres with the power of whom the family members enjoyed reduced sum to pay for emigration. Together with other facilitating factors generated from such positional power, households with cadres are also more likely to send international migrants than households without cadres. Overall, political capitals were only exploited to fulfill personal agenda on personal or household interests during the process of international migration. Now we instead provide a more positive image of those cadre related households, given social or cultural contexts, they are in fact more active in engaging in public interests than other households.

It is also important to acknowledge that the two streams of international migration studied here were only two cases among multiple pathways of international migration from China, though they are two of the most important ones. Moreover, most of the emigrants studied here were low-skilled workers from rural areas of Fujian, representing most of undocumented Fujianese migrants in the US and many immigrants in southern Europe. Remittance behaviors would expect to defer for higher educated international migrants from China and probably diverge for other migration pathways. However, the macro-contexts we addressed here may shed light on remittance behaviors of other migration groups, such as the role of positional power and cultural context. We also acknowledge that due to the interdependence of remittance sending and

receiving contexts, it is hardly possible to differentiate and identify respective roles each context is able to provide.

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Figure 1. Geography of Fuzhou Region and Mingxi County

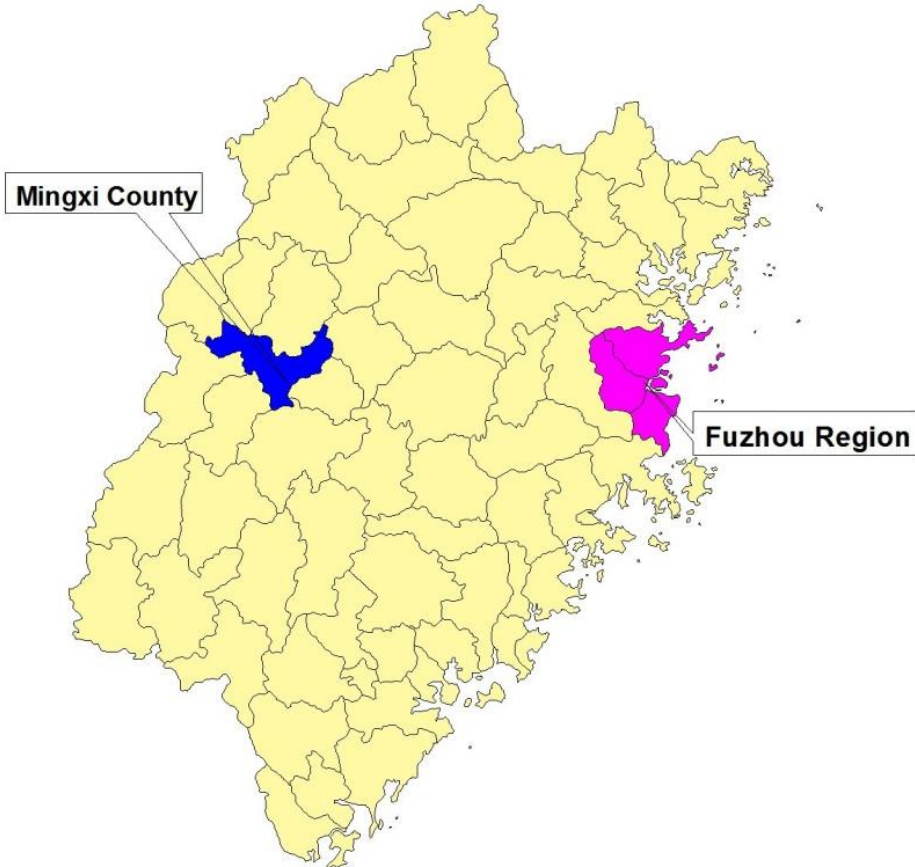


Figure 2. Number of Emigrants from Fuzhou and Mingxi by Year

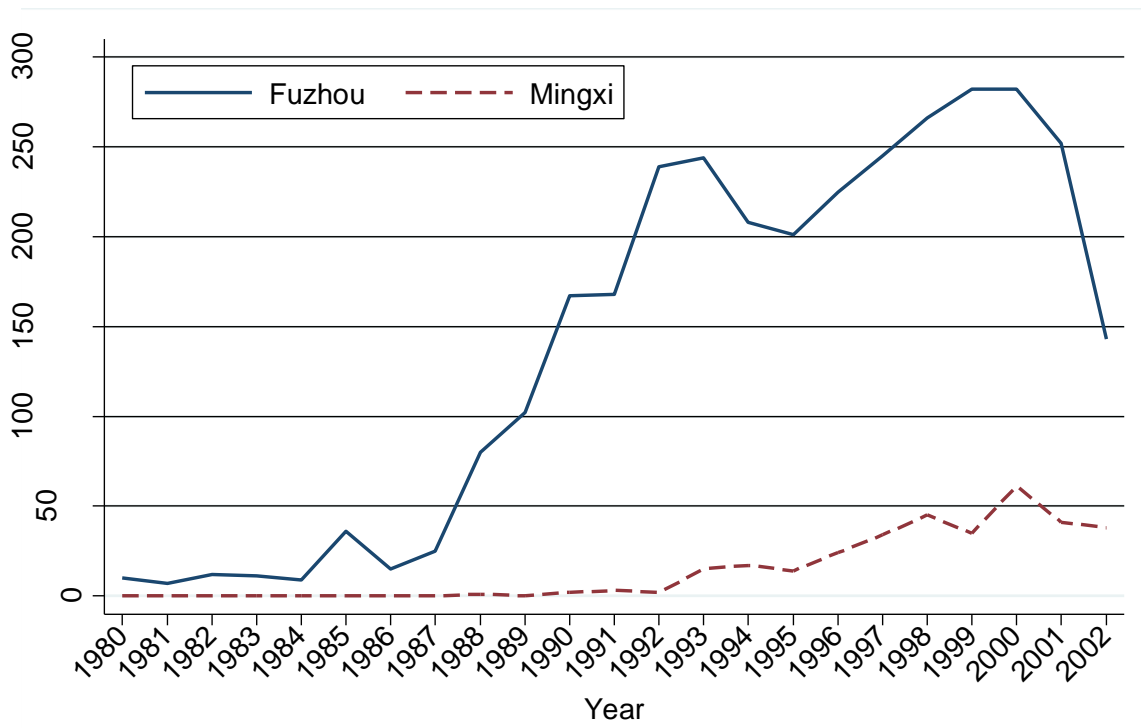


Figure 3. Rate of Emigration from Fuzhou and Mingxi by Year

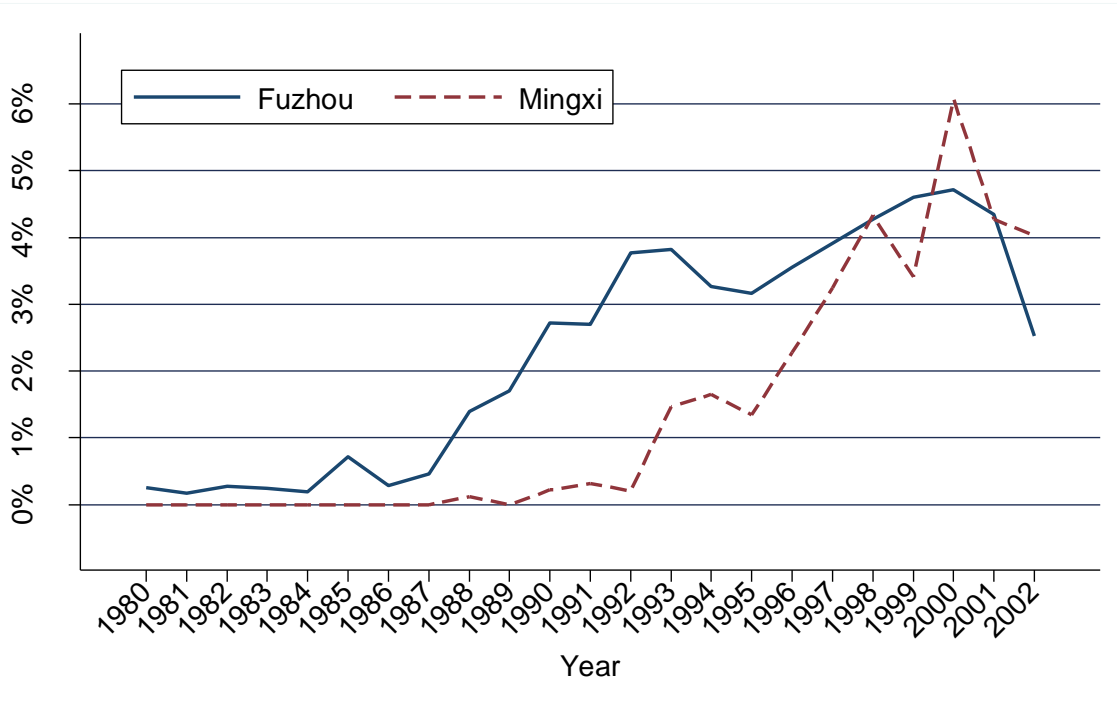


Figure4. Probability of Repatriation by Duration of Stay Overseas

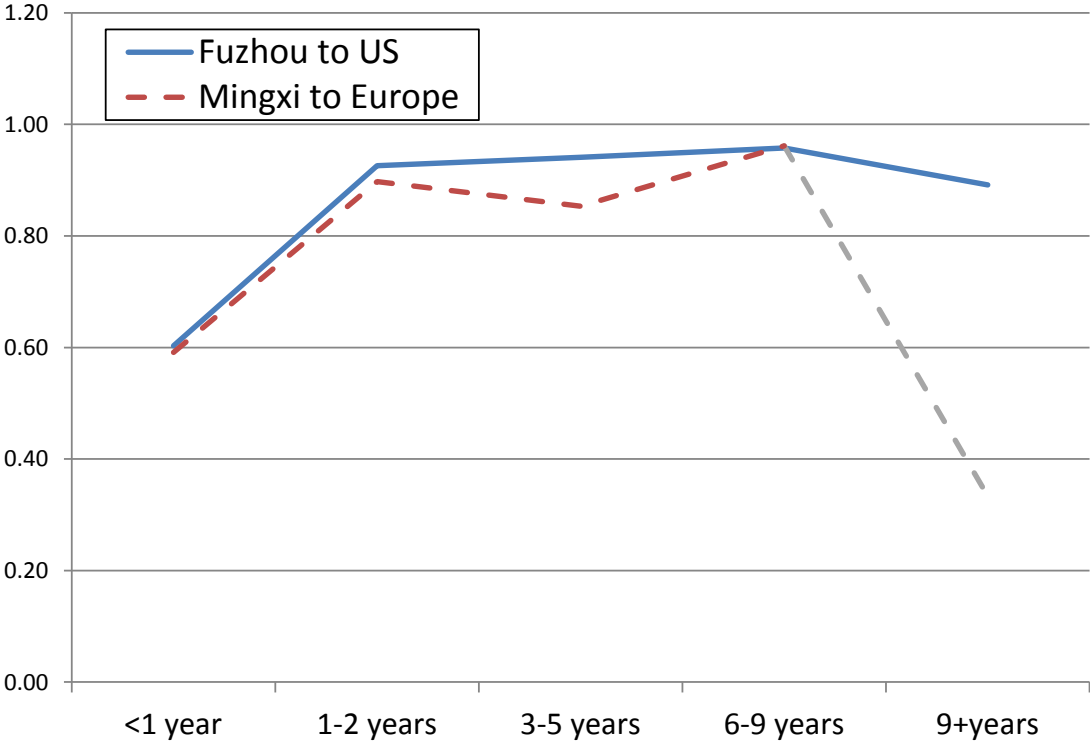


Figure5. Amount of Remittances by Duration of Stay Overseas (USD)

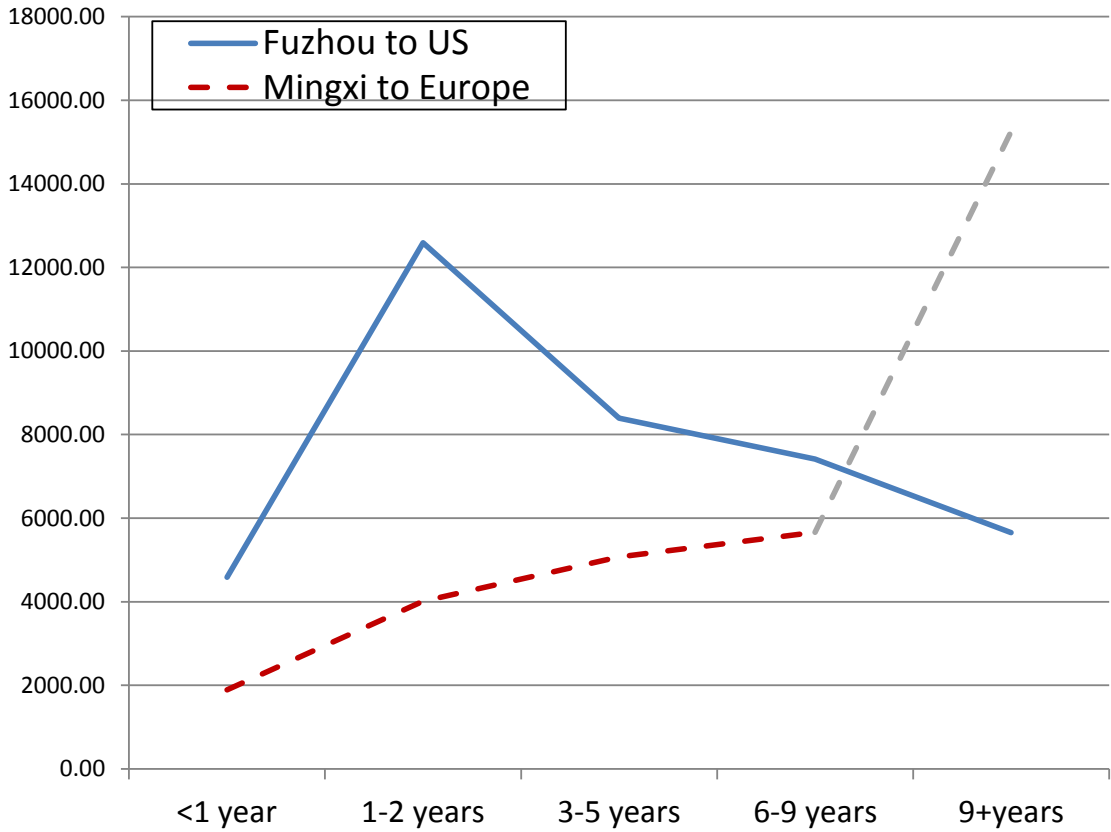


Table 1: Descriptive Statistics by Origins and whether Remitted the Year before

	Fuzhou to US		Mingxi to Europe	
	Remitted	Not remitted	Remitted	Not remitted
<i>Socio-Demographic Characteristics</i>				
Age	38.43	36.19	37.18	36.06
Years of education	7.77	8.11	8.02	8.67
<i>Migration-Economic Characteristics</i>				
Duration of stay	6.85	6.35	4.05	3.12
Emigration cost	9309.26	9533.08	716.09	941.19
Average Income after emigration per HH	35546.21	40001.85	47508.39	41012.50
Total Income after emigration per HH	84145.03	71196.97	81567.72	62205.56
<i>Household Characteristics</i>				
Number of emigrants in HH	2.22	1.88	1.64	1.44
Has a cadre in HH (%)	26.43	21.21	20.25	22.22
Dependency ratio	0.23	0.17	0.35	0.11
HH income in 2001 (in rmb)	27958.20	17874.42	11452.21	12088.24
Cumulative amount of remittances per HH	51199.87	35407.45	17371.29	3458.05
	1192	66	158	18

Table 2. Predicting Whether Emigrants Sent Remittances the Year before

	Overall		Fuzhou-US		Mingxi-Europe	
	β	S.E.	β	S.E.	β	S.E.
<i>Emigrant Destination (US=1)</i>	0.5900	0.4211				
<i>Socio-Demographic Characteristics</i>						
Age	0.0223	0.0228	0.0381	0.0252	-0.0830	0.0615
Years of education	-0.0542	0.0756	-0.0548	0.0854	-0.1931	0.2165
<i>Migration-Economic Characteristics</i>						
Duration of stay	0.0281	0.0760	0.0126	0.0795	0.2793	0.1698
Emigration cost	3.81E-06	1.71E-05	3.75E-06	1.74E-05	-1.57E-03 **	5.07E-04
Income after emigration	-1.01E-08	5.26E-07	-7.50E-08	4.11E-07	2.07E-06	2.74E-06
<i>Household Characteristics</i>						
Number of emigrants in HH	0.1841	0.1344	0.1570	0.1441	0.1908	0.3080
Whether has a cadre in HH	0.0949	0.2985	0.1481	0.3394	0.3414	0.6854
Dependency ratio	1.0578 *	0.5376	0.4774	0.5630	5.3436 *	2.0919
HH income in 2001 above village median	-4.93E-01 +	2.63E-01	-3.07E-01	2.95E-01	1.15E+00 +	5.84E-01
Constant	1.4238	1.0344	1.5513	1.2410	6.3234 *	3.1248
Number of cases	1430		1257		173	
<i>Prob>F</i>	0.0090		0.0705		0.0887	

Table 3. Predicting Amount Emigrants Sent the Year before

	Overall			Fuzhou-US			Mingxi-Europe		
	β		S.E.	β		S.E.	β		S.E.
<i>Emigrant Destination (US=1)</i>	3759.750	***	826.920						
<i>Socio-Demographic Characteristics</i>									
Age	-100.558	*	42.156	-85.463	+	46.041	-212.888	+	120.070
Years of education	-5.898		127.048	1.817		139.625	-145.535		268.933
<i>Migration-Economic Characteristics</i>									
Duration of stay	-125.291		98.156	-155.413		104.745	259.757		230.993
Emigration cost	0.141	**	0.045	0.138	**	0.045	0.095		0.926
Income after emigration	1.53E-03		9.29E-04	1.42E-03		9.38E-04	7.12E-03		8.60E-03
<i>Household Characteristics</i>									
Number of emigrants in HH	-109.081		225.425	-177.143		235.726	303.739		1171.230
Whether has a cadre in HH	249.684		829.498	405.644		927.706	-775.066		1037.529
Dependency ratio	816.251		1257.292	613.901		1503.982	1570.840		1316.111
HH income in 2001 above village median	-1.31E+03	*	6.32E+02	-1.33E+03	+	7.04E+02	-6.01E+02		1.02E+03
Constant	7885.836	***	1925.323	11394.140	***	2257.420	10573.250	*	4332.110
/Sigma	11171.690	***	1450.211	11655.660	***	1564.339	6102.191	***	1379.397
number of cases	1430			1257			173		
<i>Prob>F</i>	0.0000			0.0000			0.0355		

Table 4. Predicting Remittances Spent on Business

	Overall			Fuzhou-US		Mingxi-Europe			
	β		S.E.	β	S.E.	β	S.E.		
<i>Emigrant Destination (US=1)</i>	-1.4587	*	0.6480						
<i>Socio-Demographic Characteristics</i>									
Age	-0.0126		0.0377	0.0008	0.0389	-0.1188	0.1392		
Years of education	-0.0859		0.1158	-0.1687	0.1120	0.3963	0.2896		
<i>Migration-Economic Characteristics</i>									
Duration of stay	0.0754		0.0508	0.0563	0.0486	0.2158	0.1732		
Emigration cost	1.37E-05		2.80E-05	1.13E-05	2.85E-05	-5.42E-04	8.04E-04		
Income after emigration	7.08E-08		2.71E-07	1.15E-07	2.61E-07	-2.73E-06	2.63E-06		
<i>Household Characteristics</i>									
Number of emigrants in HH	-0.0363		0.1373	-0.1005	0.1383	0.8430	0.6440		
Whether has a cadre in HH	0.3397		0.4170	0.5175	0.4588	0.1494	0.9825		
Dependency ratio	-0.4767		0.6762	-0.2103	0.7097	-2.4473	1.7605		
HH income in 2001 above village median	1.5241	**	0.5435	1.5246	*	0.6260	2.0432	*	0.9649
Having a family business	2.8203	***	0.3908	3.2524	*	0.5130	2.7371	*	1.1871
Cumulative amount of remittances	1.52E-06		1.44E-06	1.07E-06		1.78E-06	8.91E-06		6.75E-06
constant	-4.2719	*	1.8642	-5.7096	**	2.0631	-6.0675		3.7219
number of cases	1412			1234		178			
<i>Prob>F</i>	0.0000			0.0000		0.0057			

Table 5. Predicting Remittances Spent on Public Project or Local Education (Fuzhou)

	β		S.E.
<i>Socio-Demographic Characteristics</i>			
Age	0.0245		0.0180
Years of education	0.1113	+	0.0569
<i>Migration-Economic Characteristics</i>			
Duration of stay	0.0573	*	0.0272
Emigration cost	-1.33E-05		1.18E-05
Income after emigration	1.88E-07		1.73E-07
<i>Household Characteristics</i>			
Number of emigrants in HH	0.1783	**	0.0666
Whether has a cadre in HH	0.3945	*	0.1996
Dependency ratio	-1.2849	**	0.4530
HH income in 2001 above village median	0.4038	+	0.2119
Cumulative amount of remittances	4.66E-06	**	1.50E-06
constant	-5.1501	***	0.8723
number of cases	1415		
<i>Prob>F</i>	0.0000		

APPENDIX A. Spending Patterns of Overseas Remittances by Duration of Stay Overseas (Percent) for Fuzhou-US Migrants

<i>Remittances were spent on:</i>	<u>Duration of Stay Overseas</u>					
	Overall	<1 year	1-2 years	3-5 years	6-9 years	9+years
Paying for family's living	82.25	51.61	68.62	83.67	89.94	86.14
Paying off debt	44.38	55	70.21	54.94	35.78	25.16
Supporting the elderly	37.34	20	23.12	34.9	41.94	46.34
Building or purchasing housing	26.48	10	9.68	20	35.78	36.22
Raising children born overseas but sent back to China	20.03	13.56	6.49	21.11	27.43	20.06
Supporting local education and other public projects	11.58	5.08	5.91	9.76	13.39	16.05
Other purposes	4.06	4.76	2.12	3.65	4.51	4.99
Building ancestry grave	3.63	3.39	2.16	1.48	4.76	5.59
Doing business	2.42	1.69	3.78	1.78	1.19	3.73
Total number of cases	1304	47	189	356	355	341

APPENDIX B. Spending Patterns of Overseas Remittances by Duration of Stay Overseas (Percent) for Mingxi-Europe Migrants

<i>Remittances were spent on:</i>	<u>Duration of Stay Overseas</u>					
	Overall	<1 year	1-2 years	3-5 years	6-9 years	9+ years
Paying for family's living	69.89	42.86	69.12	73.53	80.77	100
Paying off debt	71.35	63.64	77.61	73.53	56	66.67
Supporting the elderly	39.13	23.81	34.85	33.82	73.08	66.67
Building or purchasing housing	11.48	4.76	3.03	13.24	32	33.33
Raising children born overseas but sent back to China	41.76	23.81	34.85	45.59	60	66.67
Supporting local education and other public projects	0	0	0	0	0	0
Other purposes	3.21	4.55	4.41	1.47	0	0
Building ancestry grave	1.1	0	0	1.47	4	0
Doing business	4.95	4.76	1.52	5.88	8	50
Total number of cases	187	22	68	68	26	3