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From the Culture of Migration to the Culture of Remittances: Evidence from Immigrant-Sending Communities in China

Zai Liang,

Xi'an Jiaotong University and State University of New York

Qian Song

RAND Corporation, Santa Monica, California

Abstract

Extending the notion of “the culture of migration,” we propose and elaborate the concept of “the culture of remittances” to examine the flow of remittances in the immigrant-sending province of Fujian, China. We argue that the culture of remittances influences two important variables in the study of remittances: amount of remittances and whether they are used for public projects for the community. A careful statistical analysis using data from Fujian province supports our two major predictions. We also find that elite immigrants are more likely to use remittances for public projects in immigrant-sending communities. Our policy calls for more strategies and services in dealing with major concerns such as family members left behind (i.e., the elderly) in communities and increasing land use issues, as well as more proactive strategies to cultivate elite immigrants who are increasingly transnational and are likely to become catalysts for economic transformations in these communities and beyond.

Introduction

Many field researchers of migration have noticed the phenomenon of “the culture of migration.” In these migrant-sending communities, migration is a household strategy to improve socioeconomic standing in the community (Cohen 2004; Wilson 2010). Overtime, migration increasingly becomes a normative behavior and young people are expected to migrate as a rite of passage. The culture of migration helps sustain the flow of international migration from one generation to another (Kandel and Massey 2002; Wilson 2010). In this paper, we extend the notion of the culture of migration to include the behavior of remittances, identify possible mechanisms of “the culture of remittances” thesis, and use the case of migrant-sending communities in China’s Fujian province to empirically test our ideas.

Building on the literature of the culture of migration, we argue that in many migrant-sending communities in China, a culture of remittances is emerging. The culture of remittances refers to norms and expectations of remittances in a migrant-sending community. These norms and expectations affect and govern patterns of remittance behavior. These norms at

the village level have implications about who is expected to remit, the expected amount of remittances, and how remittances are used. This is important for several reasons. One is that we shift attention from typical remittance research, which focuses on individual and household level characteristics to the village level norms, a direction that has not been fully explored by students of migration. Second, to the extent that a portion of the remittances is used for local infrastructure and educational facilities, our attention to village level culture of remittances identifies a new avenue of research where by remittances can be channeled by village level characteristics for development in migrant-sending communities. Finally, we argue that the culture of remittances holds important promise to stimulate economic development in immigrant-sending communities. Our empirical analysis relies on a survey of households in migrant-sending communities in Fujian province, located in southeast China (see Map 1).

We use the case of Fujian province in China to test our ideas, which can be justified for the following reasons. Fujian has experienced a significant increase in emigration since the 1980s. China is among countries that have a high rate of remittances (Adams 2009). Fujian province follows the same pattern. In addition, historically, Fujian sent a large number of emigrants to Southeast Asian countries. Some of the most successful immigrants with Fujian ancestry have contributed greatly to Fujian's economic development. They did so by sending remittances and investments in hometown communities (Sun 2007). We want to examine if more recent emigrants from Fujian follow the same historical pattern in the twenty-first century. We contribute to the current literature on migrant remittances on two fronts. Inspired by the idea of the culture of migration, in this paper, we systematically elaborate a theory of "culture of remittances" and outline key predictions and mechanisms. In addition, we move beyond remittance literature based on the individual level to study remittances for public projects in migrant-sending communities. Data from a major survey of international migration from Fujian province was used to test our ideas.

Review of Previous Studies

The issue of remittances draws attention from scholars and policymakers in part because of its size. In 2010, for example, remittances to developing countries reached 307 billion. In fact, the growth rate of remittances during 1999–2008 actually exceeded the growth rate of foreign direct investment (Yang 2011, see also Rahman and Fee 2012). The large amount of remittances has the potential to have significant impact on migrant-sending communities and migrant-receiving communities. Indeed, at the household level, remittances could potentially impact migrant-sending households in terms of household income, education, and health of household members (especially children), and poverty reduction (Taylor and Castelano 2016).

Many scholars have contributed to the literature on remittances in the context of both internal and international migration (Lucas and Stark 1985; DeWind and Holdaway 2008; Adams 2009; Taylor and Castellano 2016). Most previous studies on remittances tend to theorize remittances as determined by individual behavior responding to household needs (Lucas and Stark 1985). Economists are particularly interested in motives for remittances and have explored a variety of motives such as altruism, exchange (repay for services

rendered to the migrant by recipients), insurance, and investment (Yang 2011; Garip, Eskici, and Snyder 2015). The new economics of migration also implies that migrants send remittances to households in order for the household to insure against risks to income and production (Stark 1991).

Several scholars have noted that studies on remittances often center on economic motives at the expense of social motives (Levitt and Lamba-Nieves 2011; Rahman and Fee 2012). Studies of remittances by several sociologists should be noted. Based on fieldwork in India, Kurien (2008) identified distinctive patterns and the use of remittances that are not easily interpreted by economic types of motivations. For example, in the Muslim villages, remittances tended to go to large circles of people within the community and to support religious activities, clearly beyond individual type of motivations. In contrast, in Hindu villages, large sums of money were spent in lifecycle rituals. In our fieldwork in migrant-sending communities in Fujian province in China, we find strong evidence of remittances used for religious activities such as building Buddhist temples and Christian churches. These activities are often organized by religious leaders and groups.

Song and Liang (2016) take a different approach by comparing migration patterns of households with and without emigrants. When they migrate within China, family members in households with emigrants tend to move longer distances and make more money than households without emigrants. They suggest that members of emigrant households leverage their remittance resources to pursue more productive economic opportunities. By so doing, they improve their own socioeconomic well-being, but also stimulate new opportunities in some distant locations. This is consistent with the idea of “scale up” in the context of social remittances (Levitt and Lamba-Nieves 2011).

Goldring (2004) is among the first to develop the concept of “collective remittances.” “Collective remittances” refer to “money raised by a group that is used to benefit a group or community with which it is affiliated” (Goldring 2004: 808). Goldring (2004) categories this into four categories: 1) infrastructure and communications projects; 2) public service infrastructure (education, health, and security); 3) reaction projects (such as sports field); and 4) other community projects (plaza, public benches, etc.). The idea of collective remittances is important because ultimately it links to the long-standing migration and development question and also has the potential to influence future migration flows. After all, if basic infrastructure (transportation networks and school) improves, the impetus for future migration may be reduced. Another important insight from the concept of “collective remittances” is to shift attention from individual level analysis to community/village as a basic unit of analysis. Garip, Eskici, and Snyder (2015) argue that decision to remit is not only affected by individual level characteristics but also by networks embedded in household, siblings, and community of origin. One of the mechanisms they invoke is shared community norms, especially with respect to specific social categories.

One of the reasons for scholars’ attention to the issue of remittances is the potential for improving community development. Among scholars who are concerned with the issue of migration and development, a major concern is that a lion share of remittances is used for consumption. Durand et al. (1996) acknowledge that most remittances are used for

consumption rather than production using data from the Mexican Migration Project (MMP). However, they suggest that migration researchers look for conditions in the migrant-sending community that promote productive use of remittances and promote collection remittances. Our research is an effort to identify some of these conditions at the community level that could promote collective remittances.

From the Culture of Migration to the Culture of Remittances

In this paper, we place village level factors at the center of our analysis. One important factor is a set of norms of remittances, or the culture of remittances. This refers to expectations regarding how remittances should be used and the appropriate amount of remittances adequate in each village. Students of international migration from Mexico to the United States have long recognized the “culture of migration,” which characterizes many Mexican communities. In these communities, international migration is prevalent, foreign remittances are part of economic resources that support households and in some cases stimulate entrepreneurship. Migration is perceived as a means, if not the only means, toward socioeconomic mobility. The culture of migration especially has a major impact on young people because in these communities migration is becoming “normative” so migration is “a rite of passage for these people (Mines 1981; Kandel and Massey 2002; Wilson 2010). In many ways the culture of migration is a responsible transmission of international migration across generations.

In this approach, cultural explanation is used to stress values and norms that influence behavior (Lemont and Small 2008). We should also note that compared to dominant perspective of the field of migration, the culture perspective on migration places more emphasis on values, perceptions, and norms than on individual level characteristics. This approach has gained new momentum in some recent studies of migration. In a recent study of undocumented migration from Mexico to the United States, Ryo (2013) applied an innovative approach to include values and norms of migrants to examine the decision to migrate without documentation. Horvath (2008) also used the culture of migration idea to study Romanian youth migration to Europe. Horvath (2008) argues that the cultural aspect of migration in this context is mainly manifested in “an indeterminate context in which the uncertainties of a prolonged transition to adulthood can be negotiated” (p. 783).

Just as in the case of the culture of migration, we argue that in many migrant-sending villages in China there is a culture of remittances, which reflects the history and current trend of international migration in these villages. We note that the concept of culture of remittances has been used in earlier studies by Hu (2012) and Taylor, Rozelle, and De Brauw (2003) in the context of internal migration in China. However, they used the concept (and derived variable) mainly to resolve statistical estimation issues (instrumental variable) and left much of the rich theoretical discussion of the concept open. The culture of remittances sets the norm of remittances in terms of the appropriate amount to remit and how remittances are and should be used. The culture of remittances is formed through at least three mechanisms. One is a consumption pattern by migrant households in migrant sending communities. The consumption patterns may include the purchase of TV, other appliances, home improvement, or building new houses. It should be noted that the

consumption pattern and norm in a village can only be sustained by a corresponding pattern of remittances (Zhou and Li 2016a). Thus we suggest a strong connection between the culture of remittances and consumption patterns in migrant-sending communities.

Another factor is village discussion/gossip networks in the transnational migration context (Dreby 2012). Community members can use gossip as a way to influence others in the community. The fundamental insight from this literature on transnational gossip is that through gossip, family members may modify social norms (including norms on collective remittances) according to the transnational experience (Dreby 2012). Parents are often proud of the fact that their children and family members are migrating internationally and are likely to share the information on remittances to boost their sense of pride, which has implications for remittance behavior of other migrants from the same village. What distinguishes this kind of gossip network is that this not only happens in migrant-sending communities among left behind family members, but also in the transnational and cross-space context between family members left behind and migrants in the United States (Waldinger 2015). The availability of easy access modern communication devices (phones, e-mails, faxes) only makes this process much easier and instant. Today this can be done by social media technology (at no cost to immigrant users) such as WeChat or Facebook. Thus a wife who stays in a migrant-sending community may quickly notice that a neighbor bought a new appliance or another neighbor helped with a local dam project and she can quickly relay that information to her husband in the United States. These discussion networks help diffuse information on remittance behavior at the village level and also diffuse information through transnational circuits.

Third, the nature of migration networks plays an important role in this process as well. The role of immigrant networks manifest in several ways that can be linked to patterns of remittances. The literature on social networks reveals that spatial and social networks are closely connected (Verdery et al. 2012). We begin with the story of geographical concentration of Fujianese immigrants in New York City. The arrival of a large volume of Fujianese immigrants has transformed Chinese immigrant neighborhoods. In fact, the formation of New York City's third Chinatown on Brooklyn's 8th Avenue can be attributed to the arrival of Fujianese immigrants. Then, there is workplace concentration. A very high proportion of Fujianese immigrants work in Chinese restaurants. Fujianese immigrants work with other fellow immigrants from Fujian that ensure constant interactions during work and they work long hours (about 12 hours a day). In addition, there is a mushrooming of Fujianese immigrant associations (Liang and Zhou Forthcoming). The most recent estimate of number of Fujianese hometown associations in New York City is around 75 in 2015. These hometown associations sponsor events and activities that allow more opportunity to interact with fellow immigrants from Fujian. Overall, Fujianese immigrants in New York have so many opportunities to interact with fellow immigrants from their hometowns in the neighborhoods, work places, or hometown association sponsored events and information on remittance issues (for the purpose of supporting family members back home, investment, public projects) can be shared. Although migrants may not necessarily share the information on the exact amount of remittances, they often provide a rough estimate of what is considered to be the appropriate amount of remittances as well as on how to send remittances (through post office, bank) and service charges associated with each service.

Norms that govern people's behavior must be reinforced by sanctions and reward systems (sometimes informal). For example, migrant households that do not have modern appliances or good quality housing are perceived by others as a sign that a particular immigrant from this household must not be doing well. On the other hand, immigrants who meet and exceed the village norms of remittances, household social status is elevated and immigrants are praised and sometimes offered positions that are important to village affairs. In contrast, households that do not receive an adequate amount of remittances often avoid discussing matters of remittances in public for fear of losing face. This is perhaps especially true for remittances that contributed to the welfare of the village such as those that support local education and public projects. In these instances, village officials made great efforts to ensure that the names of these contributors are recognized by the public in the village. During our fieldwork in Fujian, we observed a newly built theater in a well-known migrant-sending village (in Houyu village). Nearby there is a big stone statue in which all donors' names are inscribed. In fact, almost every migrant village that we went to, there were always some projects contributed by migrants whose names were recognized in some way. This could be a big village entrance archway that bears the name of an immigrant in the United States, a school that bears the name of another immigrant, or other public projects such as roads, dams, and Buddhist temples and Christian churches. This culture is also being promoted by villages, towns, as well as provincial government in Fujian province.¹ Historically, in migrant-sending communities of Guangdong, contributions to public projects have been documented by historians (Chen 2000; Hsu 2000).

The above argument is echoed by earlier studies that link remittances to social and economic stratification in the migrant-sending communities. In a study of 119 Mexican communities, Garip (2012) shows that repeat migration and remittances are the leading mechanisms for changes in income inequality in the migrant-sending communities, that is, increased wealth gap between households with emigrants and households without emigrants. Liang and Zhang (2004) argued that when fancy houses are built using remittances in migrant-sending villages, the social status of migrant households is elevated. Likewise, when remittances are used to contribute to the construction of schools or other public projects and names of the migrant families are inscribed permanently as a public display of appreciation of the generosity of these immigrant families, the social status of these migrant families are clearly improved in these communities (see Zhou and Li (2016b) for a similar argument). More important, the formation of norms on collective remittances (to use Goldring's term) increases further contributions of collective remittances by other migrant families.

Based on this discussion, we hypothesize that village level norms of remittances play an important role in immigrant remittance behavior: whether or not to remit, how much to remit, and whether to remit money to support education and public projects. Specifically, households in villages with a larger amount of mean remittances are likely to remit larger amounts as well. In addition, households in communities with a large proportion of immigrants contributing to community's public projects are likely to be doing the same.

¹We note that the culture of remittances is likely to work better in rural areas than in urban areas. In rural areas strong family and village network norms and systems of sanctions and rewards are more likely to be effective (Fussell and Massey 2004). Our survey is mainly carried out in rural areas.

Following previous studies, we also consider other variables: cost of emigration, duration of residence in the United States, total number of immigrants from each household. We expect the cost of emigration is positively related to the amount of remittances because immigrants who paid a larger amount of money to come to the United States are likely to remit more. In general, we also expect that for most immigrants, the first priority for remittances is to support the family. However, immigrants with high income are more likely to contribute to education and public projects for the community. The current literature also suggests that the longer time immigrants spend in the United States, the less attachment they will have with origin community, which leads to decreased amount of remittances (Massey et al. 1987). Our statistical models also control other important sociodemographic variables.

Data and Methods

Data for this paper was collected by the senior author in 2002–3 in Fujian province in China. Fujian province is a well-known province that historically sent a large volume of emigrants to countries in Southeast Asia. Fujian is a particularly good case for the project because it is one of the most important emigrant-sending provinces in China with major destinations in the United States, Europe, Japan, and more recently Africa (Liang et al. 2008; Liu-Farrer 2009; Lin 2015). There is also a large volume of remittances sent to Fujian each year. For this project, we adopted the ethnosurvey approach used in the MMP (Massey et al. 1987). From February to June 2002, we were engaged in designing three questionnaires to be used in the ethnosurvey: a household questionnaire used in China, a household questionnaire used in the United States, and a community-level questionnaire for migrant-sending communities in China. We used the questionnaires for the MMP as a model and naturally modified the questionnaires to take into account the Chinese context. The household-level questionnaire contains basic information on the sociodemographic characteristics of each member of the household (including those who are abroad), and basic information on the internal and international migration history for all household members. Because of the importance of religion, as illustrated from the work of Guest (2003), we include information on religion for each person. For household heads and spouses, we gathered marriage history, fertility history, labor history, and consumption patterns. At the household level, we have information on remittances in the year of the survey and cumulative amount of remittances by the survey time, business formation, land ownership, and other property ownership, and housing conditions and tenure status. We made some modifications to the questionnaire used in the MMP. For example, unlike the case of Mexico, we included questionnaire items on cadre status (two items included: ever been a cadre and year of acquiring that position) in order to test our hypotheses derived from the market transition theory.

We also made another modification in gathering information on migration trip characteristics. At the time of our survey, undocumented migration was still a relatively sensitive topic in migrant-sending communities in China. We decided to ask more detailed questions on the actual migration trips for the U.S. sample, but not for the Fujian sample. Thus, for the U.S. sample, we asked about the date of travel/migration, duration of the trip, number and names of each country stayed in on the way to the United States, smuggling fees paid, knowledge of snakehead, and number of people on the trip. There is another reason for asking these detailed questions on trip characteristics for the U.S. sample. Because of the

low rate of return migration, more often than not, we interviewed household members who remain in China (not the immigrants themselves) in the survey. Household members usually know the basic information about their migrant members, but not detailed information about the migration trip itself. Thus, we believe our strategy is likely to increase the quality of data on trip characteristics. Finally, our sampling strategy is somewhat different from the case of MMP. Because of the low rate of return migration, we have increased the sample size of immigrants in the United States.

Our community (at the village level) questionnaire covers a wide spectrum of information: demographic background (such as population figures for major census years, immigration history), agriculture sown, industrial infrastructure, educational infrastructure, public services, financial infrastructure, transportation infrastructure, and medical infrastructure.

After some modifications, we finalized the questionnaires in late summer 2002. Within northeastern Fujian province, we selected eight towns that are known to send large numbers of migrants to the United States, the New York City region in particular. In choosing these particular towns for our survey, we first interviewed people with some major Fujianese immigrant organizations in New York City.² The idea was to identify these towns that Fujianese migrants in New York City came from. This would ensure that the surveys in China would identify reasonable number of international migrants. Similar to the design of MMP, for each town, we have a target sample of 200 households.

The first dependent variable is amount of remittances sent the year prior to our survey of 2002 for each household. This is reported as household level information, as such the information contains remittances from all immigrants who are from this household. Note that because this variable on remittances includes total amount of remittances from all household members who are immigrants, we need to create some household level variables based on immigrant characteristics. Because we are not able to include information on each immigrant from the same household, we calculate a mean variable that takes each immigrant's characteristics into account. For example, mean education for immigrants from each household refers to the mean level of education of all immigrants from the same household. The second major dependent variable is how remittances were used: coded 1 if for education and public projects in the community, 0 otherwise.

The key independent variable is the mean level of cumulative household remittances in each village. This is a village level variable that intends to capture the village level "normative" amount of remittances, following the argument of "the culture of remittances" thesis. We use two variables in the survey to calculate this variable: one is the amount of remittances received by each household the year prior to the survey and the other is the cumulative amount of remittances that each household received by the time of the survey. We use household level cumulative amount of remittances minus the amount of remittances one year before the survey to get the cumulative amount of remittances up to two years prior to the

²It is usually the case that towns who send a lot of immigrants to the United States often establish their hometown base association once the number of immigrants reaches a certain threshold level.

survey. We then calculate mean of cumulative amount of remittances up to two years prior to the survey and this is our independent variable of mean remittances at the village level.

Compared to previous studies, we use a multilevel modeling approach (Guo and Zhao 2000; Raudenbush and Bryk 2002). Most previous studies use regular ordinary least squares (OLS) regression models to study the impact of community level variables on remittance behavior, which has the potential bias of underestimating standard errors. The multilevel modeling approach, which we are adopting in this paper, is superior and increasingly accepted as the standard way of modeling impact of community level (village level) variables on household or individual behavior. Given the amount of remittances truncated for households that have not received any amount of remittances, we use the multilevel Tobit model to examine this process (Long 1997). For our second dependent variable, namely whether remittances are used for education and public projects, we estimate a multilevel logistic regression model. Both models are estimated using Stata. For the robustness test, we also use cluster-adjusted standard errors in the models, to compare results using the multilevel modeling approach.

Results

Table 1 compares households with remittances and households receiving no remittances on major characteristics of immigrants. Overall, the remittance rate is very high with 94 percent of households receiving some amount of remittances prior to the survey. We should note that this is higher than the case of Mexican immigrants in the United States (about 47 percent according to Durand et al. (1996)). Clearly sending remittances is nearly universal in these communities. One factor explaining the difference in the rate of remittances between Chinese and Mexican immigrants is that Chinese immigrants paid a much higher amount of fees for coming to the United States. In general, we do not detect a major difference in sociodemographic characteristics between immigrants who remit and immigrants who do not. It appears that migration experiences are related to propensity to remit. The more immigrants a household has the more likely the household receives remittances. Following conventional practice, we use log remittances for our models.

To take advantage of information on how remittances are used, Table 2 shows how the patterns of remittance use change over time. Consistent with the current literature on remittances, immigrant households tend to remit to support for family living, pay cost of migration, support elderly, and build new houses. Table 2 also reveals an important piece of information, over time, immigrant households are more likely to use remittances to support location education and other public projects.

To the extent that supporting local education and public projects is one of the most important ways to link migration with development in migrant-sending communities, we further explore this issue with our culture of remittances thesis. We expect that immigrant households, which reside in villages with a large amount of remittances, are more likely to use remittances to support local education and public projects. Likewise, immigrant households located in villages with a large mean level of remittances are more likely to use remittances for the purpose of local education and public projects.

Table 3 tabulates how the use of remittances varies by the amount of remittances at the village level. It appears that the proportion of households that uses remittances to support local educational and public projects is sizable, but it does not seem to be associated with the size of remittances at the village level. However, Table 4 shows that, with slight fluctuation, the proportion of households that use remittances to support local education and public projects is rising with a mean level of village remittances (our measure of culture of remittances within each village). This initial evidence clearly supports our culture of remittances thesis.

In Table 5, we estimated both OLS and the multilevel Tobit model of amount of remittances received last year at the household level. The Tobit model is used to take into account the fact that our dependent variable has some zeros (Long 1997). The first model uses only sociodemographic characteristics of immigrants and all results are consistent with our expectations (although some are not statistically significant). Models 2 and 4 both use some other village level characteristics. Model 3 includes a key variable of our interests: mean amount of remittances at the village level one year before the survey. Model 3 provides the most convincing evidence so far to support our thesis of the culture of remittances. We observe that immigrant households in villages with higher level of mean remittances are also contributing larger amount of remittances to their households. Thus patterns of remittances are not only determined by migration characteristics (immigration cost and number of emigrants in a household), but are also influenced by village level norms of remittances (i.e., expected amount of remittances for households with emigrants abroad).

Table 6 addresses the question of how “the culture of remittances” affects household decisions to use the remittances, specifically those for public projects (education, roads, etc.). Here we are estimating the impact of village level characteristics (the culture of remittances) on the propensity for migrant households to use the remittances for support of public projects. Model 3 uses the village level variable “proportion of remittances used in public projects in a village” to predict whether migrant households use the remittances to support public projects. The results are consistent with our expectation: households from villages with higher proportion of remittances used for public projects are also more likely to use remittances for public projects. Another important finding from Table 6 is that as immigrants spend more time in the United States, their remittances are more likely to be used for public projects or education. The common perception that as immigrants spend more time in the United States, they will sever ties to the migrant-sending communities, is clearly not supported in our data. In the models using cluster-adjusted standard errors, our results remain robust. We also run separate regressions limiting our sample to households with only one emigrant, and our key results remain unchanged.

Conclusion and Policy Discussion

In this paper, extending the idea of “the culture of migration,” we advocate a new perspective, “the culture of remittances” to study the flow of remittances from international migrants in the United States to households in rural Fujian province in China. The culture of remittances aims to capture the norms in the village regarding the decision to send remittances and how remittances are used (for family use or public projects in the village).

The work is motivated by many years of field observation in immigrant-sending villages in China where many villages built different statures to recognize migrant households that contributed to the village public projects. Our approach is a significant departure from previous studies in the literature on remittances, which focus mainly on individual and household characteristics. To the extent there are studies (Durand et al. 1996) that pay attention to community characteristics, they tend to be characteristics such as community level population and other infrastructure variables. We argue that culture of remittances at the village level should be another variable in our study of flow of remittances. Recently, environmental historian Sarah Lopes (2015) introduced the concept of “remittance space” as “the sum of individual migrant’s and their communities’ construction practices and narratives, as well as the macroprocesses, institutional regimes, and symbolic and spatial transformations that are collectively shaped by and shaping remitting as a way of life” (p. 20). Clearly, remittance space is not conceptualized at the individual or household level, rather it is a community level feature that is impacting community’s development as well patterns of future remittance patterns.

Our efforts have clearly born some fruits. We measure “culture of remittances” using two variables at the village level: one is the mean amount of remittances for each village and the second is the proportion of household that contributed to public projects in each village. We find that immigrant households in villages with high levels of remittances (in the previous year) are more likely to receive higher amount of remittances controlling for other major household level characteristics and migration-related variables. We suggest in this case, that village level norms (or the culture of remittances) determine the flow of remittances for each household. Likewise, we find that households in villages with high proportion of immigrant households contributing to public projects are also more likely to use financial capital from remittances to contribute to public projects for the village.

Let us also explore some policy implications. For a long time, the literature on migration and development was quite permissive. In one scenario, remittances, though may be large, were pretty much used for private consumption rather than for starting a new business or contributing to community development. In the worst case scenario, remittances were said to produce a cycle of dependence or “migration syndrome,” which lead to very little development in the community. Our paper suggests that there is a lot more a community can do to increase the flow of remittances and encourage immigrant households to use remittances for community level development. From our field observations, these immigrant communities are doing a great job in terms of giving these immigrant households who contribute to community level projects due credit and leave permanent symbols of recognition. They decorate a village entrance with a major donor’s name, build stone stature with all donors’ names inscribed (which is also done in a local temple or church), and and they place a red poster on village’s bulletin board with all donor’s names. Such steps, which may seem to be modest by some, can actually go a long way to encourage and promote other immigrant households to follow suit.

In essence, community leaders can be more proactive in nurturing a village environment that is donor friendly and more can be done in this direction. For example, one major concern with many immigrant households in these communities is family members who are left

behind, especially the elderly. Community leaders can be more proactive in providing needed service (such as helping someone clean and providing transportation to a local clinic for medical care). This work can be a good foundation to encourage immigrant households to contribute building a senior citizen center. Likewise, community leaders can help resolve other issues such as land use, which sometimes involves relocation of tombs of immigrants' ancestors. As China continues to develop, land use is becoming a major contested issue. Very often decisions made at the village level are not in the interest of peasants. Village leaders should have a long vision for the community's future.

Such steps are also productive ways toward a more business friendly environment, which could introduce other business opportunities. One should not underestimate the value of such opportunities in the context of China. In fact, we should note that there is an immigration story in China's economic development and miracle during the past forty years or so. China's overseas initial investment boosted the confidence of many other multinational companies to get into the Chinese market, which set the stage for China's transition to a market-oriented economy. Another finding worth mentioning is the fact that immigrants who are doing well financially are more likely to send remittances for public projects for the community. Thus it is important for community leaders to cultivate relationships with these immigrant elites who are increasingly becoming more transnational and may very well be catalysts for local economic development in the future.

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Biography

Zai Liang (zliang@albany.edu) is professor of Sociology and Core Director of Social and Demographic Analysis at State University of New York at Albany. He is also Changjiang Scholar Chair Professor at Xi'an Jiaotong University, China and Co-director of Urban China Research Network. His research interests include migration/immigration, social demography, and sociology of children.

Qian Song received her PhD in sociology from State University of New York at Albany and is currently a postdoc associate at RAND Corporation in Santa Monica, California. Her research interests include medical sociology, migration/immigration, and sociology of aging.

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Map 1.
Location of Fujian Province in China.

Table 1

Characteristics of Emigrants Who Remitted and Who Did Not Remit Last Year

Variables	Remitted last year	Not remitted last year
Sociodemographic characteristics		
Age at migration	26.38	26.27
Years of schooling	8.51	9.03
Household characteristics		
Number of emigrants in a family	2.25	1.69
Dependency ratio	0.23	0.19
Home ownership	0.95	0.93
Migration-economic characteristics		
Duration of stay overseas in years	6.83	5.98
Income after emigration (U.S. dollars)	50885.22	189345.90
Emigration cost (U.S. dollars)	20003.44	22099.83
Village context		
Total population in a village	2430.52	2475.55
Average previous year remittances in a village (U.S. dollars)	8636.39	9444.10
Average cumulative years' remittances in a village (U.S. dollars)	2170379.00	2143546.00
Mean cumulative remittances per household received in a village	46251.78	51714.59
Proportion of remittances used in public project in a village	0.12	0.12
Number of households	1255	83

Table 2

Spending Patterns of Overseas Remittances by Duration of Stay Overseas (Percent)

Remittances were spent on:	Duration of stay				
	Overall	<=2 years	3–5 years	6–9 years	10+ years
Paying for family's living	82.28	60.12	81.12	87.76	87.11
Paying off emigration cost	44.15	62.35	59.69	36.8	24.56
Supporting the elderly	37.46	19.75	31.27	42.32	47.72
Building or purchasing housing	26.54	8.64	17.88	33.26	37.23
Helping to raise children born overseas but sent back to China	19.62	7.41	16.32	26.3	19.79
Supporting local education and other public projects	11.48	5.56	9.07	12.18	16.96
Building ancestry grave	3.68	1.23	1.82	4.2	6.76
Doing business	2.3	2.47	2.34	1.47	3.56
Other purposes	4.26	3.05	3.55	5.28	4.17
Total number of emigrants	1337	164	394	492	287

Spending Patterns by the Amount of Remittances Received at the Village Level in Thousands (percent)

Table 3

Remittances were spent on (in U.S. dollars):	Overall	<100	101–200	201–300	301–400	401–500	>501
Paying for family's living	82.28	70.73	84.91	90.1	81.6	78.98	79.92
Paying off emigration cost	44.15	45	40.76	37.19	41.62	42.86	57.6
Supporting the elderly	37.46	22.5	41.03	32.99	35.47	43.68	40.8
Building or purchasing housing	26.54	17.5	26.28	31.31	28.89	26.01	20.08
Helping to raise children born overseas but sent back to China	19.62	24.39	17.2	18.27	21.66	30.64	9.68
Supporting local education and other public projects	11.48	7.5	17.95	8.67	11.31	10.98	10.93
Building ancestry grave	3.68	2.5	5.16	3.06	3.85	3.47	3.24
Doing business	2.3	0	3.23	3.06	1.62	3.47	2.02
Other purposes	4.26	4.88	4.4	5.42	3.98	4.55	3.52
Number of households	1,337	41	159	202	503	176	256
Number of villages	41	7	9	5	11	4	5

Table 4

Spending Patterns by Mean Remittances Received Last Year (Percent)

Remittances were spent on:	Overall	<6,000	6,001–9,000	9,001–12,000	>12,001
Paying for family's living	82.28	90.65	84.01	74.47	79.7
Paying off emigration cost	44.15	22.7	37.83	62.14	63.16
Supporting the elderly	37.46	36.21	35.59	38.39	43.61
Building or purchasing housing	26.54	34.77	27.85	19.42	23.31
Helping to raise children born overseas but sent back to China	19.62	22.13	21.55	15.14	21.05
Supporting local education and other public projects	11.48	12.97	8.27	12.74	13.53
Other purposes	3.68	3.18	3.9	3.13	6.02
Building ancestry grave	2.3	2.31	2.68	1.69	3.01
Doing business	4.26	4.53	4.98	3.49	3.76
Number of households	1,337	352	422	430	133
Number of villages	41	10	12	12	7

Table 5
Single-Level and Multi-Level Tobit Models Predicting Amount of Remittances Received Last Year

Independent variables	Model 1		Model 2		Model 3		Model 4	
	B	S.E.	B	S.E.	B	S.E.	B	S.E.
Sociodemographic characteristics								
Age at migration	-12.50	63.37	-18.47	63.27	-9.25	63.23	-16.86	63.21
Years of schooling	-122.09	169.30	-177.02	171.06	-129.87	171.44	-171.41	170.39
Household characteristics								
Number of emigrants in a family	218.61	282.02	466.98	291.63	460.63	290.45	460.58	291.36
dependency ratio	68.29	1295.72	241.91	1289.18	64.45	1289.06	223.81	1288.19
Home ownership	2406.36	1745.02	2403.44	1741.71	2573.68	1739.57	2431.88	1740.91
Migration-economic characteristics								
Duration of stay overseas	-277.88 [*]	132.62	-205.71	134.20	-202.37	133.93	-207.07	134.18
Income after emigration (logged)	984.26 ⁺	508.11	924.85 ⁺	511.22	846.18 ⁺	511.50	921.79 ⁺	511.14
Emigration cost	0.07 ^{**}	0.02	0.07 ^{**}	0.02	0.07 ^{**}	0.02	0.07 ^{**}	0.02
Village context								
Total population in a village			0.96 [*]	0.44	0.97 [*]	0.40	1.00 [*]	0.44
Overall remittances a village received			-313.71	675.87				
Mean remittances per household received in a village					2953.84 [*]	1453.74		
Proportion of remittances used in public projects in a village								
Intercept	-3367.42	6073.73	-889.63	11605.73	-37109.77	16799.87	-1989.48	5681.55
Log likelihood	-13801		-13795		-13793		-13795	
Number of emigrants	1337		1337		1337		1337	

^{**} p<0.01

^{*} p<0.05

⁺ p<0.1.

Table 6
Single-Level and Multi-Level Logistic Models Predicting Remittances Used in Public Projects

Independent variables	Model 1		Model 2		Model 3		Model 4	
	B	S.E.	B	S.E.	B	S.E.	B	S.E.
Sociodemographic characteristics								
Age at migration	-0.03 ⁺	0.02	-0.03 ⁺	0.02	-0.03 ⁺	0.02	-0.04 [*]	0.02
Years of schooling	0.03	0.04	0.02	0.04	0.03	0.04	0.03	0.04
Household characteristics								
Number of emigrants in a family	0.24 ^{**}	0.06	0.28 ^{**}	0.06	0.28 ^{**}	0.06	0.29 ^{**}	0.06
Dependency ratio	-0.76 [*]	0.37	-0.74 [*]	0.38	-0.76 [*]	0.38	-0.88 [*]	0.39
Home ownership	0.53	0.48	0.51	0.50	0.54	0.50	0.47	0.49
Migration-economic characteristics								
Duration of stay overseas	0.07 [*]	0.03	0.09 ^{**}	0.03	0.09 ^{**}	0.03	0.09 ^{**}	0.03
Income after emigration (logged)	0.23 [*]	0.09	0.23 [*]	0.10	0.22 [*]	0.10	0.19 [*]	0.10
Emigration cost	0.00 [*]	0.00	0.00 [*]	0.00	0.00 [*]	0.00	0.00 [*]	0.00
Village context								
Total population in a village			0.00 ^{**}	0.00	0.00 ^{**}	0.00	0.00 [*]	0.00
Overall remittances a village received (logged)			-0.14	0.16				
Mean remittances per household received in a village (logged)					0.19	0.39		
Proportion of remittances used in public projects in a village								
Intercept	-5.10 [*]	1.27	-3.86	2.74	-8.03 ⁺	4.46	7.18 ^{**}	1.09
Log likelihood	-436		-429		-429.7		-6.08 ^{**}	1.31
Number of emigrants	1337		1337		1337		-404	
							1337	

^{**} p<0.01

^{*} p<0.05

⁺ p<0.1.