

**The CFCE Annual Conference of Cultural Economics:
Immigration Matters & Human Resources Management**

**Remittance Behavior of Chinese and
Indian Immigrants: Evidence from
Canadian Micro-data**

Dr. Murshed Chowdhury

King's University College at Western University

London, ON, Canada

Venue: LMH, Oxford University, Oxford, UK

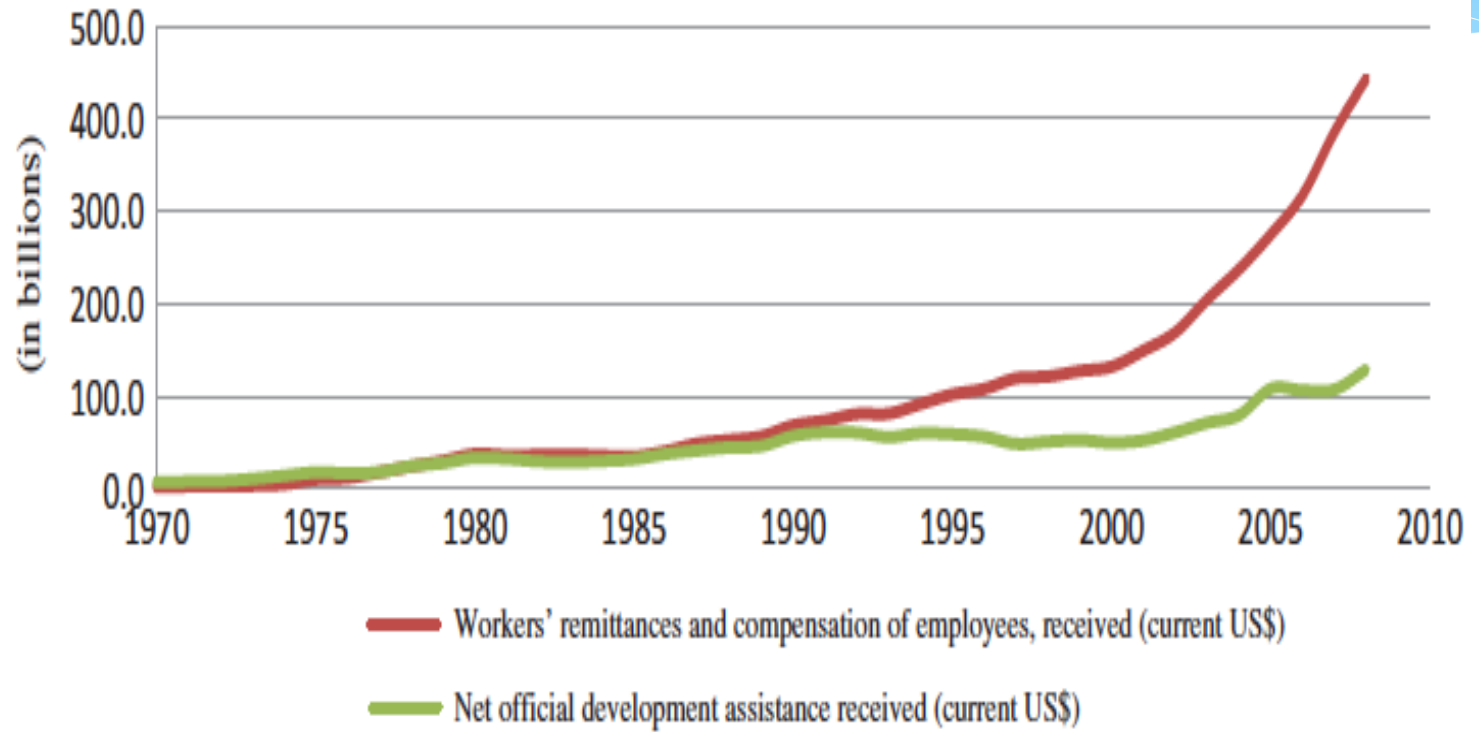
Organized by ECO-ENA: Economics & ECO-Engineering Associate, Inc., Canada

www.eco-ena.ca

Motivations

- * Immigrants represent more than 20% of the total population in Canada (NHS, 2011)
- * In recent years, large number of immigrants arrived from Asia (NHS, 2011)
- * Remittances sent by immigrants have become a strong non-market financial flow towards developing countries
- * Understanding the issues related to immigrants and remittances are receiving increasing attention in recent years

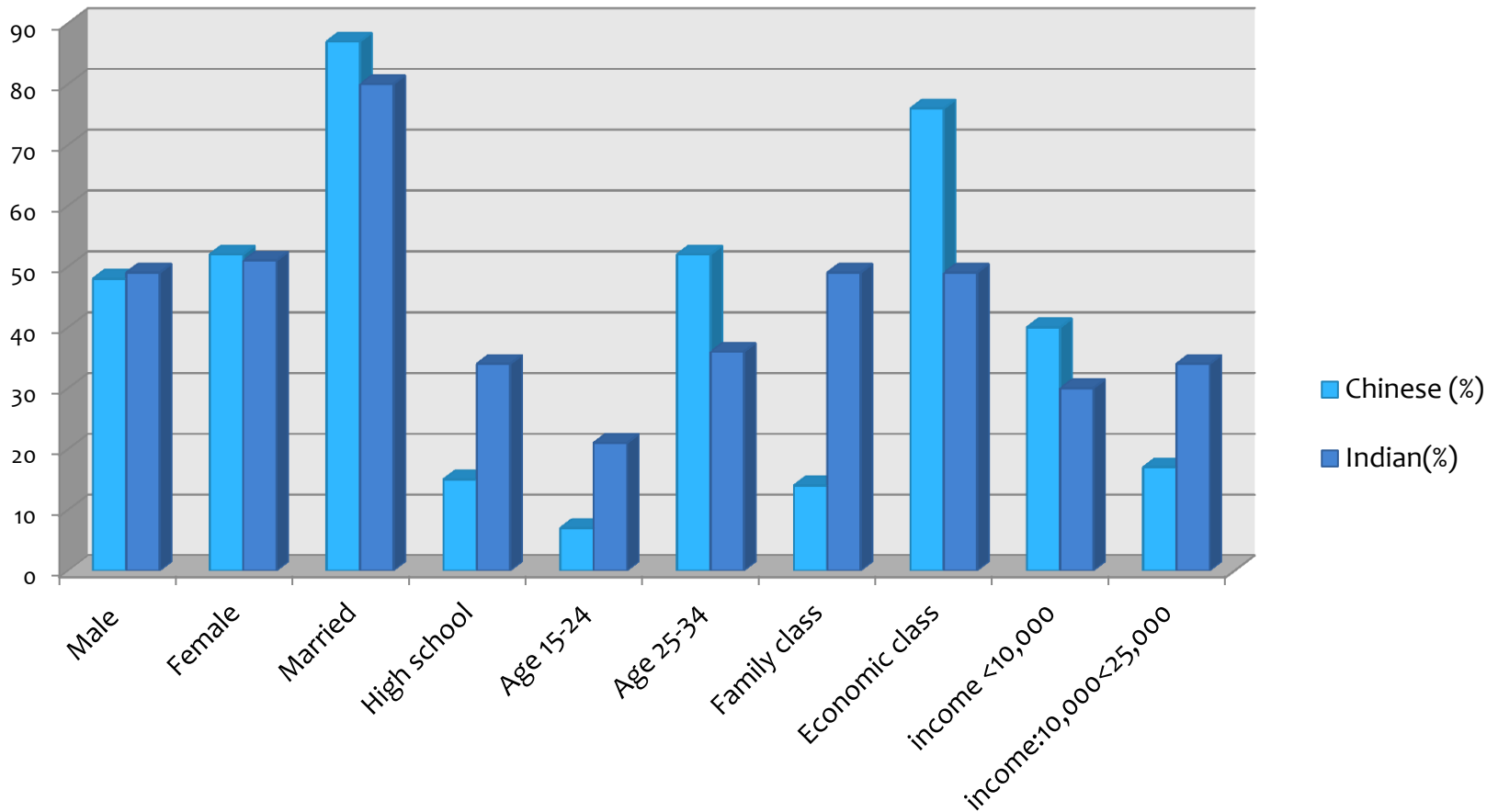
Remittances and Official Development Assistance (ODA) flows towards developing countries



Introduction

- * What are the key motivations to remit by Chinese and Indian immigrants to Canada?
- * Whether there is any difference across individual's country of origin?
- * Minimizing the bias related to endogeneity

Chinese and Indian immigrants



Review of literature

- * Johnson and Whitelaw (1974)
 - * Pure altruism
- * Lucas and Stark (1985)
 - * Pure self-interest
 - * Inter-temporal contractual agreement
 - * Tempered altruism
 - * Enlightened self-interest
- * Menjivar *et al.* (1998)
- * Clark and Drinkwater (2007)
- * Houle and Schellenberg (2008)

Data and the model

- * Data: Longitudinal Survey of Immigrants in Canada (LSIC)
- * Immigrants: Chinese and Indian

- * $y_i^* = x_i \beta + \varepsilon_i$
- * Dependent variable
 - * Remit or not remit
 - * Amount to remit
- * Independent variables
 - * Demographic variables
 - * Financial or economic endowment variables
 - * Other determinants to remit

Key findings

- * Family class immigrants from India have higher likelihood of remitting (14%) than their Chinese counterparts (6%). However, if economic class immigrants remit, they remit more than the family class immigrants; Indians (15%), Chinese (26%)
- * Younger Chinese have higher likelihood of remitting (6% and 10%). Among Indians, young (11%) and older (9%) immigrants have higher incidence of remitting than the middle age immigrants
- * Incidence of remittances and income

Key findings

- * Investment back home and remittances
- * Having ethnic relationship and remittances

Remarks

- * Matching information about immigrants' family and/or friends in home country



*Thanks