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The Links between Economic Integration and Remittances Behaviour of Migrants in the Netherlands¹

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Short Summary

In a time of economic downturn and the recession in Europe, a migrant's labour market position is even more precarious, and may influence their economic homeland engagement. Based on the IS Academy, Migration and Development: A World in Motion Project survey data³, I focus on Afghan, Burundian, Ethiopian and Moroccan first generation migrants in the Netherlands, and explore how their economic integration is related to different aspects of their economic remittances behaviour. The main objectives of this paper can be summarized as follows: 1) to describe migrants' labour market performance; 2) to designate migrants' economic remittances behaviour with a focus on propensity to remit, amount of remittances and reason for remitting; and 3) to discuss how labour market performance relates to migrants' economic homeland engagement. In line with the resource dependent transnationalism argument, this paper concludes that economic integration is positively linked to propensity to remit and the amount of remittances sent. Moreover, I show that especially those with a secure employment status are more likely to remit, remit more and remit more for investment purposes rather than consumption. The paper starts out with a literature review on economic transnationalism and a description of the hypotheses. Next, the data and methods used are explained in detail. Subsequently, the descriptive and analytical results of the paper are presented, followed by a concluding section.

Keywords: migrants in the Netherlands, economic remittances, economic integration, transnationalism

JEL classification: F22, J15, J61

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³ This is a five year research project financed by the Dutch Ministry of Foreign Affairs which conducted surveys in the Netherlands, Ethiopia, Burundi, Afghanistan and Morocco.

Economic Transnationalism: Economic Integration and Remittances Behaviour

Not all migrants are economic migrants, but all migrants – independent of their migration motivation – need to earn an income to make a living in their new home and therefore become part of an economic system in the host country (Castles and Miller 2003). At the same, once settled in the host country, migrants do not necessarily cut all economic contact with their homeland. In reality, many of them maintain it with family and friends abroad, and make economic contributions to their homeland through several channels, including transnational entrepreneurship, investments and monetary and in-kind remittances sent to family and friends abroad. In the last couple of decades, migrants' remittances have received special attention in the literature, firstly because of their potential impact on poverty alleviation and development (Skeldon 1997), and secondly due to the remarkable increase in migrant remittances over the past years (World Bank 2006).

One of the main questions addressed by researchers is: "What determines remittance sending?" Most of the research on this topic has been dominated by economists who have developed a rationale based on the New Economics of Labour Migration theory. Carling (2008), as a response, has argued that there is a lack of research on demographic and other non-economic determinants of remittances sending behaviour. Carling, his colleagues (see Carling and Hoelscher 2013) and other migration scholars such as Al-Ali, Black and Koser (2001), Portes, Haller and Guarnizo (2002), and Waldinger (2008) have taken the challenge to look into the determinants of remittances from a more sociological perspective. In particular, these researchers have asked whether integration in the host country, however it may be defined, has a positive or negative effect on migrants' propensity and amount to remit. The objective of this paper is to contribute to this line of research. This is a question of high relevance since migrants' economic integration does not only influence their way of living in the host country by providing economic and social resources, but also may equally influence the ways in which they maintain contact with their family and friends in the home country.

Mazzucato (2008) argues that treating transnational (economic) activities and integration as separate issues leads to an incomplete view of migration (and ultimately to ineffectual policies). A transnational perspective can help bridge the divide and lead to a more complete understanding of migrant livelihoods and reasons to maintain economic relationships with their homeland. The aim of this paper is to contribute to this new line of research by giving equal attention to both home and host country contexts to better understand the daily experiences of migrants. Moreover, Mazzucato (2008) has initiated the introduction of more difficult groups in the study of (economic) transnationalism in the Dutch context. As a continuation of this enriching trend to better understand the experiences of less-studied groups, four groups known to have different size and migration patterns are analysed: first generation Moroccan,

Afghan, Burundian and Ethiopian migrants living in the Netherlands. This is especially important because although refugees are becoming numerically an important part of the immigrant population of Western countries, little is known about their economic performance (De Vroome and Van Tubergen 2010). These migrant groups except for Moroccans, who are one of the major labour migrant groups in the Netherlands, have received little attention from researchers.

For decades migration scholars have treated migrants' economic integration into host countries as an important topic to first evaluate migrants' economic wellbeing and its influence on other domains of life, and secondly, to understand immigration effects on the economy of the host country (Borjas 1987). This research field tends to ignore that migrants maintain on-going relationships with their home countries while integrating into the host country labour market. Yet, with the increase in the number of immigrants and recent technological and communication developments that facilitate their economic homeland engagement, economic transnationalism has become a topic that host countries cannot fail to address (Light, Zhou and Kim 2002, Min 1990). Consequently, today a new line of research combining these ongoing economic links oriented towards the home country with integration processes is expanding.

- Migration scholars claim that migrants' economic homeland engagement help them better integrate into the host country economies, since they aim to generate more income to be able to send money back home (Miller 2011). Portes (2001), for instance, states that transnational activities provide immigrant groups with "an extra 'lift' in terms of material and moral resources unavailable to those cut off from these activities".
- This paper asks the same question in reverse, aiming to understand how economic integration relates to economic homeland engagement. Since the relationship between the two phenomena can work in a bidirectional way, the objective of this paper is not to look for causality, but to understand the correlation between economic integration and homeland engagement.
- I argue that by focusing on how host country experiences relate to migrants' capacity and incentives to develop or to maintain contact with family and friends in the home country, policies can be better targeted to help development impact of such activities.

Research on economic remittances is highly influenced by the theory of New Economics of Labour Migration, according to which remittance behaviour depends on family arrangements. Robert Lucas and Oded Stark's (1985) article "Motivations to remit: evidence from Botswana" has strongly shaped the research field regarding the determinants of migrant remittances. Based on this theory, economists have defined two main motivations for remitting: altruism and self-interest. Pure altruism, various forms of pure self-interest and intermediate motivations constitute the conceptual framework for understanding why migrants remit a certain amount of their earnings back home. De la Brière and colleagues (2002) name insurance, social security, reimbursement of past expenditures, and investment as intermediate

motivations. Remittances are seen as a central element of implicit family contracts with which families benefit in the realms of risk-diversification, consumption smoothing and intergenerational financing of investments.

- The economist approach has made a well-respected contribution to the research field on the determinants of economic remittances, but it cannot explain the whole picture about the phenomenon. It has not adapted to the current context of frequent and widespread back and forth movements between communities of origin and destination. Beyond the conceptualization of migration as a family decision for economic reasons, there are other factors which influence migrants' capacity and incentive to sustain economic relationships with their family and friends in the home country. These factors, such as experiences in the host country, need to be explored in order to understand why there is not necessarily a decrease in migrant remittances over time and who remits under what conditions.
- In the early 1990s, Massey and Basern (1992) brought attention to the fact that "many of the decisions regarding savings and remittances are made within a social milieu of family and friends living and working abroad" (in Marcelli and Lowell 2005). When writing about the remittances channel between Mexico and the US, Marcelli and Lowell (2005) claimed that data collected in the origin countries were biased towards how the needs and wants of the family and friends in the home community influence the remittance behaviours of migrants abroad. This strand of research has therefore focused on the pull factors of remittances sending, but the other dimension of the story – namely, the "push factors" for sending remittances – can be brought in by focusing on the experiences of migrants in the host country.

The assimilation theory and transnational migration theory develop competing arguments regarding the question of how integration relates to homeland engagement. This paper builds its hypotheses upon previous research and theoretical reasoning of resource dependent transnationalism as defined by Itzighson and Saucedo (2002). Namely, it argues that economic integration leads to accumulation of economic resources which allow for migrants to engage in homeland oriented activities.

- Al-Ali and Koser (2001) also formulate that those who are better economically integrated have the capacity to remain in contact with their homeland. Employment provides a regular salary and the possibility of savings, and thus is the single most important factor to increase the capacity of migrants to assist relatives abroad. Al-Ali and Koser (2001) show in their study that employed Eritreans are much more likely to contribute to their families' finances compared to unemployed Eritreans, or Eritreans employed on a an informal or part time basis.

- General hypothesis: *Successful economic incorporation will give rise to engagement in homeland oriented economic activities.*

In economic integration literature, it is assumed that the economic integration of immigrants is stronger when they have higher participation rates, lower unemployment levels, better jobs and a higher income (Van Tubergen 2006). In line with this definition of economic integration, this paper hypothesizes the following:

- *Employed migrants and those with higher income will be more likely to remit.*
- *Employed migrants and those with higher income will be more likely to remit larger amounts.*

There is a positive correlation between successful economic integration and educational attainment (Barro 1991, Mankiw, Romer and Weil 1992, Levine and Renelt 1992, Card 1999). From a sociological perspective, it is also known that those with higher education come from families with a higher socioeconomic status (Blau and Duncan 1967). Accordingly, it can be assumed that those who are better integrated economically are from families with a higher socioeconomic status, and thus do not have families in need of remittances for consumption-related purposes. Therefore remittances can be less vital for their families, and for this reason the economic relationship maintained may be of a different kind: to invest in other things such as businesses, housing and land. Consequently, it is hypothesized that:

- *Employed migrants and those with higher income remit more for investment related purposes than consumption.*

As a next step, greater focus is given to employed individuals in order for more in depth evaluation of the relation between employment-related factors and economic homeland engagement. By accounting for occupational status and contract status, it is considered whether having a stable labour market performance is likely to be positively related to economic homeland engagement. One can argue that those with higher occupational status and stable jobs will be less likely to be influenced by economic fluctuations in the host country. Having a less precarious situation, it will be easier to save money to send back home (Cox, Eser and Jimenez 1998). Accordingly, it is hypothesized that:

- *Migrants with higher occupational status and a stable job will be more likely to remit; to remit bigger amounts; and remit more for investment related purposes than consumption compared to those with lower occupational status and with an unstable job.*

Data and Methods

Sample

This paper makes use of the data collected by the IS Academy: Migration and Development: A World in Motion project. A household survey among 1022 first-generation Afghan, Burundian, Ethiopian,

and Moroccan migrant households is conducted in the Netherlands. The fieldwork took place in 2010-2011 in all provinces of the Netherlands to cover a wide range of migrants with various characteristics. The surveys are conducted by one of the adult members of the household who is knowledgeable about all other members of the household, as well as the economic and social matters of the household. The extensive survey includes, among other things, sections on background characteristics, migration history, settlement experiences in the Netherlands and homeland engagements of migrants. For the analysis, this paper makes use of a subset of the data consisting of all first generation adult migrants born in one of the four origin countries of interest. In the second model, for each outcome variable, a subsample composed only of employed individuals is used.

Measurements

Dependent variables

Economic homeland engagement: Economic activities oriented towards the home country are defined primarily as *money sent by migrants* to family members or friends back in the home country. To assess economic homeland engagement, three aspects of economic remittance sending behaviour are analysed.

First, whether someone has sent any money in the last 12 months to their family and friends or any organization in their home country is of interest. Those individuals who have sent money to third countries are excluded from the analysis, as focus is given only on orientation towards the home country.

Second, the total amount of remittances sent to the home country in the previous year is looked at. Respondents could give detailed information about remittances sent to up to three people. To calculate the total amount of remittances sent by the person, the amount of money sent to each remittances receiver was added.

Third, the purpose of sending remittances is explored. The respondent is asked why they have sent money to the remittances receiver. As mentioned earlier, the respondent could mention up to three people, and the reason for sending money can differ between remittances receivers. This paper focuses only on the first remittance receiver, not multiple purposes for each remittances sender. A specific distinction is made between remittances sent for investment and consumption. Investment-related monetary remittances refer to money that is especially sent for investment/ business education, or to buy housing, land or durable goods. The consumption related monetary remittances include money sent for daily needs, savings, leisure, debt payments and healthcare.

Independent variables

Labour market situation and economic integration: Income per capita is measured by dividing the total income of the household from all resources by the number of household members. Within the sample, a three level income per capita is generated to differentiate between low, middle and high income.

For employment status, a distinction is made between employed, unemployed and inactive people. A further differentiation is made among inactives as students versus other inactives, because there are many adult students in the sample and they signify a distinct group. Employed people are asked the title and content of their job in an open ended way. Based on the answers received from these questions, the internationally accepted ISCO index was created for each individual to define their occupational status. Another dimension to measure economic integration among employed people is their contract status. A distinction is made between those who have an unlimited contract versus those who have a limited contract or no contract at all. Those with no contract or limited contract are considered to have an unstable position compared to others.

Control variables:

Educational attainment: The highest level of education was analysed based on the internationally accepted ISCED scale. There is distinguishability between those who have primary, secondary and above secondary education.

Language use at home: For language use preferences, the respondent is asked what language members of the household speak at home. For this question, the respondent may state Dutch, native language (if different than Dutch), partly Dutch and partly native language, or other. From this variable, a dichotomous variable was created to make a distinction between those who speak only native languages versus those who speak some, or only Dutch at home.

Citizenship status: There is a differentiation between those who have only origin country citizenship versus those who have only Dutch or dual citizenship to account for the legal status.

Years in the Netherlands: A distinction is made between new arrivals (in the Netherlands for less than 5 years) and those who have been in the Netherlands for longer than 5 years.

Migrant groups: Groups are defined on the basis of the country of birth of the migrant. Four dummy variables are included, with those from Morocco being the reference group.

Other control variables: A dummy variable is included for gender, contrasting males (0) and females (1), and marital status contrasting singles (0) and legally married (1). Age and age squared are also included as control variables.

Analysis

In the analysis, the first model looks at the importance of economic integration while controlling for dimensions of integration, such as legal integration (citizenship status), social integration (language use at home), years in the Netherlands and other background variables, including educational attainment and demographic characteristics. In the second model, the importance of labour market performance among employed migrants is explored.

Descriptive analysis

Engagement in Economic Activities oriented towards Homeland

This paper makes use of a sample consisting of first generation adult migrants born in Afghanistan, Burundi, Ethiopia and Morocco. Of the total sample, 27 per cent of the individuals have sent money back home in the previous year at least once. Afghans seem to be the least economically active in their home country as only 13 per cent of them send remittances. Moroccans and Burundians are also below average as 23 per cent and 24 per cent have sent money, respectively. It is clear that the first generation Ethiopian migrants are the most active in sending remittances. Around 51 per cent of Ethiopians have sent money in the last year. The binary logistic regression on the probability to remit with respect to the country of birth, with no other controls, also shows that – compared to Afghans and Moroccans – Ethiopians are significantly more likely to send remittances, whereas there is no significant difference with Burundians.

Ethiopians and Moroccans are sending the highest amounts of money. 17 per cent and 16 per cent of them respectively have sent more than 1001 Euros in the last year. However, when accounting for the average amount of money sent, more than twice as many Ethiopians sent between 501 and 1000 Euros than Moroccans. This means a larger share of Moroccans send low amounts of money than Ethiopians. Afghans, who send money the least, are also the group who send the smallest amounts of money, which is a shared characteristic with Burundians. According to the regression results with no controls, while Afghans send significantly less money than Moroccans, there is no significant difference between Moroccans and Burundians.

Table 1: Engagement in economic transnational activities by country of birth (%)

	Afghanistan	Burundi	Ethiopia	Morocco	Total
Sending remittances	13	24	51	23	27
Amount of remittances					
0-500 Euros	70	74	56	71	64
501-1000 Euros	22	12	27	13	21
1001 Euros or more	8	14	17	16	15
Reason for remitting					
Consumption	79	64	75	89	77
Investment	21	36	25	11	23

When it comes to reason for remitting, it is observed that although they send less money, Afghans and Burundians are not the ones who send money the least for investment purposes. On the contrary, it

seems that Moroccans send money the least for investment purposes while Burundians and Ethiopians are most likely to send money for family and friends in the home country to invest in education, land, housing, business or to buy durable goods. The binary logistic regression on the reason for remitting without controls also shows that all groups send money for investment significantly more than Moroccans.

Economic integration in the Netherlands

Educational attainment is highly correlated with labour market performance and is an important precedent of economic integration. Therefore, the general trends in education level of migrant groups are shown. In the sample, about 27 per cent of respondents have received a primary education, 43 per cent have secondary education and 30 per cent have tertiary education, yet the results differ significantly among the groups. For example, while 52 per cent of the Moroccan migrant population has primary education, only 9 per cent of the Ethiopians have primary education. Ethiopians (55 per cent) and Burundians (45 per cent) are overrepresented in secondary education, and Moroccans are underrepresented in tertiary education (15 per cent). Educational attainment of Afghans seems to be closest to the general distribution with 26 per cent with a primary education, 39 per cent with a secondary education and 35 per cent with a tertiary education.⁴

Table 2: Economic integration in the Netherlands by country of birth (%)

	Afghanistan	Burundi	Ethiopia	Morocco	Total
Highest level of education					
Primary	26	23	9	52	27
Secondary	39	45	55	33	43
Tertiary	35	32	36	15	30
Employment status					
Employed	36	43	49	43	42
In education	32	30	28	3	24
Unemployed	12	24	15	11	14
Inactive	20	3	8	42	20
Income per capita					
Low	43	41	17	37	35
Middle	36	29	48	35	38
High	21	30	35	28	27
Employed Sample					
Occupational status					
Low	9	36	13	17	16
Medium	61	34	53	49	52
High	30	30	34	34	32

⁴ In the sample, a large proportion of the first generation adult migrants (64 per cent) have obtained additional skills in the Netherlands upon arrival. These largely consist of language courses and participation in integration courses. Overall, 63 per cent of adult first generation migrants took language courses, and 29 per cent of them have participated in, or completed, integration courses. With the exception of Burundians, more than half of each group has taken language courses but the proportion of Burundian migrants who attended or participated in integration courses is relatively higher (51 per cent).

Contract Status

No contract/ Limited contract	56	72	53	30	51
Unlimited contract	44	28	47	70	49

The most straightforward way of looking at economic integration is employment status. Although a larger share of Moroccans are low skilled compared to the other groups considering their educational attainment, interestingly, they are not significantly more likely to be unemployed. More specifically, 42 per cent of Moroccans are employed while 35 per cent of Afghans, 48 per cent of Ethiopians and 43 per cent of Burundians are employed. Among the adult population, 24 per cent are in school. Only 3 per cent of adult Moroccan migrants are in education while 32 per cent of Afghans, 28 per cent of Ethiopians and 30 per cent of Burundians are in education. This also relates to data that show other migrant groups are more highly educated than Moroccans. Next to being inactive due to study purposes, there are other inactives in our sample. These include individuals at retirement age, permanently sick or disabled individuals and those who are doing housework. Among the inactive population, Moroccans are overrepresented as many of them arrived in the Netherlands as young labourers several decades ago and are now at the age of retirement. A similar explanation applies to the one fifth of the Afghan migrants who are now recorded as inactive after coming to the Netherlands as refugees in the early 1980s. Plus, those who have fled from conflict in their country may have had traumatic experiences which make it impossible for them to work. The distribution of unemployment levels shows significant differences among the groups. When the proportion of unemployed people within the active population is looked at, it is observed that 20 per cent of Moroccans, 27 per cent of Afghans, 23 per cent of Ethiopians and 35 per cent of Burundians are unemployed.⁵ This data shows that Burundians and Afghans are in a more fragile economic situation.

Moreover, looking at the occupational status of the employed individuals, it is observed that 35 per cent of Burundians are clustered heavily in low occupational status jobs, compared to the overall sample average of 16 per cent. Half of the total sample (52 per cent) occupies mid-level jobs, and around 32 per cent are in high occupational status jobs. There are no significant differences across the groups and, surprisingly, although Moroccans are less likely to be highly skilled, those who are employed often occupy high status jobs. The stability of job also demonstrates which groups struggle the most in the labour market. To do this, migrants who have an unlimited contract were compared to those who have either limited contracts or no contracts at all. It was observed that, in line with the over-qualification problem, Burundians seem to be in the most precarious situation as only 28 per cent of them have a stable job, while 70 per cent of Moroccans have a stable job. Less than half of Afghans (44 per cent) and Ethiopians (46 per

⁵ Regarding duration of unemployment, I observe that a large proportion of Moroccans are unemployed for more than a year (84 per cent). The situation of Afghans is somewhat similar to Moroccans as 63 per cent of them are also unemployed for a long period while for Ethiopians and Burundians the situation is a little different. 49 per cent of Ethiopians and 56 per cent of Burundians are unemployed for less than a year (See Annex).

cent) seem to have a stable job, but this can also be explained by the fact that many of these migrants are in higher education and working only part time.

Although not directly related to the labour market situation of migrants, it is also important to look at income per capita in the household. For instance, although Moroccans seem to be doing better in the labour market, they are mainly found in the low income category (37 per cent). Burundians' economic struggle is reflected in their income level, as 41 per cent of Burundians seem to have low income. Nevertheless, at the same time, it was also observed that 30 per cent of Burundians seem to have high incomes per person in the household. This may be explained by the fact that Burundian households tend to be smaller in the Netherlands. Ethiopians, who are the most highly educated, are also over represented in middle income and high income categories with 48 per cent and 34 per cent respectively. Household size comes into play once again with Afghans, who generally live in bigger households. 42 per cent of Afghans seem to have low income in comparison to the 34 per cent average found across the total sample. In conclusion, all these different dimensions show differences among migrant groups with respect to their economic integration into the Netherlands, and this hints towards the importance of looking at various factors regarding economic performance for a more refined analysis.

Main analysis results

The aim of this section is to explore the links between economic integration and economic homeland engagement. This section investigates whether those who are more and better engaged in the economic domain of the labour market get involved more in transnational economic activities in their home country, with a specific focus on economic remittances. In the first step, the model is run with the whole sample; in the second step, the model is run among employed individuals only to see whether job related factors play a significant role to explain the differences related to remittance sending behaviour. In the theory section, by taking into account the resource dependent transnationalism hypothesis, it is argued that being involved in the home country economically is not necessarily an alternative to host country integration. On the contrary, being integrated in the host country economy may increase migrants' capacity to become economically involved in their home country. Table 3 presents the results of each analysis for dependent variables representing a different dimension of economic remittances behaviour to test this hypothesis.

The propensity to remit was first analysed. The binary logistic regression results, presented by odds ratios, show that compared to employed people, unemployed and inactive people are less likely to remit. The results show that students do not necessarily remit less than employed migrants, which was different from the hypothesis. When account income per capita is taken into account, it is observed that the probability to remit increases with higher income. These results clearly indicate that economic integration is positively linked to remittance sending. Within the employed sample, it is observed that having a stable

job is positively linked to sending remittances, and the inclusion of job-related variables negates the effect of education and income. Within the employed group, one can argue that the probability to remit does not depend on income, but having a secure job does increase the likelihood of sending money. Additionally, it can be argued that those with higher education are more likely to have a stable job and this explains why the effect of education on propensity to remit is mediated by having an unlimited contract. Yet, occupational status does not seem to be linked to propensity to remit. Therefore, our hypotheses about the employed sample are only partially accepted.

Table 3: Results for economic homeland engagement of Moroccan, Afghan, Ethiopian and Burundian first generation migrants in the Netherlands

Results are in odds ratios; *p<.1, **p<.05, ***p<.01

	Sending remittances (Odds ratios) Binary logistic regression		Amount of remittances (Coefficients) Tobit		Remitting for investment (Coefficients) (Ref. consumption) Multinomial logistic regression	
	Total Sample	Employed	Total Sample	Employed	Total Sample	Employed
Country of origin						
Morocco	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
Afghanistan	.49***	.55**	-	-504.98**	.99**	1.94**
Ethiopia	2.68***	2.92***	394.23***	426.35***	.81*	1.34*
Burundi	.92	1.31	-.80	-39.20	1.70***	-.03
Highest level of education						
Primary	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
Secondary	1.39**	1.18	42.14	59.86	.19	.38
Tertiary	1.57**	1.35	157.99*	68.11	.49	.32
Employment status						
Employed	Ref.		Ref.		Ref.	
Student	.88		19.68		.22	
Unemployed	.67**		-253.60**		-.71*	
Other inactive	.49***		-		.26	
			423.02***			
Income per capita						
Low	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
Middle	1.33**	.96	75.94	-133.02	.64**	1.77**
High	1.66***	1.60*	248.41**	243.10*	.62**	1.12
Legal Status (Citizenship)						
Only Dutch or dual citizenship	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
Only origin country citizenship	.91	1.23	-17.89	187.76	-.03	1.30*
Language use at home						
Only or some Dutch language	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
Only origin country language	1.01	1.10	49.17	93.76	.49*	.17
Occupational Status (ISCO)						
Low		Ref.		Ref.		Ref.
Middle		1.23		48.39		2.61***
High		1.00		113.67		2.28**
Job security						
Limited or no contract		Ref.		Ref.		Ref.
Unlimited contract		1.98***		317.88***		1.18**
Control Variables						
Age	1.07**	1.14*	35.96**	13.46	.21**	.09
Age squared	.99	.99*	-.26*	-.05	-.00**	-.00
Female	.77**	.61**	-.87	-304.77**	.40*	-.03
Married	.73**	.81	-130.08**	-22.46	-.29	-.22

Years in NL				-497.14**			
Less than 5 years	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
More than 5 years	.59**	.38**	-194.11*	-497.14**	-.55	-.48	
N	1349	445	1359	446	389	150	
Pseudo R square	.15	.14	.03	.03	.10	.23	

The analysis results are similar to a large extent for the amount of remittances that are sent back to family and friends in the home country. Since this outcome variable is a numerical continuous variable, a Tobit model is run, which assumes that the decisions to remit and the amount of money to be sent are made simultaneously. In this model, the difference compared to the propensity to remit is that the effect of education is not significant. This means that those with higher education are not necessarily more likely to remit more. Yet, as expected, it is shown that employed migrants tend to remit significantly more than those with no employment and inactives. Interestingly, students do not necessarily remit significantly less than employed migrants. Moreover, it is shown that those with a higher income tend to remit more than those with lower income. In the employed sample, the results show that those with a stable job are likely to remit larger amounts of money, but occupational status does not relate to the amount of remittances sent. Consequently, our hypotheses regarding the links between better economic integration and the likelihood to remit bigger amounts of money is partially confirmed.

Finally, the reason to remit is explored and an attempt is made to identify whether economic integration is linked to sending remittances for investment related purposes. The results show that educational attainment and employment status do not significantly positively affect the decision to remit for investment-related purposes compared to consumption-related purposes. Nevertheless, the analysis shows that those migrants with higher income are more likely to remit for investment-related purposes than consumption. Within the employed sample, those who occupy a higher job status, and those with a more stable job, are more likely to remit for investment purposes when other factors are controlled for.

Conclusion

This paper focused on economic integration as a “push factor” for sending remittances, and analysed how it relates to different dimensions of remittance sending behaviour of migrants living in the Netherlands. Integration of migrants in the host country and their enduring homeland involvement were treated as independent but concurrent processes, rather than as alternatives to one another (Levitt and Glick-Schiller 2004, Levitt 2008). Argumentation was based on resource dependent transnationalism according to which engagement in transnational activities depends on migrants’ successful economic integration and accumulation of economic resources. Researchers refer to labour market position and labour market mobility to measure the capacity for transnational involvement. Al-Ali and Koser (2001) argue that while some aspects of migrant lives and experiences in the residence country give them the necessary economic, legal or social capital and resources for maintaining contacts with their homeland,

others enhance or decrease their motivations. Economic integration was focused on as one dimension that relates to remittance sending behaviour by increasing migrants' capital. By focusing on not only propensity to remit, but also amount of remittances and sending purposes, and making a distinction between the total and employed sample, this paper aimed to bring research on international remittances a step further.

Overall, in many aspects it can be argued that economic integration goes hand-in-hand with transnational economic involvement. In the total sample, it was showed that employed individuals are significantly more likely to remit and remit more than unemployed persons. Income per capita is also significantly positively linked to remittance sending. However, economic integration is not related to sending money more for investment than consumption-related reasons. When only the employed sample was looked at, it was observed that especially those with more stable economic situation are more likely to remit, and when they remit, they also remit significantly more than those who are in a less secure position. In addition, those with higher occupational status tend to remit more for investment related reasons.

Other interesting observations based on the analysis are regarding differences with respect to country of birth and gender. Moroccans are significantly more likely to send remittances than Afghans, but less likely to remit than Ethiopians. There is no significant difference between Moroccans and Ethiopians. The results regarding amount of remittances sent are comparable to results on the probability to remit. Moreover, all groups are more likely to remit for investment purposes than Moroccans compared to sending money for consumption-related reasons. Finally, female migrants tend to remit less. The amount they remit is also significantly less if they are working. Yet, they are not significantly less likely to be sending money for investment purposes. This might be due to the fact that education-related remittances were included as part of remittances for investment. These group differences hint to the significance of country of origin characteristics and the gendered character of transnational economic involvement, and demand future research to focus on these dimensions.

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