

Remittances and Temporary Migration

Christian Dustmann and Josep Mestres

Centre for Research and Analysis of Migration,
Department of Economics, University College London

Non-Technical Abstract

In this paper we study the remittance behavior of immigrants and how it relates to temporary versus permanent migration plans. We use a unique data source that provides unusual detail on remittances and return plans, and follows the same household over time. Our data allows us also to distinguish between different purposes of remittances. We analyze the association between individual and household characteristics and the geographic location of the family as well as return plans, and remittances. The panel nature of our data allows us to condition on household fixed effects. To address measurement error and reverse causality, we use an instrumental variable estimator. Our results show that changes in return plans are related to large changes in remittance flows.

Keywords: International Migration, Remittances.

JEL Classification: F22,F24.