Harnessing the Diaspora:
Dual Citizenship, Migrant Return Remittances*

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Abstract. Countries across the globe are in a continual competition for capital. Diaspora populations—migrants residing outside of their country of birth—are a source of both financial capital in the form of potential remittances and human capital in the form of their education, connections, and skills. I hypothesize that by providing expatriates with dual citizenship rights enables home countries to leverage the financial and human resources of their diasporas, encouraging both remittances and return migration. I test this argument using both migrant surveys and macro level evidence for a large panel of countries over the period 1980-2009 and find support for the hypothesis.

Migration has always been a dynamic force in human history. Accounts as early as the Book of Genesis's story of the Tower of Babel describe how man came to be scattered across the face of the earth due to the "confusion of the tongues." History books are filled with images of heroic individuals seeking out new lands for settlement, exploration and exploitation. Historical and contemporary stories of migration, however, also document the dramatic and often perilous movement of peoples forced from their homeland due to conflict, repression and disaster. Regardless of the cause, migrants comprise a significant slice of the world's population: today one out of every twenty-five individuals resides outside of their country of birth (United Nations 2011).

A diaspora—a group of people residing outside of their homeland—is an important extension of the homeland. Centuries ago this relationship found expression in the

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migrant's attempt to open new trade routes, discover new markets and locate raw materials. Economically successful émigrés would often endeavor to have family and friends join them by sending money back home. Today the importance of migrants as a source of external capital is at least, if not more, important. Migrants are increasingly part of the global supply chain and are consumers of products manufactured in their homeland. They act as entrepreneurs, exploiting informational advantages when they invest in and trade with their home countries (Rauch and Trinidad 2002; Leblang 2010). And, like their ancestors centuries earlier, migrants funnel capital directly back to their families and friends through remittances. In more concrete terms the World Bank estimates that in 2008 and 2009 migrant remittances exceeded 400 billion USD—a staggering amount especially when one recalls that this was the height of the financial crisis (World Bank 2011)[1]. These funds—transferred from family member to family member—are often used to facilitate investments in land, new home construction, businesses, agriculture and equipment (Ratha, et al 2011).[2] At the macro level scholars have found that remittances play an important role in shaping a country's exchange rate regime preferences (Singer 2010) as well as influencing the survival of leaders within autocratic regimes (Ahmed 2012).

In addition to being a source of entrepreneurial and financial capital, migrants also embody human capital as they often return home with work experience, education, and/or foreign contacts on top of any accrued financial savings. The reintegration of these returnees into the home country's labor market generates positive externalities for the local

[1] The World Bank defines remittances as the sum of personal transfers and compensation of employees are documents in the reporting country's balance of payments statistics. (https://datahelpdesk.worldbank.org/knowledgebase/articles/114950-how-do-you-define-remittances)

[2] In some cases remittances have been large enough to measurably reduce poverty and inequality in the poorest countries on the globe (Adams and Page 2005)

economy as a whole because upon return they can facilitate the adoption of new technologies and disseminate "best practices" in their fields (Dumont and Spielvogel 2008).

Home countries have deployed any number of strategies to engage their diasporas and entice them to remit their human physical capital. These range from the creation of government agencies focusing on their citizens abroad to the establishment of hometown associations which engage expatriates in their new communities.[3] While useful, these strategies require an already organized and engaged diaspora as well as efficient administrative structures. Another strategy, utilized with growing frequency since 1980 (see Figure 1), is extension of extraterritorial or dual citizenship rights. By treating citizens abroad as part of their "extended-nation," home countries attempt to increase the likelihood that their expatriates repatriate both financial capital in the form of remittances and the human capital embodied in themselves upon their return.

Whether dual citizenship rights actually encourage expatriates to remit and/or return to the homeland is the question motivating this paper. I argue that by extending dual citizenship politics, homeland successfully harness the human and material capital of their expatriates. This occurs not only because dual citizenship is a symbolic statement of home country attachment to the diaspora but also because dual citizenship decreases the transactions costs associated with entering a host country's labor market and makes it easier for migrants to return home. Utilizing both migrant surveys carried out in a number of host countries and broad panel data I find that countries dual citizenship rights are an important part of a country's diaspora engagement strategy: expatriates are ten-percent more likely to remit and three-percent more likely to return to those countries that offer dual citizenship

[3] See Angunias (2009) for a discussion of these different diaspora engagement mechanisms.

rights. At the aggregate level dual citizenship doubles, and in some cases triples, the dollar amount of remittances received by a home country.

In addition to these important substantive findings, this paper contributes to the literatures in political economy and migration in a number of ways. First, it adds to a small but growing political economy scholarship that examines how migrant networks facilitate the cross-border flow of trade, aid and investment (e.g., Rauch and Trindade 2002; Leblang 2010). While that literature emphasizes the importance of migrant networks it ignores the role played by sending states. Second, the lion's share of research on immigration policy focuses on the politics of immigration citizenship and/or assimilation in the receiving or host societies (e.g., Howard 2009). There is little, if any, systematic empirical work focusing on the emigration policies of sending states.[4] Third, the literature that focuses on the consequences of migration for home countries focuses mostly on the "brain drain" and has been concerned with the consequences of immigration for human capital development in the sending state, not on the ways that sending countries can encourage return migration (e.g., Kapur and McHale 2005). By focusing on extra territorial citizenship as a strategy of expatriate engagement this paper begins to fill these gaps.

The remainder of this paper proceeds as follows. In section one I develop the argument and hypotheses linking dual citizenship to migrant remittances and return. In so doing I also discuss some possible causes of dual citizenship; something necessary for the instrumental variables analysis of section four. The samples and statistical methods used to test these hypotheses are discussed in section two. Section three presents the results for the effect of dual citizenship on remittances and return migration using migrant surveys while section

[4]The only paper I know of fitting this category examines the costs associated with obtaining a passport (McKenzie 2007).

four focuses on remittances using macro data for a large panel of countries. Section five concludes.

1. Dual Citizenship, Remittances and Return

National citizenship connotes a set of exclusive rights and responsibilities that apply to members of a country's political community; a community that is generally defined by a nation's territorial borders. Citizens of a country often have the right to own property, are eligible for employment public education and other social programs and, in democracies, are often vested with the right to vote. With these rights come obligations including, but not limited, taxation and, in some cases, compulsory military service. Citizenship is, therefore, a political construction with implications for social and economic life. Having dual or multiple citizenship allows an individual to possess political and economic rights in multiple countries and it often presents the citizen with the ability to enter the workforce. From the perspective of an immigrant, dual citizenship is advantageous as it eliminates the need to obtain a visa to return home and allows the expatriate an opportunity to own property and make other personal investments in her homeland.

The international norm of the 19th and 20th centuries held that individuals should denounce home country citizenship rights before naturalizing in another country; holding multiple citizenships was seen as a moral failing. US Ambassador to Germany, George Bancroft, famously remarked that states should "as soon tolerate a man with two wives as a man with two countries; as soon bear with polygamy as that state of double allegiance which common sense so repudiates that it has not even coined a word to express it" (Bancroft 1949). This idea was echoed by the dominant international organization of the day. A 1925 League of Nations conference produced the 1930 Hague Convention on Certain Questions Relating to the Conflict of Nationality Laws, a document stating "it is in the interest of the international community to secure that all members should recognize that every person should have a nationality and should have one nationality only" (League of Nations 1930 quoted in Koslowski 2003).

The rationale behind the abhorrence of dual citizenship prior in the 19th and early 20th century is consistent with the realpolitik view that dominated international affairs at the time: dual citizenship was rejected because it blurred the lines of diplomatic protection and military obligation (Koslowski 2003)[5]; it potentially decreased the incentive for assimilation and participation in the host country (Renshon 2005), and it was thought to promote "disloyalty and deceit, divided allegiances and torn psyches" (Spiro 2002: 22). The dislike for dual citizenship found expression in how countries treated their expatriate populations, often referring to them as "traitors" who have turned their backs on their countrymen. Countries treated their expatriates "as prodigal sons and daughters who had abandoned their national family and who therefore should not be allowed to retain the original nationality" (Martin 2003, p.7).

This view of dual citizenship has been challenged over the last half century as cross-border travel, marriage and adoption, and integrated trade and investment relationships have increased the desirability and utility of plural citizenship for individuals. (see figure 1). The anti-emigrant tide has also turned as countries of emigration have increasingly recognized that their diasporas are a potentially untapped asset.[6] Home countries have deployed an

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[5] Problems of conscription loomed large in country's hostility towards dual citizenship. During the 19th century when countries attempted to staff armies via conscription dual citizenship presented a formative challenge. Fitzgerald (2002) notes that "one of the proximate causes of the war of 1812 was the impressment of British subjects, who had become naturalized US citizens, into the Royal Navy."

[6] It should be noted that ties to expatriates may not be unambiguously good. The extension of citizenship rights to expatriates may lead external populations to have too much say in domestic politics. Levitt and de la Dehensa (2003) and Rubio-Marin (2006) raise troubling concerns when they reflect on the possibility that expatriate communities may be of sufficient size to influence the outcome of a democratic election. In a more thorough critique of expatriate rights, Benedict Anderson notes that external participants "rarely pays taxes in the country in

assortment of strategies designed to maintain contact with their external populations. Turkey, for example, encourages remittances by allowing émigrés to "buy off" compulsory government service with foreign exchange. The governments of Egypt and India both established bank accounts for foreign deposits where interest earned is tax-free. Sudan encourages remittances by offering an "incentive exchange rate" which provides a small premium above the official rate. The government of Mali provides up to $3,600 USD to returnees to aid in establishing new businesses. Sudan also makes funds available to returnees if those funds are used for home and business construction[7].

A variety of countries also attempt to engage their diasporas more directly: Armenia, Columbia, Mexico, Moldova, Peru and South Africa, for example, have set up government agencies to facilitate re-connecting with their expatriates. And the governments of El Salvador, India and the Philippines have established ministerial level offices designed to manage relations with their diasporas.[8] The desire of home countries to engage their diasporas manifests itself in other measurable ways: countries build consulates where there are large clusters of expatriates, they encourage home town associations to facilitate a feeling of connectedness, they offer investment instruments designed to appeal to their

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which he does his politics; he is not answerable to its judicial system; he probably does not cast even an absentee ballot in its elections because he is a citizen in a different place...But, well and safely positioned in the First World, he can send money and guns, circulate propaganda, and build intercontinental computer information circuits, all of which can have incalculable consequences in the zones of their ultimate destinations" (1991, p.327).

[7] Agunias and Newland (2011).

[8] El Salvador has a Vice Ministry for Salvadorans abroad; India established a Ministry for Overseas Indian Affairs; and there is the Philippines Overseas Employment agency.

foreign nationals, and they host conventions and meetings to enhance a sense of home country engagement.[9]

These strategies attempt to create, recapture or cultivate feelings of membership in the nation; a nation that is tied to, yet is geographically disconnected from the state itself. The use of dual citizenship is especially important because diaspora engagement policies are designed to evoke a feeling of home country identity and connectedness, a feeling that will, hopefully, lead the emigrant to seek tangible connections to the homeland (Newland 2004; Gamlen 2006). As David Fitzgerald remarked, "States deploy the language of nationalism precisely because migrants are outside state territorial borders but within the boundaries of the imagined nation" (Fitzgerald 2002).

The recent embrace of external populations by some countries is an explicit acknowledgement that expatriates are a resource to be leveraged for national economic betterment. A simple illustration of trends in dual citizenship and remittance behavior is compelling. While dual citizenship does not necessarily carry with it the right to vote it does provide the holder with the ability to travel under the homeland's flag and permits the émigré the same rights regarding property ownership as that afforded to residents. As seen in Figure 1, by 2006, 84 countries allowed for dual citizenship—a provision whereby migrants naturalizing abroad maintain home country citizenship.[10] This over-time variation

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[9] It is important to note that not all large scale strategies for reconnecting and reintegrating expatriates have been successful. Ammassars and Black (2001) document the struggle that the International Organization for Migration's "Return of Qualified African Nationals" program had during its existence from 1983-1999.

[10] I use the following criteria to determine the existence of dual citizenship rights for expatriates: whether upon naturalizing abroad a citizen retains or loses the right to hold the passport of his homeland and to own property in the home country. This may or (as is the case in a large number of countries) may not include retaining the right to vote or to stand for elective office. Coding dual citizenship right for expatriates was done through reference to national constitutions and related legislation, through documents held by the United Nations High Commission on Refugees, through secondary source material and through phone calls to national embassies. This is the same strategy deployed by Freeman and Ogelmann (1998). Expatriate voting rights are defined as the ability of migrants to vote from abroad in home country elections. This variable was coded using International IDEA's

masks the fact that there is substantial variation in the recognition of expatriate dual citizenship by seemingly similar countries. Table 1 shows that in 2000 Argentina, Bangladesh, Brazil, Ecuador, Egypt, Morocco and Nigeria granted dual citizenship to their expatriates while Bolivia, Chile, the Gambia, Indonesia, Malaysia Pakistan and South Africa did not.

How and why does dual citizenship influence behavior of expatriates? It is important to note that while remittances are person-to-person transfers, governments recognize the importance—and in some cases the necessity—of these capital flows. It is worth repeating that remittances are far more stable than flows of foreign aid, foreign direct and portfolio investment and are, to a large extent, counter-cyclical.[11] Because they may result in an increase in private consumption, remittances provide governments with budget relief and/or insulation from every increasing demands to provide public services (Singer 2013). In terms of overall economic benefits remittances help stimulate economic development and growth through the multiplier effect.[12] This is not lost on national governments who have often used remittances—and the promise of future remittance flows—as collateral when seeking to raise funds in global capital markets (International Organization for Migration 2006).

Strategically dual citizenship is used to shape attitudes and behaviors and to signal who is part of the "in group" and who is disconnected in order to facilitate the flow of remittances and return migration. Yossi Shain (1999) remarks that governments use this power to

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Voting from Abroad handbook
(http://www.idea.int/publications/voting_from_abroad/upload/Voting_from_abroad.pdf)

[11] https://www.imf.org/external/pubs/ft/fandd/2005/12/basics.htm

[12] At the household level Kerr (1996) has found that remittances increase consumption, lead to investments in technology, and in the growth of small and medium enterprises which, in turn, have a direct effect on economic growth. Woodruff and Zeteno (2010) found that remittances funded much of the micro-enterprise development that occurred in Mexico in the 1990s.

"promote and sustain the attachment of the people to the motherland" (Shain 1999, 662-3). In discussing the extension of dual citizenship by Latin American countries Itzigsohn (2000) and Goldring (1998) argue that the use of dual citizenship is more instrumental: by demonstrating that those living outside their homeland's geographic borders remain part of the extended community there is a hope that expatriates will remit and will return. Forner (2007) makes an identical argument in her study of late 19th Century Italy arguing that the Italian government deployed dual citizenship rights specifically for the purpose of convincing Italians living in the United States to send a steady stream of savings back home.

The use of dual citizenship fits into existing micro-economic models of remittance behavior—whether one believes that remittances are the result of altruism, self-interest or loan repayment.[13] Where does dual citizenship come in? From the view of self-interest perspective immigrants be more likely to remit or will remit more if they intend to return home and consume/invest the resources they have sent home. From this perspective dual citizenship makes the prospect of return—either permanent return or circular return—more likely as it decreases or eliminates the transactions costs associated with obtaining a visa. In a study of migrants living in Germany by Constant and Zimmerman (2007) found that immigrants who held a German passport—available only to German citizens (or dual

[13] These arguments can be summarized as follows: altruism argues that migrants receive no direct economic benefit from remitting. Rather they remit because it increases the utility associated with helping out friends and family; migrants, from this point of view, receive positive utility from their family's consumption. The self-interest perspective holds that remittances are investments sent by migrants intent upon returning home; investments that will be used for future consumption (e.g., Stark 1995). The loan repayment argument combines elements of both altruism and self-interest and basically argues that remittances are a means of repaying the investment that friends and/or family have made in helping to facilitate the individual's initial migration (e.g., Poirine 1997). Yang (2011) provides a fuller description of these arguments. Chami, et al (2008) point out that it is often difficult, if not impossible, to distinguish between these theories empirically because they are not mutually exclusive concepts. Empirical studies often find support for both theories because the independent variables attempting to operationalize these different theories can have multiple interpretations.

citizens) were more likely to engage in circular migration back to the home country—as compared with those immigrants who did not hold a German passport.

Additionally dual citizenship may facilitate larger flows of remittances because it encourages migrants to naturalize in their host country without sacrificing home country ties. Existing evidence is consistent with this conjecture. Jones-Correa (2001) argues that dual citizenship encourages immigrant integration, naturalization and incorporation in the host country because migrants would no longer have to sacrifice "symbolic or active" participation in the home country. Vink and coauthors (2013) find that even after controlling for a multitude of factors home country dual citizenship dramatically increases the naturalization rates of immigrants across a number of European countries. In many—if not most—developed countries entry into certain sectors of the labor market is restricted to that country's citizens. There are a multitude of reasons for this ranging from partisan and labor union politics to the increasingly common use of occupational licensing requirements. Focusing on changes dual citizenship policies in Latin American countries, Mazzolari (2007) and Jones-Correa (2001) find that the provision of dual citizenship by the homeland led to an increase in naturalization rates among their expatriates residing in the United States and this, in turn, also lead to higher rates of employment and increased earnings.[14]

A potential complication is that naturalization may be at odds with a country's attempt to use dual citizenship as a mechanism of symbolic attachment as dual citizens may become attached to two homes. It is difficult to get at this directly at the individual level due to a lack of consistent survey questions. But the case of Mexico—one of the largest sources of immigrants into developed countries—may be illustrative. In analyzing Mexico's

[14] Mazzolari (2007) finds that immigrants from countries granting dual citizenship where 3.6% more likely to find full time employment relative to immigrants from other Latin American countries.

transnational policies DeSipio (2006) notes that dual citizenship as deployed by Mexico prevents what he calls the "development of undivided loyalty to the host country." Delano (2010) agrees, arguing that transnational connections "prevent immigrants from acquiring a sense of loyalty to the host country. Gonzalez Gutierrez (1999) provides a rationale: Mexico's attempts to connects to expatriates in the United States (voting rights, HTAs, DC) are part of a general strategy to foster a diasporic identity which helps foster a "wide-range of government objectives that include guaranteeing the flow of remittances to Mexico, defending Mexican's rights in the United States, and possibly influencing the development of a lobbying group." He concludes by arguing that even if dual citizenship weakens ties between those that naturalize in the US, the strategy helps to engage second and third generation citizens of Mexican descent to still consider themselves Mexican. More generally Bloemraad (2004) argues that dual citizenship provides a mechanism strengthening ties with the home country. By allowing for naturalization without consequence, she argues that home country dual citizenship decreases the cost of cultural and political integration which, in turn, increases the migrant's ability to maintain transnational ties.

The preceding discussion suggests the following hypotheses relating dual citizenship to immigrant return and remittances. First, at the micro level, expatriates from countries extending dual citizenship should be more likely to return and remit than expatriates from countries that do not provide these rights. Second, at the national level, countries that provide dual citizenship rights should be able to attract larger flows of remittances than those countries that do not extend dual citizenship. The next section describes the data used to test these hypotheses while sections 3 and 4 present the micro and macro level evidence.

2. Sample, Data, Measures

In the following two sections I present evidence on the effect of dual citizenship on immigrant return and remittances at the micro level utilizing surveys of migrants residing in a number of countries as well as at the macro level through the analysis of a panel of developing countries over the period 1980-2009. For the micro-level analyses I utilize two different sets of migrant surveys. The first is an aggregation of migrant surveys compiled by a group at the World Bank. Bollard, McKenzie, Morten and Rapoport (2011) collect and create concordances between responses for migrant surveys conducted in Australia, France, Italy, Germany, Japan, Spain and the USA. While Bollard, et al's interest is in examining the effect of education on remitting behavior their model provides a useful framework within which to introduce the effect of dual citizenship. This collection of migrant surveys include individual level answers to two key questions: (1) how much money did you send home this year and (2) do you plan/intend to return to your home country. I include the same individual level control variables as Bollard and his co-authors: education, the number of years spend abroad, income, employment status, marital status and family situation and location of parents and children. The migrants surveyed in these seven countries come from 114 different countries; consequently I also include home country fixed effects to absorb country specific factors associated with remitting and return behavior that are omitted from the model. I also include survey fixed effects to account for different labor market conditions that migrants face in their host country.

I use a second migrant survey that is broader in terms of covariates than the individuals surveys aggregated by Bollard, et al, The National Immigrant Survey of Spain released in 2008.[15] Using the original sample allows me to utilize some variables excluded from the Bollard, et al sample and it also covers a larger number of source countries. In the Spanish

[15] http://www.ine.es/jaxi/menu.do?L=1&type=pcaxis&path=%2Ft20%2Fp319&file=inebase

survey respondents were asked "Do you send money overseas" and "Do you intend to return to your home country." Both of these variables are dichotomous and are coded "1" if the respondent answers in the affirmative. Interviewees were also asked whether they are in touch with family and/or friends in their country of origin, their gender, their work force status—whether they are unemployed or are retired/pensioner—and their level of education.

In the second set of analyses, contained in section four, I examine the effect of dual citizenship on a country's ability to generate remittances at the national level.[16] This allows me to observe the effect of dual citizenship on remittances over time and across countries and, because of the nature of the data, I am able to estimate the long- and short-term effect of dual citizenship on remittances. For this macro-level analysis I assemble a global sample of 133 developing and emerging market economics over the period 1972-2009. The dependent variable is remittances in current US dollars obtained from the World Bank's World Development Indicators (WDI) on-line.[17] As this variable is skewed I use the logged value.

In addition to the measure of home country dual citizenship described above, I include a set of variables to control for factors other than dual citizenship that may drive remittances over time and country. The first is the size of the country's diaspora as a share of the national population.[18] This variable proxies for the potential availability of external capital which could, all else equal, be remitted by émigrés to their homeland. It is important

[16] The focus is on remittances rather than on return as broad cross-national data on either return intention or actual return by immigrants is not available.

[17] If I use remittances per capita for the recipient country I obtain almost identical results. Those results are available upon request.

[18] AUTHOR has collected bilateral migration data measuring the stock of migrants residing in 21 host countries broken down by country of origin for the period 1960-2007. I take that data and then sum it by origin country and year. Then I divide it by the size of the population within the country; ultimately this variable then serves as a proxy of the potential remittances.

to note that this is an imperfect measure as while it accounts for the opportunity to remit it does not capture the ability of migrants to remit; that is, it does not capture the earnings or income of a country's diaspora.

Following Chami, Fullenkamp and Jahjah (2005) I control for (logged) per-capita GDP in PPP terms and its square to capture differences in the average level of wealth in the migrant's homeland. The squared term helps to account for the possibility of selection on the part of migrants whereby migration—and difference in the rate of emigration—changes as countries undergo economic development. The WDI is also the source of data for the variable measuring the homeland's rate of exchange rate appreciation which helps proxy for the opportunity cost associated with saving money in the host country or remitting it back home.

Larger countries may, all else equal, have a larger number of emigrants. To control for the potential for these countries to generate large remittances I control for the recipient country's population. Drawing on Yang's (2011) work I also include a variable measuring the log of the estimated cost (in per capita US dollars) of natural disasters in the migrant's homeland. Migrants may be concerned with the transparency of financial system in their homeland and I proxy for this using the measure of capital account openness developed by Chinn and Ito (2008). Finally, there is some evidence that a country's political institutions provide a signal about a country's level of economic transparency and corruption (Ahmed 2012). An imperfect but comparable indicator of institutional clarity is the country's level of democracy, which I measure using the POLITY measure of institutional democracy. All the country-level independent variables are lagged by one year to decrease the risk of simultaneity bias.

3. Dual Citizenship, Remittances and Return: Evidence from Migrant Surveys

The micro-level analysis begins in Table 2 where I draw on the collection of migrant surveys compiled by Bollard, et al (2011) and used in their study of remittances. To their baseline specification I add the dummy variable measuring the country's policy regarding dual citizenship (coded "1" if expatriates retain home country citizenship even after naturalizing abroad) lagged by one year. In addition, because of the potential for omitted variables I include a set of dummy variable for both the migrants host country (where the survey was conducted) and their homeland. The remittance models are estimated via OLS while the return models estimated using probit. All models include probability weights standardized across the various surveys as well as robust standard errors clustered by the migrant's home country.

On average, migrants in the Bollard, et al sample remit $1,037 USD during the survey year. In column 1 of table 2 the results indicate that, holding all other variables constant, migrants from countries that provide dual citizenship rights send home an additional $179—an increase of over fifteen percent. At the individual level this amount is above what is remitted as a result of familial connections: the coefficients associated with the migrant having family, children and/or parents outside the host country are also statistically significant and positively signed. These results, at least as a first cut, suggest that dual citizenship has the positive expected effect on an immigrant's remitting behavior.

But, as argued above it may be that migrants remit—and remit more—if they intend to return home. In column 2 of table 2 I include as on the right hand side the response to the question "do you intend/plan to return home." This variable is, as expected, positive and statistically significant with the coefficient estimating indicating that those who intend to return remit an average of $607 more. Dual citizenship, however, does not operate only through an intention to return: the parameter estimate on dual citizenship does decrease from column 1 to column 2 but only $23. In column 3 of table 2 I include a battery of home country variables that have been found to be significant determinants of macro flows of remittances: exchange rate depreciation, home country wealth, the openness of home country capital markets, the cost of home country natural disasters and the level of democracy in the home country. Including these variables does not alter the substantive and statistical importance of home country dual citizenship for remitting behavior of migrants residing in a large number of host countries.

In columns 4 through 6 of table 2 I engage in the same exercise using a probit model to estimate the effect of dual citizenship on the immigrant's stated intention to return. The baseline probability of return in the sample is approximately ten percent. Migrants from countries offering dual citizenship are forty percent more likely than those from countries that do not provide dual citizenship to express an intention to return home. This is consistent with the argument made above: that at least one reason why sending countries embrace dual citizenship is because it will reduce the transactions costs associated with return migration. This effect shifts negligibly in specifications that include the amount a migrant has remitted or the variable capturing whether the home country offers dual citizenship.

In table 3 I use the Spanish survey; here the remittance question asks whether the migrant has remitted in the preceding year. The question about return is phrased the same in terms of the intention to return home in the future. In column 1 of table 3 the dummy variable for home country dual citizenship is positive and statistically significant. The baseline probability of remitting is 37 percent. Migrants in Spain from countries extending dual citizenship are 12 percent more likely to remit than those migrants from countries that do not allow their expatriates dual citizenship. Those migrants in Spain that intend to return home, as seen in column 2 of table 3, are increasingly likely to remit –an increase of 15 percent though the inclusion of this variable barely decreases the impact of dual citizenship. And again the inclusion of the macro-level control variables do not alter the substantive findings.

The second half of table 3 repeats this analysis using the Spanish survey substituting as a dependent variable a question asking whether the migrant intends to return to their homeland. In the Spanish sample the baseline probability of return is 8%. The marginal effect of dual citizenship on the probability of return is relatively consistent albeit substantively small—increasing the probability of return between two and four percent depending on the specification. Yet despite the small size of this effect dual citizenship does appear to have both a direct effect on remittances and an indirect one through the intention to return channel.

4. Remittances: Evidence from Panel Data

Thus far evidence at the individual level is consistent with the hypothesis advanced above, that dual citizenship increases the likelihood that an expatriate will remit and express an intention to return home. In this section I examine the relationship between dual citizenship and remittances at the national level; return migration is excluded because data on flow of returning migrants do not exist. However the use of aggregate time-series cross sectional data raises potential problems of identification as it is plausible that countries which already receive a substantial amount of remittances try to increase their remittance flow by introducing dual citizenship. To deal with the potential problems associated with simultaneity I employ instrumental variables and also estimate panel error correction models.

In table 4 I use macro-level data for an unbalanced panel of countries to evaluate the effect of dual citizenship on remittances flows; the dependent variable is the log of remittances received by the homeland in year t. Column 1 of table 4 presents the core macro results: controlling political, economic and environmental factors countries that provide dual citizenship (lagged one year) to their expatriate populations receive approximately 78% more remittances than those countries – and at those times – when dual citizenship is not in place.[19]

To get a better sense of the magnitude of this increase I plot, in Figure 2, the average predicted amount of remittances holding all other variables at their means while altering dual citizenship policy. Consider first Mexico—a country that receives a huge sum of remittances. Mexico introduced expatriate dual citizenship in 1998; had they not done so the model predicts remittances of approximately 2.3 billion US dollars. By changing this policy the model predicts an increase in remittances of over 100 percent to a little less than six billion dollars a year. While that is the largest predicted increase among this set of six countries other counterfactuals are substantively large as well. India, a country with a large expatriate population that has yet to embrace expatriate dual citizenship is predicted to increase remittances by 75% if they changed their policy. Thailand's remittances would increase by a similar magnitude. While the increases for other countries are smaller they are

[19] Using remittances per capita for the home country as the dependent variable does not change the statistical or substantive conclusions discussed in this section. Countries extending dual citizenship receive, on average, $37 USD more than countries that do not provide this right to expatriates.

substantial. The Philippines, for example, is predicted to receive half a billion dollars a year in additional remittances from the adoption of dual citizenship policy.

In column 2 of table 4 I include a variable measuring the number of migrants from country i who have naturalized in OECD countries in year t.[20] The use of naturalization data is limits the sample as it is only available from 1995-2009. But the inclusion of this variable helps to further identify the channel(w) through which dual citizenship influences remittances. In this model the coefficient on naturalization is positive and statistically significant indicating that, all else equal, countries that have a larger number of their citizens naturalize in developed destinations receive a larger flow of remittances. This speaks to the importance of labor market access for migrants as entry into labor markets increases expected income, which, in turn, results in larger remittances.

Does dual citizenship influence remittances because of the feeling of attachment to the homeland or because dual citizenship is a proxy for other expatriate rights and helps provide labor market access? As observed in table 1, while some countries that provide dual citizenship also allow their expatriates the right to vote that is not universal. Yet it could be the extension of voting rights that is driving remitting behavior. To get at this in columns 3 and 4 of table 4 I perform a placebo test and include a dummy variable coded "1" if the home country provides voting rights to those citizens residing abroad.[21] The right to vote

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[20] Data come from Eurostat: http://epp.eurostat.ec.europa.eu/portal/page/portal/population/data/database

[21] Data on external voting rights is derived from the International Institute for Democracy and Electoral Assistance's *Voting from Abroad: The International IDEA Handbook* accessed online: http://www.idea.int/publications/voting_from_abroad/. This publication differentiates between politics that allow voting from abroad via postal voting from those that require expatriates to return home to cast their ballots. I use the criteria of postal voting as the requirement to return home to vote is, for all intents and purposes, equivalent to a poll tax and would likely exclude a majority of potential expatriate voters.

variable is not only statistically insignificant but its inclusion has no effect on the dual citizenship variable.

Finally, as a second placebo test, in column 5 I examine whether dual citizenship is proxy for broader policies utilized by the home country to attract foreign capital. To that end I substitute a country's foreign direct inflows (logged) as a share of GDP for remittances as the dependent variable.[22] If dual citizenship is really capturing other capital friendly policies then we would expect it to have a positive and statistically significant effect on FDI inflows. As the results in column 5 of table 1 indicate dual citizenship does not directly influence flows of FDI, a result consistent with the expectation that this policy operates either by appealing to an expatriate's sense of connection to the homeland or by facilitating their entry into the host country's labor market.

It is possible that the estimated effect of dual citizenship on remittances is driven by simultaneity; that countries receiving large amounts of remittances are likely to implement inclusive dual citizenship policies. In table 5 I confront this possibility head-on through the use of instrumental variables regression. Identifying an instrument for dual citizenship is difficult as a number of factors influencing the adoption of dual citizenship also influence a country's access to remittances. Consequently I draw on the literature on policy diffusion and use as an instrument for dual citizenship in country *i* the number of countries that have dual citizenship that also share a border with country *i*. This instrument is motivated by the observation that countries—especially neighboring countries—often compete for capital and tend to adopt policies similar to one another (Simmons and Elkins 2004) as well as by the observation that the adoption of dual citizenship policies tended to cluster together

[22] The data comes from the World Bank's World Development Indicators online.

within certain regions (Jones-Correa 2001). Figure 3, a map of dual citizenship policies, confirms the clustering of these policies for the year 2000.

States deploy dual citizenship not only because they are competing for capital but also because it is part of an overall strategy associated with building national identity. The extension of dual citizenship rights—especially when done by countries that have recently experienced a change in political regime—is in large measure an attempt to reconnect with those who have left. Both Senegal and Ghana, for example, established dual citizenship during political liberalization in acknowledgement of the large number of migrants who had left while their countries where governed by dictators (Whitaker 2011).[23] The deployment of dual citizenship is not unique to recent democratizations; countries such as France, Italy and Spain, according to Christain Joppke, embrace what he calls "re-ethnicization:" a reconnection with their diasporas in order to (re)-create a sense of national identity and close nationalistic ties (Joppke 2003).

The idea of encouraging expatriates to return home need not necessarily come from a democratic impulse; it can be part of an overall strategy of building a national identity. Devesh Kapur argues that "[S]hortly after independence, Kazakhstan began encouraging diaspora 'return' as a way to address the disadvantageous demographic position of ethnic Kazakhs within their own republic" (2010: 205). Patrick Weil (2009) tells a similar story about France at the end of WWII, a country where the numbers of ethnic French were in decline. Seeing that natives would soon be outnumbered, the French government extended

[23] There are exceptions. Nigeria, for example, recognized expatriate dual citizenship before political liberalization, while the country was under military rule.

dual citizenship rights to expatriates in the hopes not only that they would return, but also that they would continue to be engaged in the domestic political process.[24]

This suggests two additional and plausible instruments for dual citizenship. First, I utilize a country's policy regarding multiple citizenship for its immigrants; that is, whether country i allows immigrants naturalizing there to renounce citizenship in *their* home country. Allowing immigrants to maintain plural citizenship would, all else equal, proxy for more general policies towards multiculturalism and inclusiveness.[25] A second instrument connected to nation building and the effort to reconnect with those who have left captures the conclusion of a truth and reconciliation commission in country i. For the most part these commissions occur during the process of democratization and the establishment of a more inclusive governing structure; part of this process involves reaching out to those who have either left voluntarily or who have been forced into exile.[26] Both of these variables are expected to have a positive effect on country i's establishment of dual citizenship. Finally, given that that expatriate dual citizenship has historically been in conflict with a home land's ability to use a draft to staff its military, I include as an instrument the existence of

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[24] The process of democratization also brings with it pressures to expand, permit or encourage citizenship rights for one's expatriates as it provides an opening for groups to make demands on the political system. In a comparative study of dual citizenship rights Rhodes and Harutyunyan (2010: 473) argue that "[A]lmost no state disqualified people from citizenship simply because they migration beyond territorial control. States become concerned when their emigrants acquire membership elsewhere." Within Africa dual citizenship has come about during periods of political liberalization via "strategic elite initiative, prolonged struggle by previously excluded groups, or both" (Rhodes and Harutyunyan 2010: 471).

[25] This variable was coded by the author using the same sources and methods described in footnote 10.

[26] This variable is coded based on Brahm (2009).

mandatory conscription[27] in country i; this variable should be negatively associated with dual citizenship.[28]

Table 5 contains the results of these instrumental variables models. The results in column 1 are broadly consistent with those obtained via OLS thought the effect of dual citizenship on remittances decreases; an unsurprising result. Yet the impact is still impressive: dual citizenship increases remittances by almost forty percent. The instruments used in the first stage are well defined—the F-statistics for the exclusion of this variable is 205.36, well above the rule-of-thumb cut-off of ten (Stock and Yogo 2004). The first stage model is, however, over-identified which may result in biased estimates of the instrumental variable. I note, however, that estimating the model using only the instrument measuring the number of neighbors with dual citizenship (columns 3 and 4) yields substantively similar results. I opt for the over-identified model because the results from the first stage are substantively interesting in their own right.

The first stage model in column 2 also provides a bit of evidence consistent with the discussion in section one: countries with large expatriate populations are more likely to provide dual citizenship to their expatriates even after controlling for the influence of countries in their neighborhoods. Countries with large number of students studying abroad are also likely to adopt dual citizenship; consistent with the argument that dual citizenship is

[27] Data on conscription is from Horowitz and Stam (forthcoming).

[28] I estimated a number of auxiliary regressions to test the assumption of excludability of these instruments. Conditional on the model in column 1 of table 4 none of these instruments have a statistically significant effect on remittances either individually or when entered as a set. This is due, for the most part, to the inclusion of the democracy variable which is highly correlated with both the extension of multiple citizenship to immigrants and to the conclusion of a truth commission. Mandatory conscription is never significant in auxiliary regression even after dropping the democracy variable.

part of a global competition for human capital. Whether dual citizenship encourages these students to return home something that cannot be answered with data at hand.

The instruments are all correctly signed and their interpretation is consistent with general arguments regarding dual citizenship. All else equal countries are more likely to have dual citizenship if they are surrounded by other countries that have dual citizenship, if they grant dual citizenship to immigrants residing within their borders, and if they have concluded a truth and reconciliation commission. They are less likely to have dual citizenship if, as noted above, they have mandatory conscription.

I repeat these models in columns 5-8 of table 5, this time including the naturalization variable on the right hand side of the remittance equation. An increase in the number of naturalized expatriates increases a homeland's receipt of remittances—a result consistent with the findings on table 5. Note that naturalized expatriates enters the first stage model positively and significantly—another indication that countries use dual citizenship to increase connections with those who have access to human and financial capital.

As a final check on the robustness of the central macro results I ask whether the estimated effects in tables 4 and 5 are influenced by the omitted variables that vary either over time or across countries. To that end I replication the OLS (table 4, column 1) and IV (table 5, columns 1 and 2) models including country fixed effects, year fixed effects and both set of fixed effects. Note that in the country fixed effects regressions the effect of dual citizenship is identified off of only those countries that change dual citizenship policy during the sample period. These results are reported in figure 4 and show that dual citizenship has a statistically robust and substantively significant impact on remittances; in only the IV model with year fixed effects does the 95% confidence interval come close to zero (the lower boundary is .053).

While the results in tables 4 and 5 provide consistent support for the hypothesis that dual citizenship enables governments to harness the economic resources of their diaspora, the use of panel data enables us to push the analysis a bit farther. In table 6 I estimate an error correction model (ECM) where the dependent variable is the change in remittances. In estimating a full ECM model I include changes and lags of all explanatory variables used in table one; this enables me to capture the immediate but transitory effect of dual citizenship on remittances along with longer term effects of this policy.

Table 6 contains the results of four different specifications of the ECM. All models include a set of country fixed effects to capture potential omitted factors, models two and four also include year fixed effects and models three and four are estimated via instrumental variables.[29] The effect of dual citizenship on the change in remittances is remarkably consistent across specifications with both the level and change in dual citizenship having a positive and statistically significant effect. In column one of table 6 the immediate effect of providing expatriates with dual citizenship rights—given by the coefficient on the contemporaneous change in dual citizenship—is 0.26 which translates into an immediate increase in remittances of almost thirty percent. The long-term effect—given by the coefficient on the lagged level of dual citizenship divided by the coefficient on the lagged dependent variable—shows the impact of introducing dual citizenship across future periods.

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[29] Because the ECM has two potentially endogenous variables—the lagged level of dual citizenship and the change in dual citizenship policy—I need two instruments. To maintain comparability I use number of border countries that have dual citizenship lagged one year (the same instrument used in table one) and the change in this variable entered contemporaneously. In both cases the F-test for instrument strength well exceeds the rule-of-thumb cutoff of 10.

In column one this effect is quite large: an increase in remittances of over one hundred percent; numbers that are consistent with some of the results displayed in figure 2.

5. Conclusion

I argue that countries use dual citizenship to access a steady stream of international capital, capital that is available through their external populations through remittances and return migration. Using a variety of data sources and country samples I find not only that immigrant populations serve as an economic engine for their home country but also that national policies of emigrant engagement enhance that relationship. Of course countries want to maintain connections to their diaspora for reasons other than the access to capital. Migrant communities can serve as advocates for the home country and can lobby their host countries for foreign assistance, preferential economic and military policies, and better treatment of immigrants from their countries. The extension of political rights by the home country helps maintain those connections and may provide better connections between host and home country governments.

This increase in the political rights afforded to external populations presents very real analytical and normative challenges. Analytically speaking, the expansion of rights to citizens—in fact the very use of the word *citizen*—is a challenge both to well established notions of state sovereignty as well as to the very definition of the nation-state itself. Dual citizenship effectively "decouples" citizenship from residence and disrupts the notion of a nation-state defined as a territory with a well-defined population sharing a common culture and history. Normatively, providing populations outside of legal borders political rights renders those borders less meaningful. Expatriate rights also raise complex issues so far as justice and fairness is concerned as these rights constitute the extension of a right without a substantive or meaningful obligation.

There is, of course, much to be done. In addition to cataloguing dual citizenship and voting rights for migrants, it would be valuable to identify other immigrant engagement strategies—strategies designed to strengthen the connection between emigrant and the home country. More can be learned about the causes of return migration from tapping the large (and growing) number of immigrant surveys that have been carried out in Canada, Australia, New Zealand, the United States and Sweden. An analysis of these surveys could help clarify whether migrant engagement strategies are successful in harnessing those members of the diaspora that the home country most wants—those that embody human capital.

And more needs to be done to help make sense of the seeming disconnect between rights and duties afforded to national populations. The normative questions associated with allowing external populations to influence politics in the home country—and the desirability of trading these rights for economic flows—do not have easy or simple solutions.

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Appendix A: Countries in the Macro Sample (countries in bold adopted dual citizenship during the estimation period)

Albania, Algeria, Angola, **Argentina**, Armenia, Azerbaijan, Bangladesh, **Belarus**, Benin, **Bolivia**, Botswana, **Brazil**, Bulgaria, Burkina Faso, **Burundi**, Cameroon, Central African Republic, Chad, **Chile**, China, **Colombia**, Comoros, Congo, Rep., **Costa Rica**, Cote d'Ivoire, Croatia, Cyprus, Czech Republic, Djibouti, **Dominican Republic**, **Ecuador**, Egypt, Arab Rep., **El Salvador**, Equatorial Guinea, **Estonia**, Ethiopia, Fiji, Gabon, Gambia, Georgia, **Ghana**, **Guatemala**, Guinea, Guinea-Bissau, Guyana, Haiti, **Honduras**, **Hungary**, India, **Indonesia**, Iran, Islamic Rep., Israel, Jamaica, Jordan, Kenya, Korea, Rep., Kyrgyz Republic, Lao PDR, Latvia, Lebanon, Lesotho, Liberia, Libya, **Lithuania**, Macedonia, FYR, Madagascar, Malawi, Malaysia, Mali, Mauritius, **Mexico**, **Moldova**, Mongolia, Morocco, Mozambique, Namibia, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Papua New Guinea, **Paraguay**, Peru, **Philippines**, Poland, Russian Federation, **Rwanda**, Senegal, **Sierra Leone**, Slovak Republic, Slovenia, Solomon Islands, **South Africa**, **Sri Lanka**, Swaziland, Syrian Arab Republic, Tajikistan, Tanzania, Thailand, Togo, **Trinidad and Tobago**, Tunisia, **Uganda**, Ukraine, Uruguay, **Venezuela, RB**, Vietnam, Yemen, Rep., Zambia, Zimbabwe.

Figure 1. Evolution of Dual Citizenship and Remittances

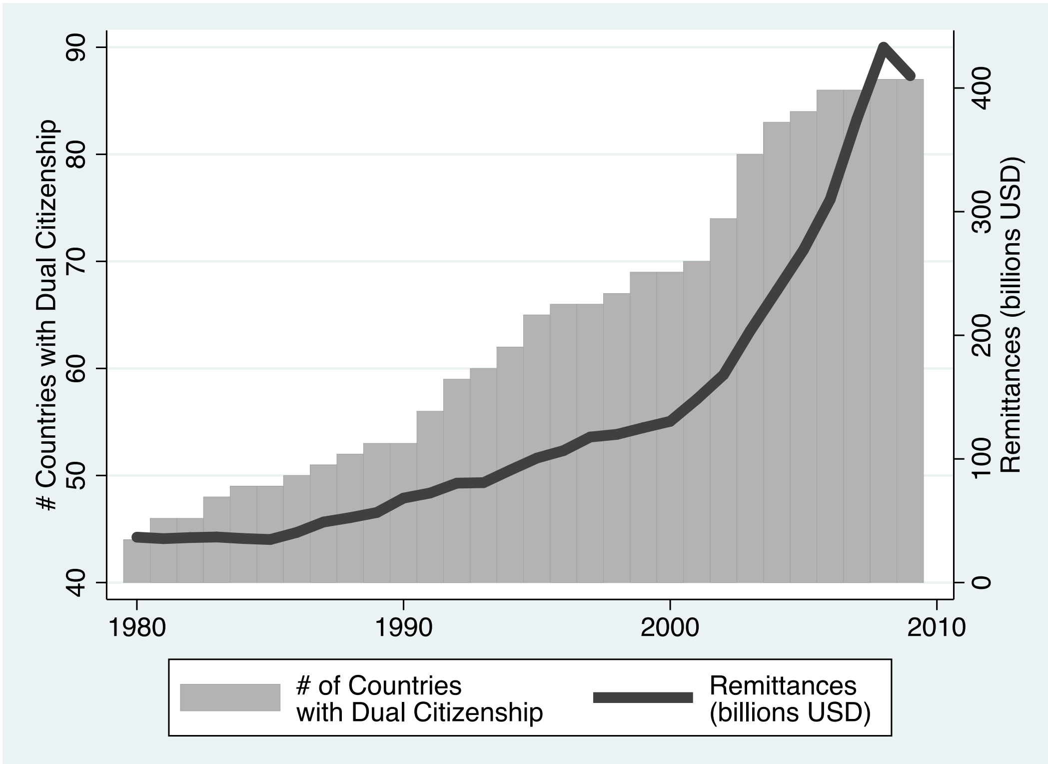
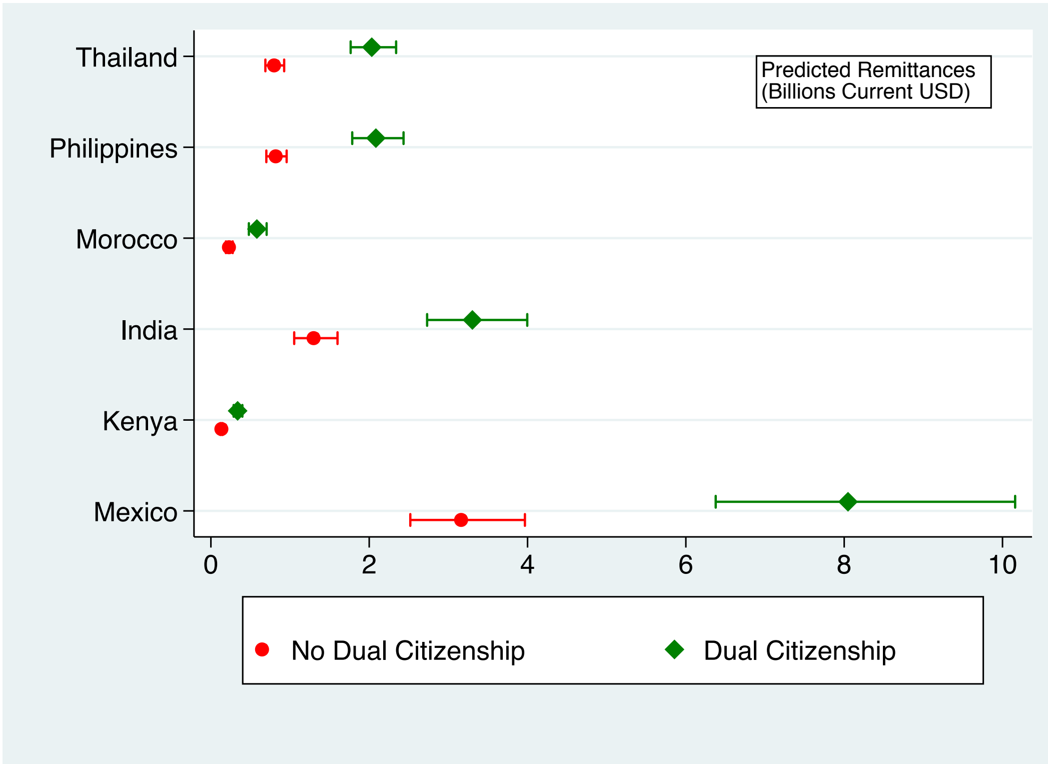


Figure 2. Predicted Remittances



Results based on column 1 of table 4 holding all variables at their mean values but varying dual citizenship from zero to one. Circles and diamonds represent the predicted amount of remittances in billions of US Dollars.

Figure 3. Geography of Dual Citizenship, 2000

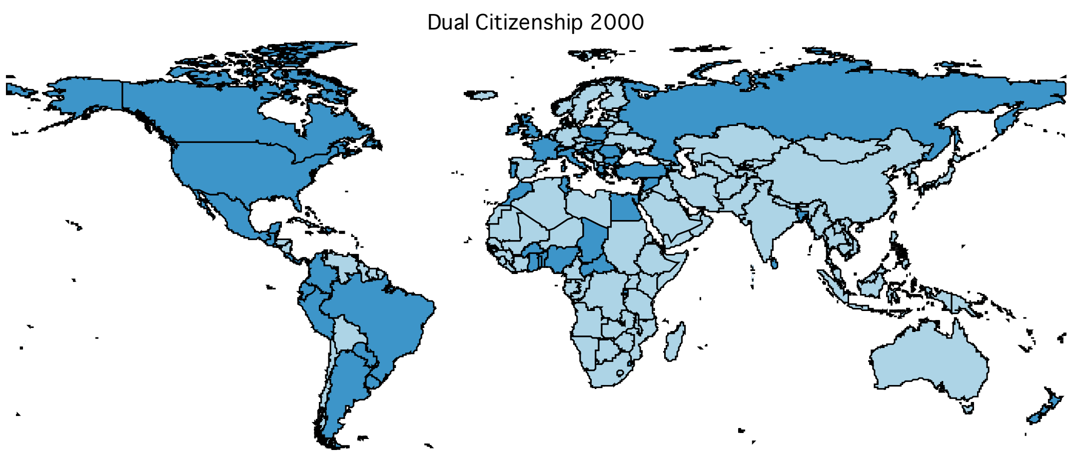
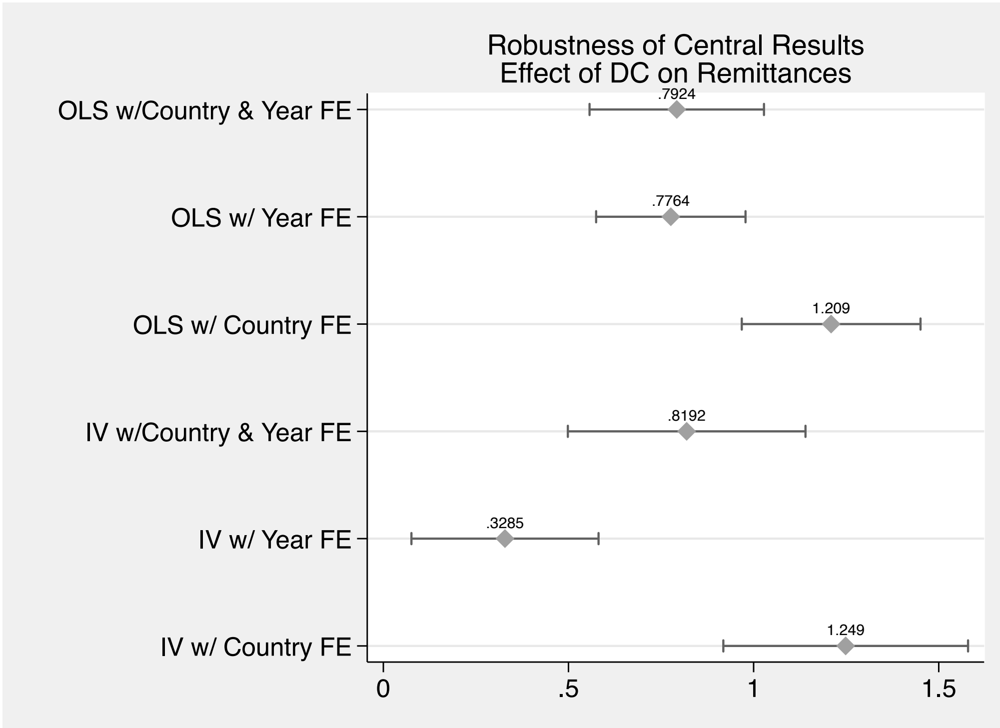


Figure 4. Robustness of Panel Results



Results based on extensions of the models in columns 1 (OLS) and 2 (IV) of Table 4 with the addition of country and/or year fixed effects.

Table 1. Dual Citizenship and Voting Rights, 2000

		Expatriate Dual Citizenship (2000): Yes	Expatriate Dual Citizenship (2000): No
Expatriate Voting Rights (2000)	Yes	Argentina, Bangladesh, Benin, Brazil, Bulgaria, Cape Verde, Central African Republic, Chad, Colombia, Croatia, Dominican Republic, Ecuador, Hungary, Israel, Mexico, Peru, Poland, Russian Federation, Rwanda, Singapore, Slovenia, Togo, Tunisia, Venezuela	Afghanistan, Algeria, American Samoa, Azerbaijan, Belarus, Bosnia & Herzegovina, Botswana, Cote d'Ivoire, Czech Republic, Djibouti, Equatorial Guinea, Estonia, Faeroe Islands, Fiji, French Polynesia, Gabon, Georgia, Gibraltar, Guam, Guinea, Guinea-Bissau, Guyana, Honduras, India, Indonesia, Iran, Iraq, Kyrgyz Republic , Laos, Latvia, Lesotho, Lithuania, Malaysia, Mali, Marshall Islands, Micronesia, Moldova, Mozambique, Namibia, Niger, Palau, Philippines, Senegal, South Africa, Sudan, Tajikistan, Thailand, Ukraine, Uzbekistan, Vanuatu, Zimbabwe
	No	Antigua and Barbuda, Armenia, Barbados, Belize, Burkina Faso, Costa Rica, Cyprus, Dominica, Egypt, El Salvador, Ghana, Grenada, Guatemala, Jamaica, Kiribati, Lebanon, Maldives, Morocco, Nigeria, Panama, Paraguay, Seychelles, Slovak Republic, Sri Lanka, St. Kitts and Nevis, St. Lucia, Swaziland, Syria, Trinidad and Tobago, Uruguay	Albania, Angola, Aruba, Bahamas, Bahrain, Bermuda, Bhutan, Bolivia, Burundi, Cambodia, Cameroon, Cayman Islands, Chile, China, Comoros, Congo, Cuba, Ethiopia, Gambia, Haiti, Hong Kong, Jordan, Kenya, Korea, Kuwait, Liberia, Libya, Macedonia, Madagascar, Malawi, Mauritius, Mongolia, Myanmar, Nepal, Nicaragua, Oman, Pakistan, Papua New Guinea, Qatar, Samoa, Saudi Arabia, Sierra Leone, Solomon Islands, Somalia, Suriname, Tanzania, Tonga, Turkmenistan, Uganda, UAE, Vietnam, Zambia

Source: Dual citizenship is coded based on country constitutions and legislation obtained via UNHCR and home country webpages in addition to other materials cited in the body of the paper. In the case of conflicting or incomplete information we did phone interviews with embassy staff. Expatriate voting rights are based on information in "Voting From Abroad: The International IDEA Handbook," Stockholm: International Institute for Democracy and Electoral Assistance.
http://www.idea.int/publications/voting_from_abroad/upload/Voting_from_abroad.pdf

Table 2. World Bank Sample of Migrant Surveys

	How Much Did You Send Home This Year?			Do You Plan to Return Home?		
	(1)	(2)	(3)	(4)	(5)	(6)
Home Country Dual Citizenship	178.74**	155.69**	158.23*	0.39**	0.44**	0.51**
	(77.11)	(77.79)	(85.46)	(0.17)	(0.18)	(0.20)
University degree	54.37	49.72	49.31	0.08	0.08	0.10*
	(51.30)	(50.72)	(52.73)	(0.05)	(0.06)	(0.06)
Years spent abroad	6.04	7.91	12.74**	-0.03**	-0.02**	-0.03**
	(4.89)	(4.90)	(5.84)	(0.01)	(0.01)	(0.01)
Years spent abroad^2	-0.13*	-0.16**	-0.29**	0.00	0.00	0.00
	(0.08)	(0.08)	(0.12)	(0.00)	(0.00)	(0.00)
Legal immigrant	357.88**	343.16**	397.69**	0.27**	0.24**	0.23**
	(80.67)	(81.62)	(94.17)	(0.08)	(0.09)	(0.09)
Log income	34.86**	34.33**	35.17**	0.02**	0.01	0.01
	(8.54)	(8.45)	(9.24)	(0.01)	(0.01)	(0.01)
Employed	333.57**	337.36**	349.50**	-0.09	-0.10	-0.08
	(61.58)	(61.66)	(67.23)	(0.06)	(0.07)	(0.07)
Household size	-12.18	-10.76	-16.22	-0.02	-0.02	-0.02
	(16.04)	(15.89)	(16.75)	(0.01)	(0.01)	(0.01)
Married	88.30	82.54	77.93	0.05	0.08	0.06
	(68.74)	(68.61)	(76.53)	(0.06)	(0.06)	(0.06)
Spouse outside country	899.23**	893.83**	896.56**	0.05	0.08	0.11
	(198.68)	(197.44)	(209.54)	(0.10)	(0.11)	(0.11)
Number of children	-100.16**	-97.28**	-94.86**	-0.03	-0.03	-0.03
	(19.42)	(19.19)	(20.24)	(0.02)	(0.02)	(0.02)
Children outside country	285.02**	276.43**	276.20**	0.10**	0.09**	0.09**
	(36.46)	(36.25)	(37.97)	(0.03)	(0.03)	(0.03)
Number of parents	-38.27	-37.49	-34.50	-0.02	-0.02	-0.02
	(31.07)	(31.06)	(32.96)	(0.03)	(0.03)	(0.03)
Parents outside country	157.34**	151.16**	147.36**	0.14**	0.14**	0.15**
	(30.84)	(30.99)	(33.53)	(0.04)	(0.04)	(0.04)
Plans to Return Home		606.71**	635.05**			
		(287.52)	(301.09)			
Remittances (x1000)					0.016**	0.017**
					(0.0001)	(0.0001)
Exchange Rate Depreciation			-512.76			
			(588.52)			
Log(GDPPC Home Country)			-274.39			1.22**
			(440.21)			(0.50)
Capital Market Openness			-8.17			
			(90.86)			
Natural Disaster			22.15			
			(17.02)			
Democracy Score			0.94			-0.01
			(18.16)			(0.04)
Constant	994.52**	909.32**	2703.19	-0.75**	-0.86**	-11.22**
	(232.81)	(235.64)	(3323.80)	(0.35)	(0.37)	(4.38)
Observations	21059	21059	18587	20126	18395	16986

Columns 1-3 are estimated via OLS; columns 4-6 are probit coefficients estimated via maximum

likelihood. Robust standard errors in parentheses.
All models include a set of 112 *home* country and 6 *host* country/survey fixed effects. Host countries are: Australia, Belgium, France, Italy, Japan, and the USA (Pew and New Immigrant Survey).
* $p < 0.10$, ** $p < 0.05$

Table 3. Spanish Immigrant Survey

	Do You Send Money Overseas?			Do You Plan to Return Home?		
	(1)	(2)	(3)	(4)	(5)	(6)
Home Country Dual Citizenship	0.30**	0.28**	0.35**	0.25**	0.21**	0.18**
	(0.05)	(0.05)	(0.06)	(0.08)	(0.08)	(0.08)
In Contact with Home Country	1.58**	1.63**	1.43**	1.26**	1.10**	1.06**
	(0.09)	(0.10)	(0.12)	(0.26)	(0.26)	(0.28)
Employed Last Week	0.61**	0.60**	0.57**	-0.05	-0.15**	-0.18**
	(0.04)	(0.04)	(0.04)	(0.05)	(0.06)	(0.06)
Level of Education	-0.11**	-0.10**	-0.04**	0.05**	0.07**	0.06**
	(0.01)	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)
Male	0.03	0.03	0.04	-0.05	-0.05	-0.02
	(0.03)	(0.03)	(0.04)	(0.05)	(0.05)	(0.05)
Year of Birth	-0.00	-0.00	-0.00	-0.00	-0.00	-0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Retired/Pensioner	-1.11**	-1.12**	-0.48**	-0.43**	-0.33**	-0.21*
	(0.10)	(0.11)	(0.12)	(0.11)	(0.11)	(0.12)
Do You Plan to Return Home?		0.48**	0.34**			
		(0.06)	(0.07)			
Do You Send Money Overseas?					0.39**	0.30**
					(0.05)	(0.06)
Exchange Rate Devaluation			0.02			
			(0.38)			
Log(GDP Per Capita)			-0.51**			-0.19**
			(0.03)			(0.03)
Capital Market Openness			0.02			
			(0.02)			
Natural Disaster			-0.00			
			(0.01)			
Democracy Score			0.02**			0.04**
			(0.01)			(0.01)
Constant	-1.73**	-1.76**	1.94**	-2.54**	-2.60**	-1.21**
	(0.33)	(0.43)	(0.51)	(0.48)	(0.47)	(0.52)
Observations	13395	12038	10973	12038	12038	10973

Robust standard errors clustered by country of birth in parentheses.
* $p < 0.10$, ** $p < 0.05$

Table 4. Dual Citizenship and Remittances: Panel Data

	(1)	(2)	(3)	(4)	(5) FDI
Dual Citizenship	0.88**	0.60**		0.88**	0.04
	(0.11)	(0.11)		(0.11)	(0.04)
(Expatriates/Population)*100	0.04**	0.02**	0.05**	0.04**	0.01**
	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)
Log(Foreign Students)	0.14**	0.10**	0.17**	0.15**	-0.01
	(0.05)	(0.04)	(0.04)	(0.04)	(0.02)
Log(GDP Per Capita)	5.17**	5.09**	4.89**	5.16**	0.45**
	(0.49)	(0.57)	(0.50)	(0.48)	(0.20)
Log(GDP Per Capita)^2	-0.34**	-0.34**	-0.32**	-0.34**	-0.03**
	(0.03)	(0.04)	(0.04)	(0.03)	(0.01)
Exchange Rate Depreciation	-1.40**	-0.78**	-1.54**	-1.42**	0.00
	(0.34)	(0.33)	(0.35)	(0.34)	(0.04)
Log(Cost of Natural Disasters)	0.01*	0.00	0.01	0.01*	0.01**
	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)
Democracy Score	0.04**	0.01	0.04**	0.04**	0.01**
	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)
Capital Account Openness	0.31**	0.23**	0.32**	0.32**	0.14**
	(0.04)	(0.04)	(0.04)	(0.04)	(0.02)
Log(Population)	0.79**	0.60**	0.81**	0.79**	-0.06**
	(0.04)	(0.05)	(0.05)	(0.05)	(0.02)
Log(Naturalized Expats)		0.26**			
		(0.03)			
Voting from Abroad			-0.07	-0.09	
			(0.11)	(0.11)	
Constant	-14.55**	-11.87**	-13.81**	-14.39**	0.42
	(1.80)	(2.18)	(1.87)	(1.82)	(0.70)
Observations	2404	1548	2404	2404	2873

Dependent variable in all columns except column 5 is the log of remittances received by country i in year t. In column 5 the dependent variable is FDI/GDP. The panel includes between 57 and 111 countries from 1982-2009.

Heteroskedasticity and autocorrelation-robust standard errors clustered by country in parentheses

* $p < 0.10$, ** $p < 0.05$

Table 5. Instrumental Variables Models

	(1) 2nd Stage	(2) 1st Stage	(3) 2nd Stage	(4) 1st Stage	(5) 2nd Stage	(6) 1st Stage	(7) 2nd Stage	(8) 1st Stage
Dual Citizenship	0.51**		0.73**		0.34**		0.45**	
	(0.13)		(0.13)		(0.12)		(0.12)	
(Expatriates/Population)*100	0.04**		0.04**	0.01**	0.02**	0.01**	0.02**	0.01**
	(0.01)		(0.01)	(0.00)	(0.01)	(0.00)	(0.01)	(0.00)
Log(Foreign Students)	0.15**		0.15**	0.02**	0.10**		0.10**	0.02**
	(0.04)		(0.05)	(0.00)	(0.04)		(0.04)	(0.00)
Log(GDP Per Capita)	5.05**	-0.05	4.99**	-0.31**	5.08**	-0.12	4.87**	-0.28**
	(0.49)	(0.08)	(0.53)	(0.08)	(0.56)	(0.09)	(0.62)	(0.09)
Log(GDP Per Capita)^2	-0.33**	0.01	-0.33**	0.02**	-0.34**	0.01	-0.33**	0.02**
	(0.03)	(0.01)	(0.04)	(0.01)	(0.04)	(0.01)	(0.04)	(0.01)
Exchange Rate Depreciation	-1.45**	-0.06*	-1.44**	0.00	-0.79**	-0.01	-0.79**	0.04
	(0.34)	(0.03)	(0.34)	(0.03)	(0.33)	(0.05)	(0.33)	(0.05)
Log(Cost of Natural Disasters)	0.01	0.00	0.01	-0.00	0.00	0.00	0.00	-0.00
	(0.01)	(0.00)	(0.01)	(0.00)	(0.01)	(0.00)	(0.01)	(0.00)
Democracy Score	0.04**	0.00	0.04**	-0.00	0.02*	0.00	0.01*	-0.00
	(0.01)	(0.00)	(0.01)	(0.00)	(0.01)	(0.00)	(0.01)	(0.00)
Capital Account Openness	0.31**	0.00	0.31**	-0.00	0.22**	0.00	0.23**	-0.01
	(0.04)	(0.01)	(0.04)	(0.01)	(0.04)	(0.01)	(0.04)	(0.01)
Log(Population)	0.80**	-0.03**	0.80**	-0.02**	0.60**	-0.05**	0.60**	-0.03**
	(0.04)	(0.01)	(0.05)	(0.01)	(0.05)	(0.01)	(0.05)	(0.01)
Number of Border Countries with DC		0.17**		0.15**		0.15**		0.13**
		(0.01)		(0.01)		(0.01)		(0.01)
Year Truth Commission Concluded				0.16**				0.18**
				(0.03)				(0.03)
Mandatory Conscription				-0.06**				-0.06**
				(0.01)				(0.02)
Immigrant DC Allowed				0.27**				0.28**
				(0.02)				(0.03)
Log(Naturalized Expats)					0.27**	0.03**	0.27**	0.02**
					(0.03)	(0.01)	(0.03)	(0.01)

Constant	-14.29**	0.61**	-13.98**	1.18**	-11.91**	0.99**	-11.19**	1.20**
	(1.80)	(0.30)	(1.92)	(0.30)	(2.17)	(0.34)	(2.37)	(0.35)
Observations	2404	2404	2376	2376	1548	1548	1529	1529

Dependent variable for the 2nd stage is the log of remittances received by country i in year t; in the 1st stage is it dual citizenship.
The panel includes between 57 and 111 countries from 1982-2009.
Heteroskedasticity and autocorrelation-robust standard errors clustered by country in parentheses
* $p < 0.10$, ** $p < 0.05$

Table 6. Cointegration

	OLS		IV	
	(1)	(2)	(3)	(4)
Log(Remittances Per Capita)$_{t-1}$	-0.22**	-0.25**	-0.22**	-0.25**
	(0.01)	(0.01)	(0.01)	(0.01)
Δ Dual Citizenship	0.30**	0.27**	0.29**	0.26*
	(0.12)	(0.12)	(0.14)	(0.14)
Dual Citizenship $_{t-1}$	0.29**	0.23**	0.28**	0.22**
	(0.06)	(0.06)	(0.08)	(0.08)
Δ (Expats/Pop)	-0.00	0.00	-0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)
(Expats/Pop) $_{t-1}$	0.01	0.01	0.01	0.01
	(0.00)	(0.00)	(0.00)	(0.00)
Δ Log(Foreign Students)	0.01	0.02	0.01	0.02
	(0.01)	(0.02)	(0.01)	(0.02)
Log(Foreign Students) $_{t-1}$	-0.00	-0.02	-0.00	-0.02
	(0.02)	(0.02)	(0.02)	(0.02)
Δ Log(GDP Per Capita)	-0.40	-0.03	-0.41	-0.04
	(1.40)	(1.40)	(1.40)	(1.40)
Log(GDP Per Capita) $_{t-1}$	0.38	0.84**	0.38	0.85**
	(0.41)	(0.41)	(0.41)	(0.41)
Δ Log(GDPPC)^2	0.06	0.01	0.06	0.01
	(0.10)	(0.10)	(0.10)	(0.10)
Log(GDPPC)^2 $_{t-1}$	-0.01	-0.07**	-0.01	-0.07**
	(0.03)	(0.03)	(0.03)	(0.03)
Δ.Exchange Rate Depreciation	-0.18**	-0.09	-0.18**	-0.09
	(0.08)	(0.08)	(0.08)	(0.08)
Exchange Rate Depreciation $_{t-1}$	-0.34**	-0.23**	-0.34**	-0.23**
	(0.10)	(0.10)	(0.10)	(0.10)
Δ Log(Cost of Nat Disasters)	-0.00	-0.00	-0.00	-0.00
	(0.00)	(0.00)	(0.00)	(0.00)
Log(Cost of Nat Disasters) $_{t-1}$	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)
Δ Democracy Score	0.00	0.00	0.00	0.00
	(0.01)	(0.01)	(0.01)	(0.01)
Democracy Score $_{t-1}$	0.00	-0.00	0.00	-0.00
	(0.00)	(0.00)	(0.00)	(0.00)
Δ Capital Account Openness	0.10**	0.09**	0.10**	0.09**
	(0.03)	(0.03)	(0.03)	(0.03)
Capital Account Openness $_{t-1}$	0.02	0.01	0.02	0.01
	(0.02)	(0.02)	(0.02)	(0.02)
Δ Log(Population)	-4.53**	-4.15**	-4.53**	-4.15**
	(1.84)	(1.83)	(1.84)	(1.83)
Log(Population) $_{t-1}$	0.64**	-0.74**	0.64**	-0.74**
	(0.11)	(0.24)	(0.11)	(0.24)
Constant	-8.06**	13.86**	-8.08**	13.91**
	(2.09)	(3.92)	(2.10)	(3.94)
Country Fixed Effects	X	X	X	X

Year Fixed Effects	X	X

Dependent variable is Δlog(remittances per capita). N=2356; Robust standard errors clustered by country in parentheses. In the IV regressions the instrument is the number of border states that have dual citizenship and that variable squared. In both cases the first stage model allows us to reject the null hypothesis that the instruments are weak.

* $p < 0.10$, ** $p < 0.05$