How Altruism Works during a Pandemic: 
Examining the Roles of Financial Support and Degrees of Individual Altruism on International Remittance

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While the importance of international remittance has been recognized globally, understanding how public subsidies and the degree of individual altruism affect remittance behavior is still limited. Although the COVID-19 pandemic has severely affected the global economy and international remittances were expected to be devastatingly affected at the early stage of the pandemic, some international organizations indicate that it was finally resilient to the negative shock in 2020. Altruistic motivations among migrants or economic stimuli in large economies are raised as potential reasons; however, a detailed investigation from a micro-perspective is urgently needed. Given the altruism hypothesis in remittance motives, this study examines the impact of financial support in host and home countries and individual altruism on international remittance using unique data from foreign care workers in Japan. Our panel data estimation shows that the emergency cash transfers from the host country affect their remittance amounts positively; however, we do not observe any crowding-out effects due to subsidies from the home government. The heterogeneous analysis also reveals that highly-altruistic remitters are more likely to send money to their homes after receiving cash transfers in the host country. Our results partially support the altruism hypothesis and justification of international organizations.

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