Migrant Remittances and Local Taxes in Latin America

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Abstract

This paper departs from the previous literature that considers only the national level and formal taxes when investigating the relationship between migrant remittances and tax attitudes in origin countries. In contrast to earlier research linking migrant remittances to lower tax revenues and higher tolerance for tax evasion, it is theorized that at the local level, remittance recipients are more likely to pay taxes. In line with expectations, an analysis of AmericasBarometer data shows that receiving migrant remittances is associated with a greater willingness to pay higher municipal taxes in return for better services. Furthermore, statistical results show that recipients' greater conditional compliance correlates with higher trust in local authorities, increased demand-making on local authorities, and closer engagement in community affairs, including making tax-like payments for financing community improvement activities. A local perspective can offer a better understanding of the tax attitudes of migrants and their families and the nature of state-society relations in migrant-sending countries.

Keywords: public goods, taxation, local governments, migrant remittances, Latin America

1. Introduction

How do international remittances influence tax attitudes in migrant-sending countries? Past research on Latin America and Africa has associated the receipt of remittances with an increased tolerance of both tax evasion and tax resistance (Doyle, 2015; Konte and Ndubuisi, 2022; López García and Maydom, 2021). The logic behind these results comes from the fiscal social contract, through which individuals (agree to) pay taxes according to the quantity and quality of goods and services they receive from the state (Levi, 1988). As more migrants become providers of welfare themselves and a greater number of people come to rely on remittances as an untaxed source of income (Adida and Girod, 2010; Sana and Hu, 2006), individuals subsequently see the state as an unreliable provider of public goods and services. Therefore, they are both less likely to either demand public goods from the state (Germano, 2018) or feel compelled to comply with tax payments (López García and Maydom, 2021). As recipients' demand for public goods and services decreases, origin-country governments have fewer incentives to spend on public welfare (Abdih et al., 2012; Ahmed, 2012; 2013; Doyle, 2015; Ebeke, 2011; Mina, 2019). Declining public service provision further weakens citizens' incentives to voluntarily comply with the payment of taxes in migrant-sending countries.[2]

From this perspective, migrant remittances and weak fiscal contracts are self-reinforcing. Migrant-sending economies reflect the absence of a (functional) fiscal social contract between the state and its citizens, while remittances simultaneously undermine the latter's trust in the former's ability to provide public goods in these countries – and hence the fiscal social contract. This is more likely in remittance-dependent countries like El Salvador, Guatemala, Haiti, and Honduras, where these inflows account for over 20 percent of the gross domestic product (Plaza, 2023). One could argue that, to restore the fiscal social contract and broaden the tax base in these labour-export economies, governments should consider taxing the income and assets of remittance-receiving households.[3]

While compelling, researchers have, until now, mainly looked at the state and national levels when analyzing the relationship between remittances and taxation (see Bak and van den Boogaard, 2023). However, citizens receive public goods and pay taxes at different levels of

[2] That said, the relationship between remittance inflows and total tax revenue (measured as the tax-to-GDP ratio) is far from clear (Bedasso, 2017; Escriba-Folch et al., 2022). On the one hand, international emigration lowers labour supply: as more people become dependent on migrant remittances, the basis for income tax is reduced (Airola, 2008; Justino and Shemyakina, 2012; Rodríguez and Tiongson, 2001). On the other, migrant remittances smooth and increase purchasing power, thereby creating a larger base for consumption taxes (Astrayan et al., 2017; Ebeke, 2011).

[3] The Cuban government, for instance, charges a tax of 20 percent on every remittance transfer the country receives. In Haiti and Venezuela, similarly, the government collects a fee on every remittance transaction. Outside Latin America, taxes on remittance inflows have been imposed in Ethiopia, Ghana, Pakistan, and the Philippines.

government (Vicente, 2023). In fact, in economies with high levels of informality, only a small proportion of individuals have experience with direct taxation by the central government; the majority pay taxes and fees collected at the local level instead (Anyidoho et al., 2022; van den Boogard et al., 2019). This 'national bias' (common in cross-national studies) can lead to a misrepresentation of taxpayers' views and, hence, unfounded conclusions (Bak and van den Boogard, 2023) – for example, that remittance recipients do not pay or prefer to avoid paying tax.

Moreover, researchers often assume that taxes can only be paid to the state. Yet, citizens often contribute to the financing of public goods by making tax-like payments to non-state actors, like migrant associations (Bak and van den Boogard, 2023). Sometimes, non-state actors collaborate with authorities (Duquette-Rury, 2019), making it difficult to distinguish between formal and informal taxation (van den Boogard and Santoro, 2023). To better understand the tax perceptions of remittance recipients, one should consider both the local level and the informal contributions that citizens make to the financing of public goods (Bak and van den Boogard, 2023).

In light of all this, I ask: How does the receipt of migrant remittances influence individuals' local-level 'conditional tax compliance'? I argue that the situation at the local level is the opposite of the national one. That is, remittance recipients are more willing than non-recipients to pay higher municipal taxes for improved services. I attribute this to: (i) the nature of the local fiscal social contract, which does not distinguish between public-good beneficiaries based on their income sources, and (ii) recipients' higher capacity for collective action, which allows them to more effectively monitor and bargain with local governments. As trust in local authorities grows, recipients have more confidence that taxes will be translated into public goods and, therefore, are more likely to comply with payment. As tax compliance increases, trust in authorities is reinforced (Dom et al., 2022).

I test these claims using survey data from Latin America and the Caribbean (LAC) – a region whose countries not only have high levels of migration and informality but where subnational governments have also acquired increased responsibilities vis-à-vis public-good spending and revenue collection over the past three decades (Nickson, 2023). Compared to advanced economies, state and local tax revenues remain low across the region, with subnational

governments heavily relying on central transfers.4 Yet, LAC exhibits high levels of fiscal decentralization compared to other world regions, such as francophone Africa (Eguiño and Pineda Manheim, 2023). Community modes of revenue raising and service provision are commonplace in this region too, particularly in rural areas (Goodwin et al., 2022).

Due to data limitations, the analysis presented here remains correlational. Despite this, findings still align with theoretical expectations. Compared to non-recipients, those receiving remittances are more willing to pay higher levels of taxation if it means municipal services improve. Statistical results show that recipients' increased conditional compliance correlates with greater trust in local authorities, increased demand-making on local authorities, and closer engagement in community affairs, including accepting tax-like payments for financing community improvement activities. A local perspective can offer a better understanding of the tax attitudes of migrants and their families and the nature of state-society relations in migrant-sending countries.

This paper contributes to the relatively limited body of research on the links between remittances and taxation in migrant-sending countries (Doyle, 2015; Ebeke, 2011; Konte and Ndubuisi, 2022; López García and Maydom, 2021; Tyburski, 2023). In so doing, it connects with the scholarship on taxation and aid dependence (Blair and Winters, 2020), as well as research on informal taxation and informal social welfare provision (van den Boogard and Santoro, 2023; van den Boogard et al., 2019). By highlighting the links between subnational governments and transnational households, it adds to the literature on diasporic development engagement and the study of subnational politics in LAC in general (Duquette-Rury, 2019; Eaton, 2020).

Policy implications also arise from the obtained results. Evidence shows that the idea remittance recipients in LAC are unwilling to pay (higher) taxes in return for better services is not valid at the local level. Taxing remittance-receiving individuals would thus result in overtaxation. Instead of (double-)taxing remittances, measures should be in place to ensure (local) tax systems are fairer and more equitable, and local governments more trustworthy. This can be done, among other things, by reducing local government corruption, raising awareness of the links between services and taxes, and giving a greater voice to taxpayers in the budgeting process (Dom et al., 2022; Prichard, 2015; van den Boogaard et al., 2022).

[4] On average, 18.9 percent of fiscal revenues in LAC are collected at the state level and 7.6 percent at the local level (OECD, 2024).

The study proceeds as follows: It begins by reviewing previous work on migrant remittances and the financing of public goods and services in origin countries. Next, it advances a series of hypotheses on how the receipt of migrant remittances shapes individuals' willingness to pay higher local taxes. It then outlines the data and methods used to test these claims, presenting and interpreting the results through a series of statistical models. It concludes by discussing the implications for taxation and state-building in migrant-sending countries and suggesting new research avenues going forward.

2. Existing Literature

The fiscal social contract involves multiple types of exchange and, therefore, different notions of state-society relations at varying governmental levels (Johansson, 2020). Central government authorities, for instance, collect income tax only from those individuals and firms employed in the formal economy – e.g., medium- and high-level earners. Subnational authorities, in contrast, collect direct payments from citizens without distinction of the source or income amount. One of the ways in which subnational governments extract such financing from citizens is through property and fees for licences, permits, and basic services (Anyidoho et al., 2022). In countries with high levels of informality, like those in LAC, most of the direct taxes people pay are collected at the local level.[5] Although the perceptions of the majority of taxpayers in these contexts are formed at the local level (Bak and van den Boogard, 2023), most studies on the political economy of international migration have overlooked local taxes and assume remittance recipients avoid, or are resistant to, direct taxation (Doyle, 2015; Ebeke, 2011; López García and Maydom, 2021; Tyburski, 2023).

Fiscal social contracts across the national and local governmental levels vary, not only in the nature of their exchange and degree of inclusion (Plagerson et al., 2022; Rogan, 2022), but also in terms of enforcement level, fairness and equity of the tax system, and how tax revenues are used (Prichard and Dom, 2022). State capacity can vary widely both within and between countries. However, tax compliance depends on coercive enforcement or state audit capacities and citizens' trust in authorities (Dom et al., 2022). Trust is more likely to set in when citizens believe everyone pays their fair share and tax burdens are equitably distributed, when revenues are effectively translated into public goods and services, and when authorities are held accountable

[5] In various developing countries, fees feature more prominently than property taxes in the financing of local public goods and state-governance functions. Furthermore, when individuals pay user fees, they can see in a more immediate way how they receive a particular service in return for payment (van den Boogaard et al., 2019, p. 268). In LAC, property taxes are an important source of revenue for local governments (OECD, 2024).

for their use of public funds. Put differently, compliance is more likely when governments' actions align with citizens' expectations of the allocation and distribution of public goods.

2.1 National Taxation

At the national level, those dependent on untaxed sources of income – like informal workers or remittance-receiving individuals – pay consumption taxes but lack both benefits and consideration as formal contributors in the eyes of the central state. Migrant families are often left unprotected by the latter and often carry the state's welfare burden themselves (Doyle, 2015; Germano, 2018; Levitt et al., 2023). For migrants and their families, the national fiscal social contract is a 'one-way street' (Meagher, 2016).

When individuals feel that the tax burden is unevenly distributed and/or fail to receive public goods from the government, they are less likely to trust authorities and thus comply with the payment of taxes (Dom et al., 2022). Individuals wary of the authorities may choose not to engage with them and, thus, not to vote in elections. Previous research shows that in LAC and Africa, those receiving remittances are, compared to non-recipients, not only less supportive of paying tax to the national government but more likely to justify tax evasion and be resistant to taxation in general (Doyle, 2015; López García and Maydom, 2021). Studies also indicate that these recipients have fewer incentives to participate in (formal) politics at the national level (Dionne et al., 2014; Ebeke and Yogo, 2013; Goodman and Hiskey, 2008; López García, 2018) and, therefore, punish incumbents for tax misuse via the ballot box (Ahmed, 2017; Bravo, 2012; Germano, 2018; Tertytchnaya et al., 2018).

Whether citizens sanction authorities' specific uses of tax revenues largely depends on the value they place on state-provided goods (Martin, 2023).[6] Poor healthcare provision, for instance, is more likely to mobilize an individual who relies on state-provided healthcare than an uninsured individual (who has private access to healthcare) (ibid, p. 38). In LAC, national authorities mostly provide healthcare services and only citizens who pay income tax benefit from those services. For many individuals, emigration is a social protection tool (López García and Orraca-Romano, 2019; Sana and Hu, 2006). While remittance recipients might still participate in the labour force,

[6] Direct and indirect taxes also elicit different reactions from citizens (Martin, 2023). Those who pay direct taxes (i.e., property-related taxes) are more conscious of giving money to the government. In contrast, citizens can adjust over time to higher prices and indirect taxes (i.e., consumption-related taxes).

they predominantly do so in the informal economy (Ivlevs, 2016). As such, they have fewer incentives to punish authorities for misusing welfare funds (Germano, 2018).

2.2 Local Taxation

In contrast, everyone should 'in theory' benefit from goods and services at the local level in exchange for their tax contributions, regardless of their income sources (Fox and Pimhidzai, 2013). Furthermore, compared to national authorities, local governments can more easily connect increased tax revenue to better service provision through 'quick win' policies, such as adding more bus routes, making road repairs, increasing the frequency of waste collection, etc. These links add to citizens' trust in local authorities, thereby fostering tax compliance (Prichard and Dom, 2022).

Remittance recipients are thus more likely to perceive the tax system as fair and inclusive and benefit from tax revenues in the form of public goods and services. As such, they are also more likely than non-recipients to participate as direct taxpayers at the local rather than the national level.[7] Recent work in the context of sub-Saharan Africa shows that, compared to non-recipients, those living in remittance-receiving households are more likely to report property taxes and licence and permit fees, levies, and registration dues (López García and Maydom, 2021) – all of which are tax-like payments collected by lower levels of government.[8] Empirical findings from LAC associate the receiving of remittances with greater interest in local politics and engagement with local officers; recipients are more inclined to sign petitions, participate in town hall meetings and make demands on local authorities (Burgess, 2016; Córdova and Hiskey, 2015; Pérez Arméndariz and Crow, 2010). Town hall meetings allow taxpayers to voice their opinions on the use of public funds; those who attend these meetings or participate in local councils are more likely to believe their concerns will be taken seriously by authorities, thereby seeing them as

[7] Local tax systems can, however, impose high burdens on low-income individuals through nuisance taxes (see Prichard and Dom, 2022).

[8] An alternative explanation for why recipients are more likely to pay property taxes relates to the purpose of migration (López García and Maydom, 2021). Following the 'new economics of labour migration' theory (Stark and Bloom, 1985), financial remittances help households overcome limited access to labour, insurance, and credit markets. This promotes investment in durable goods and physical or financial assets. Asset accumulation is more likely among remittance-receiving households, especially when migrants are undocumented, due to the temporary and uncertain nature of remittance income. Studies show that controlling for income level, those receiving remittances are more prone to making investments and acquiring durable goods (like property and business) than non-recipients (Adams Jr., 1991; Adams Jr. and Cuecuecha, 2010; Durand et al., 1996; Massey and Parrado, 1998; Woodruff and Zenteno, 2001; Yang, 2008).

trustworthy. Research from Brazil shows that municipalities with participatory institutions collect more property tax than municipalities without such institutions (Touchton et al., 2019).[9]

Of course, links between taxation and accountability are not guaranteed to exist – especially at the local level (Prichard, 2015). Tax bargaining is more likely in the presence of collective action. Organized citizens are better equipped to monitor and demand concessions from the state in exchange for fees (Prichard, 2015; van den Boogaard et al., 2022). Compliance is higher when individuals can shape and scrutinize tax and spending decisions (Dom et al., 2022). Besides money, migrants also transmit 'social remittances' like knowledge and social capital to their communities of origin (Levitt, 1998). Findings from LAC and Africa show that the receipt of remittances is linked to recipients' having greater resources to be involved in community-based organizations and take part in non-electoral activities, like strikes and demonstrations (Dionne et al., 2014; Escriba-Folch et al., 2022; Goodman and Hiskey, 2008). Therefore, to better understand remittance recipients' willingness to pay taxes and engage with state actors, a local view of the fiscal social contract is needed.

2.3 Informal Taxation

Besides the payment of formal local taxes, citizens are more likely to contribute to the financing of local public goods and government activities through (informal) contributions to community-raising schemes (Lough et al., 2013; Olken and Singhal, 2011; van den Boogaard and Santoro, 2023). Migrant hometown associations (HTAs), for instance, are groups made up of out-migrants and locals who mobilize funds for undertaking public projects (e.g., schools, health centres, water amenities, roads, paving, sewage systems, electricity, and other public services) in origin communities. Migrant-financed projects commonly involve collective ownership and control of public goods. Citizen participation spans from the planning stage through implementation and subsequent monitoring. Contributions often go beyond cash payments, including in-kind or labour offerings and organizational efforts (Olken and Singhal, 2011). Migrant community fundraising schemes can operate independently of the government (Adida and Girod, 2011; VanWey et al., 2005), a situation that can potentially undermine citizens' support for local taxation and reduce incentives for local authorities to levy taxes. Most often,

[9] In El Salvador and Mexico, migrant households are more likely to be courted through clientelistic tactics than others (Álvarez Mingote, 2019; Danielson, 2018; González-Ocantos et al., 2018). Yet, various studies show that remittance-receiving households are less likely to offer their electoral support in exchange for the delivery of goods and services, precisely because they can afford to buy and provide welfare themselves (Díaz-Cayeros et al., 2003; Pfütze, 2012). This is consistent with evidence from Africa, indicating that remittance recipients are more likely to oppose patronage and other types of electoral corruption (Dionne et al., 2014; Easton and Montinola, 2017; Escriba-Folch et al., 2022).

however, HTAs in LAC coordinate with local authorities on the collection of funds and coproduce local goods and services (Duquette-Rury, 2019; McKenzie and Yang, 2015; Orozco and García Zanello, 2009; Smith, 2006). Furthermore, past research on Mexico has related proactive involvement in these migrant-state forms of collaboration to heightened civic skills, greater awareness of local government affairs, improved perceptions of local service provision, and stronger feelings of trust in local government among migrant communities residents (Burgess, 2012; Duquette-Rury, 2019; Waddell, 2015).

Empirical findings from sub-Saharan Africa similarly indicate that when citizens and local authorities have jointly invested (in terms of cash or labour) in public goods and both benefit, they are more likely to keep doing so – with positive effects for formal taxation as well (van den Boogaard and Santoro, 2023).[10] Core issues surrounding the relationship between migrant remittances and (informal) taxation thus require further investigation from a local perspective.

3. Hypotheses

Based on the above considerations, I propose the following hypotheses: Compared to non-recipients, those receiving remittances are more willing to pay higher taxes to local authorities for improved services (H1). Recipients' increased tax compliance reflects higher levels of trust in authorities (H2). Recipients' tax compliance and trust levels are tied: to their greater propensity to make demands on authorities (H3), more frequent attendance at town hall meetings and local councils (H4), and increased participation in community affairs (H5), including the making of tax-like payments to finance community-improvement activities.

4. Data

The above claims are tested using data from 17 countries from the 2004–2012 rounds of the Latin American Public Opinion Project (LAPOP). This survey instrument was selected because it is nationally representative and includes questions on remittance receipt, willingness to pay (higher levels of) tax to municipal authorities, trust in local authorities, demand-making on the latter, participation in town hall meetings as well as engagement in community-based associations

[10] There is always the risk of state capture in informal community-based systems (van den Boogard and Santoro, 2023). This tends to occur when individuals are sidelined from the decision-making process. In Mexico, for instance, various reports indicate that the 3×1 Program's resources are commonly diverted or misused for mayors' private and electoral benefits. This includes municipal mayors inflating budgets, building infrastructure with low-quality materials, receiving kickbacks from contractors, being reluctant to disclose information about funding usage, or using the latter's resources for electoral purposes (Aparicio and Meseguer, 2012; Bada, 2016; Danielson, 2018; Duquette-Rury, 2016; Malone and Duran, 2018; Simpser et al., 2015; Waddel, 2015).

and community-improvement activities through cash or in-kind donations. The countries and survey waves are listed in the Supplementary Material (SM).

4.1. Variables

To measure citizens' conditional tax compliance, I employ a simple binary measure based on one question asked in the 2004–2012 rounds of the LAPOP survey: 'Would you be willing to pay more tax to the municipality so that it could provide better services, or do you believe that it would not be worth it to do so?' (lgl3). Those who reported willingness to pay more tax were coded as 1, and all who answered no as 0.

Citizens' trust in local authorities is measured based on responses to the question: 'To what extent do you trust the local or municipal government?' (b32). This is an ordinal variable, ranging from 0 to 6, with higher values indicating greater trust in local authorities.

Two questions are used to capture citizens' demand-making on local authorities. The first asked: 'In order to solve your problems, have you ever requested help or cooperation from any local authorities (mayor, municipality, prefect)?' (cp4a). The second of these questions was similarly framed: 'Have you sought help from or presented a request to any office, official, or councilperson of the municipality within the past 12 months?' (np2).

Participation in town hall meetings and local councils is measured based on responses to the question: 'Have you attended a town hall meeting or other meeting convened by the mayor in the past 12 months?' (np1). This is a binary variable: those who answered yes were coded as 1, and all who answered no as 0.

Active involvement in community-based organizations is measured based on responses to the following question: 'In the past year, have you contributed or tried to contribute to solving a problem or to bringing about any improvement in your community or your neighbourhood?' (cp5). In the 2004–2006/7 rounds, respondents who answered yes to this question were subsequently asked whether they had engaged in the following community-improvement activities: (i) donating money or material goods (cp5a); (ii) contributing with their own work or manual labour (cp5b); (iii) attending community meetings (cp5c); or, (iv) helping organize a new community group (cp5d). Responses to these questions are coded as binary variables of 1 for yes and 0 for no.

In our sample, willingness to pay higher municipal taxes and increased trust levels in local authorities are positively correlated (ϕc =0.13, p<0.000). Trust is positively and significantly associated with levels of demand-making on local officers (ϕc =0.07, p<0.000), attendance at town hall meetings (ϕc =0.07, p<0.000), and engagement in community-improvement activities (ϕc =0.03, p<0.000). These participation measures are, in turn, strongly and significantly related to each other (see Table A2, SM).

Since citizens' willingness to pay higher local taxes in return for public goods might depend on their satisfaction with municipal services (Konte and Ndubuisi, 2020), models include a control variable measuring citizens' evaluation of the latter (sgl1). This is an ordinal variable ranging from 0 to 5, with higher levels indicating their assessment of greater quality municipal services. Respondents' demographic and socio-economic characteristics, including gender, age, rural/urban residence, education, employment status, and wealth, are also considered. This ensures any correlations we might find between remittances and willingness to pay higher taxes are not simply due to the inclusion of those with additional resources (including from remittances).

A full description and summary statistics for all variables used in the analyses are available in the SM (Table A1).

5. Empirical Strategy

The following baseline equation is specified:

$Y_{ijt} = \alpha + \beta_1 \text{remittances}_{ijt} + Z_{ijt} + \gamma_j + \delta_t + \varepsilon_{ijt}$ where Y_{ijt} represents the dependent variables (i.e., greater willingness to pay local taxes and trust in local authorities) for individual *i* surveyed in country *j* in year *t; remittances*$_{ijt}$ indicates whether respondent *i* receives remittances from abroad, and β_1 is its respective regression coefficient; *Z* represents the *q* covariates (measuring respondents' characteristics), γ_j is country-fixed effects to control for any unobserved or unmeasured differences across countries that might be correlated with the outcomes, and δ_t is a dummy for every wave of the AmericasBarometer survey to control for any unobserved or unmeasured differences across countries over time. [11]

[11] Mexico is taken as the reference category in the models.

Given the nature of the outcome variables, (ordered) probit models are employed. Estimation results with alternative model specifications – (ordered) logit and ordinary least squares – are provided in the SM (Table A7). Due to the (non-longitudinal) nature of the data this paper is based on, no causal claims can be made. Neither can we rule out questions of endogeneity or reverse causation. Hence, the analysis is purely correlational.

Since the key questions remain the same throughout the waves, the data is pooled; I also include dummies for every survey wave to control for unobserved or unmeasured differences across countries over time. Country-level weights are used in calculating the descriptive statistics, as well as in all the regression analyses.[12]

5.1 Addressing the Problem of Selection on the Observables

It is important to note that remittance receipt is not randomly assigned across individuals in the sample. Members of migrant households are self-selected and, therefore, differ from non-recipients on several observable characteristics (e.g., residence, gender, age, income, and education). In the sample, for instance, those receiving remittances are less likely to be working or employed (difference = -0.041, $p < 0.001$) while, simultaneously, more likely to be younger (difference = -1.16, $p < 0.001$), reside in urban areas (difference = +0.01, $p < 0.001$), have a greater number of years of education (difference = +0.47, $p < 0.001$), and have higher levels of wealth than non-recipients (difference = +0.58, $p < 0.001$) (Figure A2, SM).

I employ 'entropy balancing' to mitigate the problem of 'selection on observables' (Hainmueller, 2012). Entropy balancing is a non-parametric approach, but unlike coarsened exact matching, there is no loss in the number of observations made. This matching strategy allows the construction of a synthetic 'control' for the treatment group by applying a set of weights. In this case, the treatment group consists of respondents who live in remittance-receiving households. Moreover, sampling weights are considered alongside balancing weights; meanwhile, matching weights are constructed to achieve almost perfect balance between the treatment and control groups, minimizing the risk of selection bias. Entropy balancing is, therefore, an appropriate strategy for this instance.

[12] With complex survey data, goodness-of-fit measures like LR Chi^2, BIC0 and AIC cannot be used as observations are non-independent. Hence, F-statistics are reported instead in the models.

To produce balance across the treatment and control groups, the following variables are considered: age, gender, area of residence (urban/rural), level of education, employment status, and wealth. By matching the means of these covariates between remittance recipients and non-recipients, this approach allows us to better separate the influence of remittances from other factors shaping individuals' tax preferences and thus create more valid comparisons (Figure A1, SM). Differences in the means between the treatment and control groups and the related t-statistics and p-values (reported in Table A2, SM) confirm the samples of recipients and non-recipients are well-balanced on observable characteristics.

6. Results

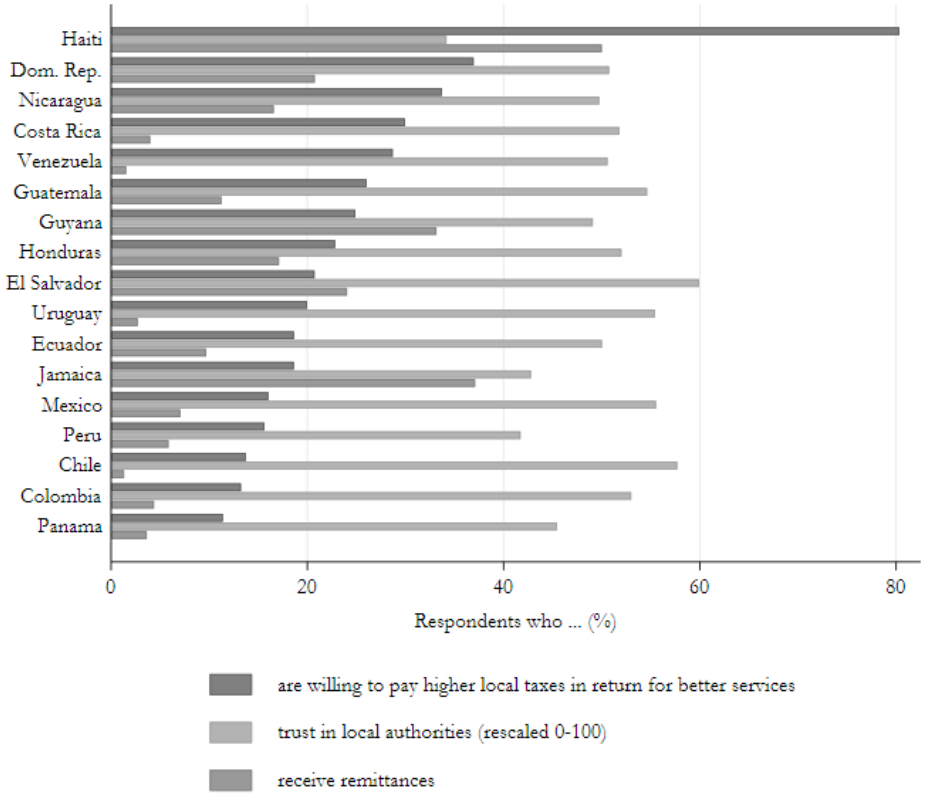
6.1 Descriptives

In the full sample, 14.3 percent of respondents reported receiving remittances from abroad. Approximately 23 percent reported being willing to pay higher levels of municipal taxation if it meant improving public services. The mean value of trust in local authorities is 3, and that of trust in municipal fiscal management is 1.1 (on a scale from 0 to 6). Across countries, however, there is significant variation (Figure 1).

Haiti – the poorest country in the Americas – has both the highest proportion of remittance recipients in its population (51 percent) and the greatest share of individuals willing to pay higher local taxes in return for public goods (80 percent); however, its citizens harbour the lowest levels of trust in local authorities (2.05). In contrast, Chile has the smallest share of remittance recipients (1 percent), Panama the smallest share of respondents willing to pay higher municipal taxes in return for public goods (11 percent), and El Salvador the highest level of trust in local authorities (3.6).

Next, I estimate a series of regression models to assess how the receipt of remittances relates to trust levels in local authorities and a willingness to pay higher local taxes in return for better services at the individual level.

Figure 1. Remittance Receipt, Support for Local Taxation and Trust in Local Authorities by Country



Source: AmericasBarometer (2004–2012).

6.2 Regression Results

In this section, I test the formulated hypotheses after accounting for selection effects. The results reported below are based on a series of models, including the full set of control variables, survey rounds, and country-fixed effects, as discussed above. Full regression models are reported in the SM. Since remittance receipt is not randomly assigned, all results should be taken as correlational, not as the causal effect of the variables.

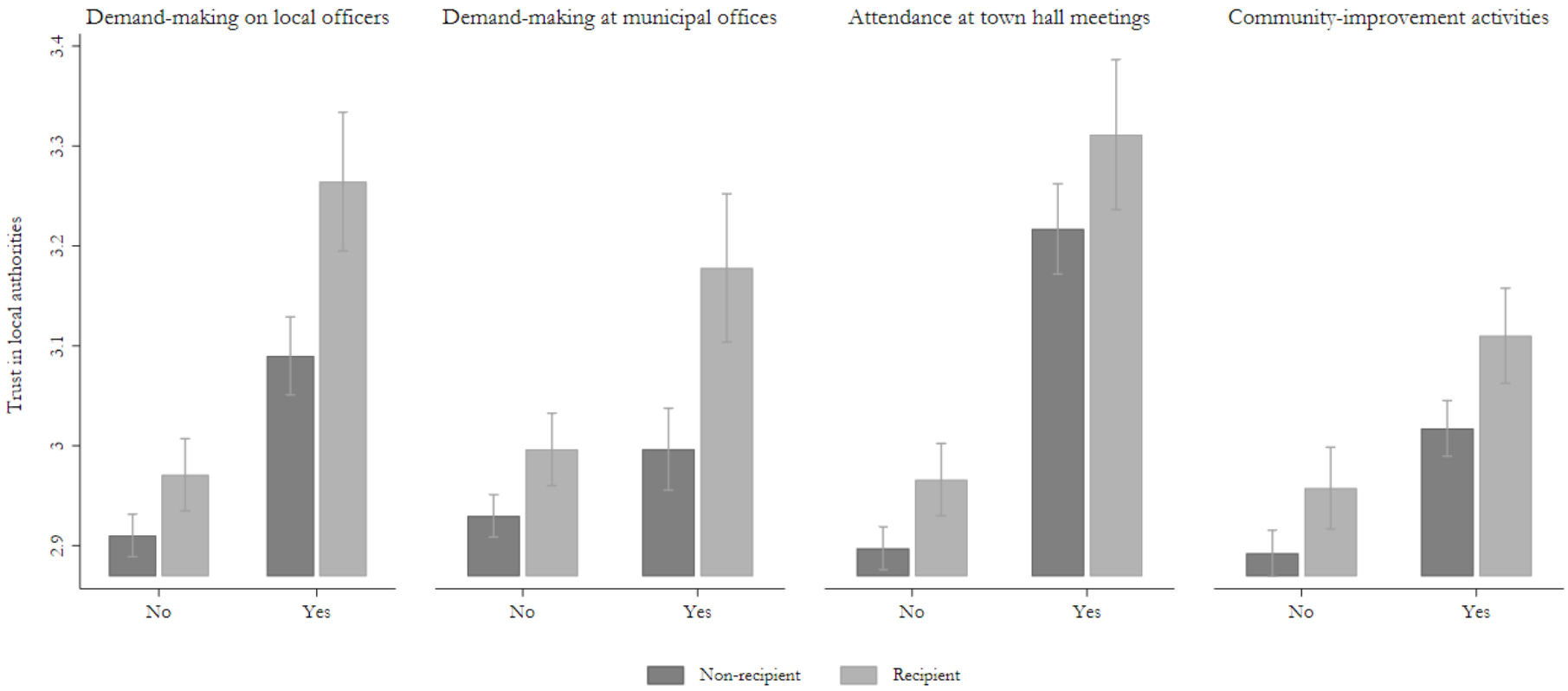
Figure 2 below indicates the association between individuals' trust in authorities and their engagement with local authorities and community affairs by remittance receipt. Findings align with expectations: Higher levels of trust in local authorities are related to increased interactions

with local officers and greater involvement in community associational life (Table A4, SM).[13] Also as predicted, remittance recipients exhibit (+0.07 points) higher trust levels in local authorities (supporting H2). Recipients are also both (1.3 percent) more likely to have requested help from a local official in the past year and (1.6 percent) more likely to have ever requested help at a municipal office (H3). Furthermore, recipients are both (1.5 percent) more likely to attend town hall meetings (H4) and (4.4 percent) more likely to participate in community-improvement activities (H5) (Table A5, SM).

Moreover, recipients' greater propensity to participate in community-improvement activities holds across all kinds of endeavours asked about in the survey rounds: from making cash donations to attending community meetings (see Figure 3 below). Compared to non-recipients, recipients are (3.9 percent) more likely to make in-kind labour contributions, (3.1 percent) more likely to set up new community organizations, (2.9 percent) more likely to make cash donations to community-improvement schemes, and (2.7 percent) more likely to attend community meetings (Table A6, SM). As theorized, the receipt of remittances is also associated with the greater likelihood of a person informally contributing to community goods and services (supporting H5).

[13] Recipients do not significantly vary from non-recipients when asked about their trust levels in the government. However, recipients are less likely to report having voted in the past presidential election. (Figure A3, SM).

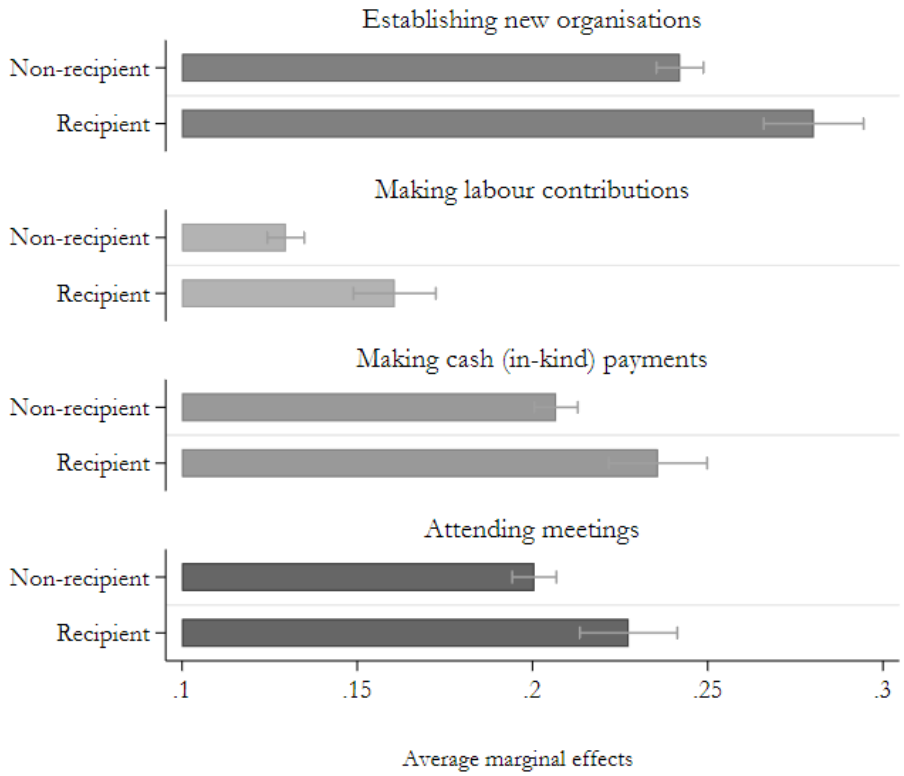
Figure 2. Trust in Local Authorities and Remittance Receipt



Source: AmericasBarometer (2004–2012).

Note: Predictive margins with 95 per cent confidence intervals.

Figure 3. Community-Improvement Activities and Remittance Receipt



Source: AmericasBarometer (2004–2006/07).

Note: Predictive margins with 95 per cent confidence intervals.

Next, I examine the relationship between remittance receipt and conditional tax compliance at the local level. Regression results are displayed in Table 1 below. Coefficients are reported as marginal effects, with all dummy variables set to 0 and average values for all other covariates. Estimates are consistent with expectations: remittance recipients are (2.9 percent) more willing to pay higher local taxes if services improve (supporting H1). This result holds after adjusting for covariates and individual assessments of local services, with higher levels of satisfaction with local goods being associated with a greater willingness to pay higher local taxes in return for public goods (Model 3). The magnitude of the marginal effect of remittance receipt is higher than that of moving from a rural area to an urban one, and comparable to that of moving from having no education to being high school educated.

Furthermore, the coefficient of remittance receipt decreases but remains significant after accounting for citizens' interactions with local authorities and community-based engagement. As expected, a 1-point increase in trust in local authorities is associated with a 0.26-point increased willingness to pay (higher) local taxes (Model 4). Similarly, citizens who had made demands on local officials or municipal offices are more willing to pay (higher) local taxes in return for better services (by 5.2 and 5 percent, respectively) (Models 5–6). Citizens who attend meetings convened by local authorities are (7.7 percent) more willing to pay higher local taxes than other citizens (Model 7). Meanwhile, participation in community-improvement activities is associated with a (4.4 percent) greater willingness to pay higher municipal taxes (Model 8).

Table 1: Willingness To Pay Higher Local Taxes (Probit Regression)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Remittance receipt	0.029***	0.026***	0.025***	0.024***	0.024***	0.023**	0.022**	0.023**	0.020**
	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)
Trust in local authorities				0.026***					0.025***
				(0.002)					(0.002)
Help from local authorities					0.052***				0.029**
					(0.009)				(0.009)
Help at municipal offices						0.050***			
						(0.009)			
Town hall meetings							0.077***		0.057***
							(0.009)		(0.009)
Community activities								0.043***	0.028***
								(0.006)	(0.007)
Quality of local services			0.098***	0.076***	0.097***	0.098***	0.098***	0.097***	0.076***
			(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
Female		-0.047***	-0.051***	-0.052***	-0.049***	-0.052***	-0.050***	-0.048***	-0.048***
		(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
Age: 35–54 years		-0.006	-0.008	-0.008	-0.010	-0.010	-0.007	-0.013+	-0.012+
		(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)
Age: +55 years		-0.032***	-0.031***	-0.036***	-0.033***	-0.031***	-0.033***	-0.036***	-0.043***
		(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)

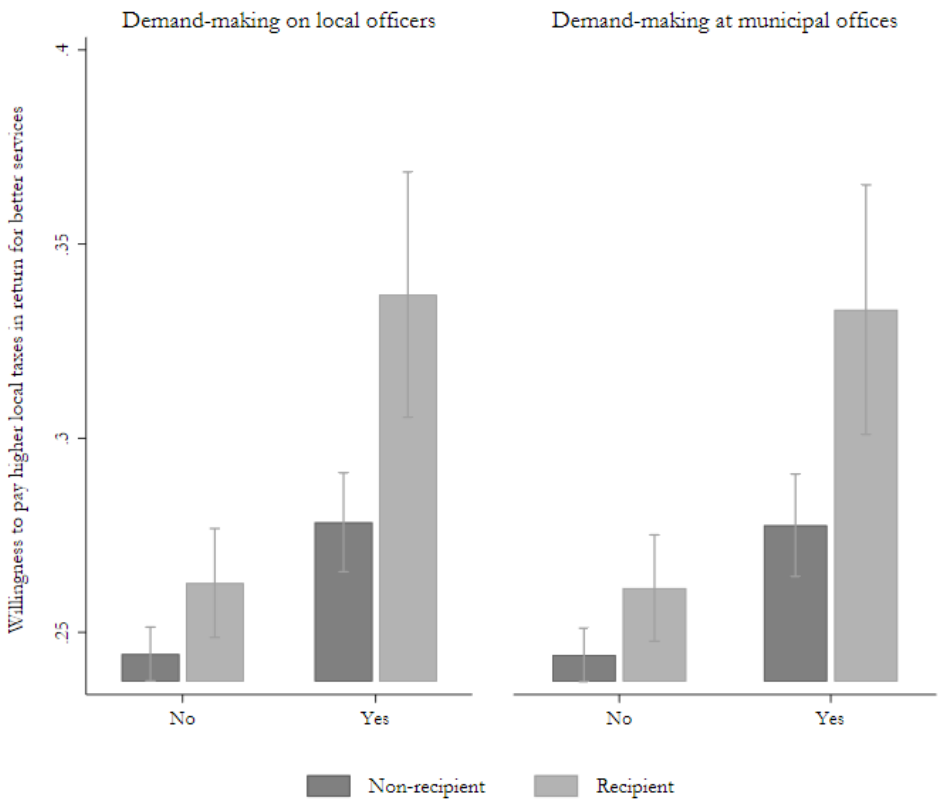
Urban		0.018*	0.021**	0.018*	0.018*	0.019*	0.017*	0.018*	0.011
		(0.008)	(0.008)	(0.008)	(0.008)	(0.008)	(0.008)	(0.008)	(0.008)
Secondary		0.023*	0.024*	0.024*	0.023*	0.025**	0.022*	0.021*	0.020*
		(0.009)	(0.009)	(0.009)	(0.009)	(0.010)	(0.010)	(0.009)	(0.010)
High school		0.033***	0.032***	0.032***	0.032***	0.032***	0.031***	0.029***	0.030***
		(0.008)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)
College or higher		0.071***	0.073***	0.077***	0.072***	0.069***	0.066***	0.067***	0.066***
		(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)
Wealth (index)		0.004*	0.002	0.003	0.003+	0.003	0.003+	0.002	0.003*
		(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Employed or working		0.005	0.006	0.006	0.004	0.003	0.002	0.002	-0.000
		(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.007)	(0.006)	(0.007)
N	43,664	43,641	41,148	40,400	40,935	40,541	39,078	40,878	37,956
F-statistic	49.10	38.69	46.08	51.82	45.44	47.32	46.15	44.53	47.59
F-test (p-value)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Source: AmericasBarometer (2004–2012).

Notes: Matched sample. Country and wave dummies are included but omitted from the table for ease of presentation. Standard errors in parentheses. Coefficients displayed as marginal effects. Coefficients significant at + p < 0.10 *p < .05. **p < .01. ***p < .001.

Thus far, results validate the claim that, compared to non-recipients, those receiving remittances are (on average) more willing to pay higher taxes in return for better services at the local level. Recipients additionally exhibit higher levels of trust in local authorities and are more likely to make demands on them and attend town hall meetings. Increased trust in and greater engagement with local authorities correlates with increased tax compliance. Results (see Figure 4 below) further reveal a positive and significant interaction between demand-making on authorities and remittance receipt. That is, the positive association between willingness to pay higher local taxes in return for better services and demand-making at authorities is stronger for recipients than non-recipients.

Figure 4. Willingness to Pay Higher Local Taxes and Demand-Making on Local Authorities per Remittance Receipt



Source: AmericasBarometer (2004–2012).

Note: Predictive margins with 95 per cent confidence intervals.

Tax compliance is not only positively related to recipients' greater engagement with local authorities. Compared to non-recipients, those receiving remittances are (on average) more likely to participate in communal levies. While participation in communal-improvement activities might help fill gaps in state-provided support at the local level, findings indicate that, in the LAC context, citizens' involvement in community fundraising is associated with a higher rather than lower willingness to pay increased local taxes in exchange for better services.

Overall, findings support the claim that recipients' increased willingness to pay higher local taxes in return for better services relates to this demographic being more likely to trust and make demands on local authorities, as well as their increased participation in community levies. But this is not the full story. As noted above, the remittance receipt coefficient remains significant after accounting for these variables in the models, suggesting additional factors may influence this trust relationship. This might be due to the (more inclusive) nature of the local social contract versus that of the national social contract, for example.

7. Sensitivity Checks

7.1 Additional Variables

To address the possibility of individuals being less supportive of local taxation when they intend to emigrate from their country of origin, additional models (Table A8, SM) include a binary variable measuring individuals' plans (or serious consideration) to work or live abroad in the future (q14). This variable is highly correlated with remittance receipt and might capture some of the intrinsic characteristics of this demographic as it relates to willingness to pay higher levels of local taxation. Findings show the positive relationship between remittance receipt and willingness to pay higher local taxes holds after considering this variable. In fact, emigration aspirations (plans) are not associated with individuals' reported willingness to pay higher local taxes in return for better services (Model 1, Table A8).

Since the experience of (return) migration may shape individuals' views of local goods as well as attitudes towards taxation (López García et al., 2023), I include in the models a binary variable measuring whether respondents have previous experience as migrants (q14h). Baseline results remain consistent after the inclusion of this variable. In fact, former migrants do not vary from other individuals in their willingness to pay higher taxes (Model 2, Table A8).

Corruption might influence the provision of public goods and, hence, citizens' trust in authorities. Previous research shows that individuals who experience petty corruption are less supportive of taxation (Jahnke and Weisser, 2019) and that remittance recipients are more likely to experience bribery (Ivlevs and King, 2017; Konte and Ndubuisi, 2020; Yeandle and Doyle, 2023). Thus, I examine whether the relationship between remittance receipt and support for local taxation holds when considering experiences with being asked to pay a bribe at the local level. Here, I employ a binary variable based on the responses to a series of questions asking about solicitation to pay a bribe to secure particular services at a municipal office in the year before the survey (exc11). The point estimate of remittance receipt remains significant after accounting for this experience. Indeed, having previously been asked to pay a bribe is not associated with citizens' willingness to pay higher local taxes (Model 3, Table A8, SM).[14]

Criminal violence is widespread across LAC, with victims personally experiencing the state's failure to provide security. This can affect the social fiscal contract by which governments are expected to provide security and welfare goods in exchange for taxation (Flores-Macías, 2022). To capture respondents' exposure to crime, I use a binary variable measuring whether they or a member of their household had been a victim of a crime in the 12 months before the survey (vic1ext, victim). Findings show that experiencing violent crime is not significantly related to individuals' willingness to pay higher taxes to municipal authorities. Even after accounting for this variable, the coefficient of remittance receipt remains significant (Model 4, Table A8, SM). Lastly, since support for taxation might vary according to individuals' political ideologies, I also consider this variable. Political ideology is measured on a scale from 0 to 9, with higher values indicating stronger identification with the right and lower values with the left (l1). Baseline results remain consistent after adding this variable (Model 5, Table A8, SM).

7.2 Heterogeneity Checks

I explore whether the relationship between remittance receipt and willingness to pay higher local taxes in return for better services sees heterogeneous responses according to people's socio-economic and demographic characteristics (Table A9, SM). I find that at all wealth levels, the receipt of remittances is positively related to an individual's willingness to pay higher local taxes in exchange for better services. This result suggests that this association does not merely consist of those recipients becoming wealthier and paying higher taxes to local authorities.

[14] At the local level, bribes may not necessarily be perceived by citizens as corruption but rather as informal payments (Bak and van den Boogaard, 2023).

Local taxation may also affect women differently from men (Anyidoho et al., 2022; Van den Boogard et al., 2019). Women often spend a larger share of their income on user fees than men but are simultaneously less likely to own property and pay related taxes. Despite this, no gender differences are detected in the relationship between remittance receipt and willingness to pay higher local taxes.

I also do not find heterogeneous responses according to age, rural/urban residence, or employment status. This excludes the possibility that the receipt of remittances is capturing unobservable heterogeneity not controlled for in the respective models.

7.3 Outlier Checks

To check the validity of the reported results, I replicate the analyses presented above after excluding Haiti, the country with the highest proportion of individuals willing to pay higher local taxes and receiving remittances but with the lowest levels of trust in local authorities, from the sample. Results (Tables A10–A11, SM) remain consistent with those reported earlier when the full sample is used. Since findings might change when focusing on a specific country context or time period, I also ran regressions excluding one country and one survey round each time. Although the magnitude of the coefficients differs when excluding particular countries and years, the results are similar to the baseline specifications (Tables A12–A13, SM).

7.4 Support for National Taxation

How does the influence of remittance receipt on individual willingness to pay higher taxes vary across the local and national governmental levels? To explore this, I use two questions asked in the 2012–2016 rounds of the LAPOP survey. The first was: 'Would you be willing to pay more tax than you currently do for the government to spend more on primary and secondary education?' (soc5). The second of these questions was: 'Would you be willing to pay more tax than you currently do for the government to spend more on public health?' (soc9). It is worth noting that neither of these questions references the level of government spending or tax collection. In most of the LAC, these welfare goods are provided by national authorities, not municipal ones.

The results of the regression models estimating these dependent variables are reported in Table 2 below. Across models, the coefficient of remittance receipt approaches 0 and lacks statistical significance. That is, people who receive remittances do not statistically differ from non-

recipients in their support of increasing their tax contributions for better public education. Nor are there significant differences between remittance recipients and non-recipients regarding their willingness to pay higher taxes in return for improved public health. This confirms previous findings on remittance recipients being less willing to pay taxes to the central government (Doyle, 2015; López García and Maydom, 2021).

In contrast, as we saw above, when respondents are specifically surveyed about their willingness to pay higher municipal taxes if local services improve, recipients are more tax-compliant than non-recipients (Table 1). This aligns with expectations: individuals living in remittance-receiving households are, therefore, more likely to expect to receive something in return for paying taxes to local authorities.

Table 2: Higher Taxation in Return for Welfare (Probit Regression)

DV:	Support for higher taxes for better education services		Support for higher taxes for better health services	
	(1)	(2)	(3)	(4)
Remittance receipt	0.039	0.031	0.033	0.025
	(0.036)	(0.036)	(0.035)	(0.035)
Satisfaction with public education		0.002		
		(0.021)		
Satisfaction with public healthcare				0.021
				(0.019)
Female		-0.030		-0.013
		(0.030)		(0.032)
Age: 35–54 years		-0.054		-0.041
		(0.031)		(0.035)
Age: +55 years		-0.033		0.005
		(0.046)		(0.047)
Urban		0.037		0.006
		(0.041)		(0.041)
Secondary		0.002		0.107*

		(0.044)		(0.051)
High school		0.025		0.046
		(0.045)		(0.045)
College or higher		0.023		0.020
		(0.052)		(0.053)
Wealth (index)		0.023**		0.012
		(0.009)		(0.009)
Employed or working		0.044		0.041
		(0.031)		(0.034)
N	7,096	7,096	7,438	7,438
F-statistic	6.306	5.437	5.128	3.597
F-test (p-value)	0.000	0.000	0.000	0.000

Source: AmericasBarometer (2012–2016).

Notes: Matched sample. Country and wave dummies are included but omitted from the table for ease of presentation. Standard errors in parentheses. Coefficients displayed are marginal effects. Coefficients significant at *p < .05. **p < .01. ***p < .001.

8. Conclusion

This paper has examined the subnational dimension often overlooked in past quantitative research on the relationship between migrant remittances and taxation. It has been posited that the receipt of remittances is associated with higher levels of trust in local authorities and a stronger willingness to pay (more) local tax in return for better services. Despite the results presented in this paper being correlational, they support this claim. The analysis shows that, besides formal taxes, remittance recipients are more willing to contribute to the financing of public goods and government activities through communal levies. This is consistent with (qualitative) research on Mexican migrants in the United States, who send funds back home to fund schools, water, electricity, and sanitation – financing often distributed in collaboration with government authorities (Duquette-Rury, 2019). Although remittance recipients are self-selected, findings remain robust after matching individuals on observable traits and controlling for a set of potential confounders. Estimates even hold true after excluding outliers from the sample and controlling for additional variables. No heterogeneous effects are detected depending on

personal attributes theoretically related to tax attitudes. In sum, ignoring the local level can provide a distorted understanding of taxation in migrant-sending communities.
The evidence presented here thus contrasts with the conclusions from previous works, suggesting that migrant remittances are associated with lower tax morale and greater tax resistance (Doyle, 2015; Konte and Ndubuisi, 2022; López García and Maydom, 2021; Tyburski, 2023). Scholarship, therefore, not only needs to differentiate between local and federal taxation in the future, but also must consider local-level tax-like payments when analyzing the links between migrant remittances and taxation in developing economies. A local perspective can offer a different grasp of the fiscal social contract and add to our theoretical and empirical understanding of state-society relations in migrant-sending countries. These results have important policy implications. State authorities could encourage (voluntary) tax compliance in migrant communities by improving transparency, promoting tax literacy, and supporting citizen engagement (van den Boogaard et al., 2022).

That said, this study has many limitations. Future research should continue exploring how remittances shape citizens' attitudes towards and contributions to the financing of public goods at different governmental levels, via both formal and informal channels. To begin with, the findings of this paper should be verified using alternative data at the individual (or household) level. Data on individuals' reported payments (or refusals) of local taxes, as well as interactions with and perceptions of tax collectors and tax literacy, were not available from AmericasBarometer. Surveys could henceforth incorporate these key aspects, as well as the multiple actors involved in the financing of public goods.

Due to the nature of the data, the results presented here are only correlational. Longitudinal surveys that include more refined questions on emigration, remittance receipts, and how individuals' evaluations of the capacity of local and national authorities to deliver public goods and services change over time could be designed and used to validate the obtained results. Experiments could also help provide causal leverage on the relationship between migrant remittances and tax compliance. Another limitation of this study is that it focuses only on the micro level; hence, future research is needed to explore how remittance inflows influence local tax capacity at the aggregate level (where relevant data is available).

Since remittance senders are ultimately the ones paying local taxes, one could imagine that their willingness to send money home might decrease when taxes increase – with negative

consequences for the local fiscal social contract in migrant-sending countries. Unfortunately, this paper could not address this aspect as AmericasBarometer only surveys in-country residents, not migrants living abroad. Exploring in greater detail how remittance senders might influence the tax attitudes of migrant households would certainly be an interesting line of research. Future studies could similarly consider questions of double taxation when accounting for migrant families' attitudes.

Qualitative accounts could also help shed further light on the claims advanced. Scholars, for instance, might wish to examine what a fair and inclusive fiscal social contract means for remittance-receiving families, or how international emigration and remittances have redefined the latter's participation in local social contracts in terms of expectations and norms. Ethnographic research could likewise be used in selected remittance-receiving communities to examine whether contact with local authorities or participation in community-based tax schemes has helped cement or undermine the fiscal social contract and identify other pathways informing the relationship between remittances and local taxation. Qualitative evidence could be used to investigate whether municipal mayors in migrant communities face greater accountability pressures on how they spend tax revenues or whether they think they will not be re-elected in the event of corruption scandals. More work is needed to understand the political dynamics surrounding taxation in migrant communities.

A related line of inquiry would be to qualitatively explore whether the expansion and implementation of co-funding schemes, like Mexico's 3×1 Program, were strategic moves by state institutions to reclaim a role in places where they were disappearing due to remittances, or how these matching programmes have improved trust in local and national authorities. These perspectives can better inform both scholarship and policy on taxation and public goods provision in migrant-sending countries.

Further research could also explore how taxpayers' perceptions change with the implementation of transparency measures in migrant-sending communities. Since taxation is an important tool of wealth redistribution, local endeavors could also feature more prominently in scholarship on the migration–inequality nexus. This is particularly relevant in the migrant-sending countries of LAC, the most socially unequal region worldwide. Local (informal) taxes can be regressive. Therefore, scholars could also examine the role of enforcement and facilitation on local-level tax compliance at the local level.

Another significant limitation of this study is that it focuses on just one region. It would be fascinating to see researchers examine how the links between remittances and local taxation play out in other places around the globe, like sub-Saharan Africa and Asia. Analyzing the micro- and macro-level dynamics of local taxation in migrant-sending countries represents a promising avenue for future research, one that deserves more scholarly attention beyond just the LAC.

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Migrant Remittances and Local Taxes in Latin America

Supplementary Material

Contents

Countries and Waves Included in the Analysis

Country	*Willingness to pay higher taxes*	*Trust in local authorities*
Mexico	2006	2004, 2006, 2008, 2012
Guatemala	2004, 2006, 2008	2004, 2006, 2008, 2012
El Salvador	2004, 2006	2004, 2006, 2008, 2012
Honduras	2004, 2006, 2008, 2012	2004, 2006, 2008, 2012
Nicaragua	2006	2004, 2006, 2008, 2012
Costa Rica	2006	2004, 2006, 2008, 2012
Panama	2006	2004, 2006, 2008, 2012
Colombia	2004, 2006, 2008	2004, 2006, 2008, 2012
Ecuador	2006	2004, 2006, 2008, 2012
Peru	2006, 2008, 2010, 2012	2006, 2008, 2012
Paraguay	2006	
Chile	2006	2006, 2008, 2012
Uruguay	2007, 2008	2007, 2008, 2012
Venezuela	2007	2007, 2008, 2012
Dominican Republic	2006, 2008	2004, 2006, 2008, 2012
Haiti	2006	2006, 2008, 2012
Jamaica	2006	2006, 2008, 2012
Guyana	2006	2006, 2009, 2012

Variables Included in the Regression Analysis

ID: respondent's ID number

Country: country

Wave: year

Conditional tax compliance: a binary variable, coded 1 if respondents reported they would be willing to pay more taxes in return for better services, and 0 if they reported that it would not be worth it to do so (lgl3).

Trust in local authorities: a 0–6 scale variable indicating how much confidence the respondent has in the local or municipal government. Higher values indicate higher levels of confidence in local authorities (b32).

Demand-making on local authorities: a binary variable, coded 1 if respondents reported they had sought help from the municipality in the year prior to the survey, and 0 otherwise (np2).

Participation in town hall meetings: a binary variable, coded 1 if respondents reported they attended a town hall meeting or other meeting convened by the mayor in the year prior to the survey and 0 otherwise (np1).

Involvement in community-improvement activities: a binary variable, coded 1 if respondents reported they had contributed to solving a problem in their community or neighborhood in the year prior to the survey and 0 otherwise (cp5).

Monetary or in-kind contributions: a binary variable, coded 1 if respondents reported they had contributed to solving a problem in their community or neighborhood through monetary or in-kind contributions in the year prior to the survey and 0 otherwise (cp5a).

Labor contributions: a binary variable, coded 1 if respondents reported they contributed to solving a problem in their community or neighbourhood through labour contributions in the year prior to the survey and 0 otherwise (cp5b).

Attendance to community meetings: a binary variable, coded 1 if respondents reported they contributed to solving a problem in their community or neighborhood by attending community meetings in the year prior to the survey and 0 otherwise (cp5c).

Organisation of community groups: a binary variable coded 1 if respondents reported they contributed to solving a problem in their community or neighborhood by setting up new community groups in the year prior to the survey and 0 otherwise (cp5d).

Satisfaction with local goods: Ordinal variable ranging from 0 to 5, with higher levels indicating assessments of higher quality municipal services (sgl1).

Emigration intentions: binary variable, coded 1 if the respondent reported having intentions of going to live or work in another country in the three years after the survey and 0 otherwise (q14).

Former migrant: binary variable, coded 1 if the respondent reported having lived and worked in another country five years ago and 0 otherwise (mig2).

Paid a bribe to the police: binary variable, coded 1 if the respondent reported having been asked to pay a bribe by a police officer in the 12 months prior to the survey and 0 otherwise (exc2).

Crime victimization: binary variable, coded 1 if the respondent herself or a family member had been the victim of a crime in the past 12 months and 0 otherwise (vic1ext, vic1hogar, victim).

Political ideology: ordinal variable, ranging from 0 to 9, with higher values indicating stronger identification with the right and smaller values with the left (l1).

Urban: binary variable, coded 1 if the respondent lives in an urban locality and 0 otherwise (ur).

Female: binary variable, coded 1 if the respondent is female and 0 otherwise (q1)

Age: the number of years old the respondent is (q2)

Secondary education: binary variable, coded 1 if the respondent's highest education was secondary level (ed).

High school education: binary variable, coded 1 if the respondent's highest education was high school (ed).

College education: binary variable, coded 1 if the respondent's highest education was college or higher (ed).

The reference category for education is having primary education or less.

Wealth: additive index composed of 10 items indicating whether the respondent's household owned a variety of assets and had access to certain services (i.e., television, fridge, landline, cellphone, vehicle, washing machine, microwave, indoor plumbing, indoor bathroom, computer) (r1, r3, r4, r5, r6, r7, r12, r14, r15, r26).

Employed: binary variable, coded 1 if the respondent indicated they have a job and 0 otherwise (ocup4).

Table A1: Summary Statistics

Variable name	*N*	*Mean*	*SD*	*Min.*	*Med.*	*Max.*
Pre-balancing						
Remittance receipt	48,393	0.116	0.321	0	0	1
Willing to pay higher taxes	48,267	0.228	0.420	0	0	1
Request help from local officials	48,528	0.148	0.355	0	0	1
Attendance at townhall meetings	49,234	0.118	0.322	0	0	1
Community-improvement activities	51,467	0.360	0.480	0	0	1
Trust in local authorities	50,460	3.050	1.836	0	3	6
Satisfaction with local goods	48,485	1.080	0.736	0	1	2
Paid a bribe	51,831	0.230	0.421	0	0	1
Socio-economic variables						
Female	51,837	0.510	0.500	0	1	1
Age	51,837	38.780	15.682	16	36	100
Urban	51,837	0.350	0.477	0	0	1
Education (years)	51,564	8.653	4.608	0	9	18
Wealth	51,828	4.522	2.478	0	5	9
Employed	50,662	0.533	0.499	0	1	1
Post-balancing						
Remittance receipt	46,969	0.500	0.500	0	0.5	1
Willing to pay higher taxes	43,663	0.263	0.440	0	0	1
Request help from local officials	46,680	0.147	0.354	0	0	1
Attendance at townhall meetings	44,541	0.126	0.332	0	0	1
Community-improvement activities	46,608	0.369	0.483	0	0	1
Trust in local authorities	45,714	3.077	1.828	0	3	6
Satisfaction with local goods	43,828	1.078	0.742	0	1	2
Paid a bribe	46,965	0.255	0.436	0	0	1
Socio-economic variables						
Female	46,969	0.510	0.500	0	1	1
Age	46,969	37.817	15.902	16	34	100
Urban	46,969	0.380	0.485	0	0	1
Education (years)	46,969	9.063	4.521	0	9	18
Wealth	46,969	5.034	2.437	0	5	9
Employed	46,969	0.495	0.500	0	0	1

Table A2: Cramer's V Tests

Variables	(1)	(2)	(3)	(4)	(5)	(6)
(1) Willingness to pay higher taxes	--					
(2) Trust in local authorities	0.128***	--				
(3) Townhall meetings	0.087***	0.069***	--			
(4) Help requests to local officers	0.028***	0.066***	0.232***	--		
(5) Help requests at municipal offices	0.034***	0.043***	0.307***	0.412***	--	
(6) Community involvement	0.062***	0.026***	0.198***	0.167***	0.186***	--

Notes: The value displayed for t-tests are the differences in the means across groups (recipients vs nonrecipients). Significance levels at *p<0.05, **p<0.01, ***p<0.001

Table A3: Balance Checks

Variables	Means			Variance			Skewness			Means difference T-test	
	Treatment	*Control (Pre-balancing)*	*Control (Post-balancing)*	*Treatment*	*Control (Pre-balancing)*	*Control (Post-balancing)*	*Treatment*	*Control (Pre-balancing)*	*Control (Post-balancing)*	*Pre-balancing*	*Post-balancing*
Female	0.5	0.5	0.5	0.2	0.2	0.2	0.0	0.0	0.0	-0.006	-0.000
Age	37.8	38.9	37.8	266.3	245.2	239.5	0.8	0.7	0.8	-0.991***	0.005
Urban	0.4	0.3	0.4	0.2	0.2	0.2	0.5	0.6	0.5	0.029***	-0.000
Education (years)	9.1	8.5	9.1	19.8	21.4	21.0	-0.2	0.0	-0.1	0.508***	-0.003
Wealth	5.0	4.5	5.0	5.5	6.3	6.4	-0.2	0.0	-0.2	0.567***	-0.003
Employed	0.5	0.5	0.5	0.3	0.2	0.2	0.0	-0.1	0.0	-0.041***	0.000

Notes: The value displayed for t-tests are the differences in the means across groups (recipients vs nonrecipients). Significance levels at *p<0.05, **p<0.01, ***p<0.001

Table A4: Ordinal Probit Regression: Trust in Local Authorities

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Requested help from local authorities	0.150***	0.145***						
	(0.013)	(0.013)						
Requested help at municipal offices			0.079***	0.082***				
			(0.014)	(0.014)				
Attends townhall meetings					0.200***	0.202***		
					(0.015)	(0.015)		
Community-improvement activities							0.077***	0.084***
							(0.010)	(0.010)
Female		0.017*		0.016+		0.019*		0.020*
		(0.009)		(0.009)		(0.009)		(0.009)
Age: 35-54 years		0.004		0.007		0.004		0.002
		(0.010)		(0.010)		(0.010)		(0.010)
Age: +55 years		0.062***		0.065***		0.062***		0.057***
		(0.014)		(0.014)		(0.014)		(0.014)
Urban		0.044**		0.047***		0.045***		0.046***
		(0.014)		(0.014)		(0.014)		(0.014)
Secondary		-0.060***		-0.062***		-0.062***		-0.064***
		(0.015)		(0.015)		(0.015)		(0.015)
High school		-0.072***		-0.075***		-0.075***		-0.076***
		(0.014)		(0.014)		(0.014)		(0.014)
College or higher		-0.148***		-0.152***		-0.152***		-0.153***
		(0.016)		(0.016)		(0.016)		(0.016)
Wealth (index)		0.004		0.003		0.004		0.002
		(0.003)		(0.003)		(0.003)		(0.003)
Employed or working		-0.023*		-0.021*		-0.026**		-0.026**
		(0.010)		(0.010)		(0.010)		(0.010)
N	116,905	116,905	116,098	116,098	114,458	114,458	116,217	116,217
F-statistic	81.40	64.33	74.29	60.25	81.01	64.57	79.64	64.20
F-test	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Source: AmericasBarometer 2004-12. Notes: Matched sample. Country and wave dummies are included but omitted from the table for ease of presentation. Standard errors in parentheses. Coefficients significant at *p < .05. **p < .01. ***p < .001

Table A5: Probit Regression: Trust in Local Authorities and Participation in Local Politics and Community Affairs

	(1)	(2)	(3)	(4)	(5)
DV:	Trust in municipal authorities	Requested help to a local officer in the past year	Ever requested help from a municipal office	Attends townhall meetings	Participates in community-improvement activities
Remittance recipient	0.051***	0.122***	0.115***	0.116***	0.132***
	(0.011)	(0.015)	(0.016)	(0.016)	(0.013)
Female	0.015+	-0.058***	-0.051***	-0.127***	-0.151***
	(0.009)	(0.014)	(0.014)	(0.015)	(0.012)
Age: 35-54 years	0.012	0.168***	0.179***	0.150***	0.282***
	(0.010)	(0.015)	(0.015)	(0.016)	(0.013)
Age: +55 years	0.067***	0.155***	0.150***	0.134***	0.304***
	(0.014)	(0.020)	(0.020)	(0.022)	(0.017)
Urban	0.052***	0.136***	0.107***	0.152***	0.175***
	(0.014)	(0.018)	(0.018)	(0.020)	(0.017)
Secondary	-0.060***	0.003	0.069**	0.059**	0.089***
	(0.015)	(0.021)	(0.021)	(0.023)	(0.018)
High school	-0.070***	-0.019	0.097***	0.045*	0.163***
	(0.014)	(0.020)	(0.020)	(0.022)	(0.017)
College or higher	-0.141***	0.066**	0.219***	0.149***	0.324***
	(0.016)	(0.024)	(0.024)	(0.025)	(0.020)
Wealth (index)	0.001	-0.042***	-0.028***	-0.021***	0.001
	(0.003)	(0.004)	(0.004)	(0.004)	(0.003)
Employed or working	-0.020*	0.110***	0.143***	0.171***	0.196***
	(0.010)	(0.015)	(0.015)	(0.016)	(0.013)
N	117,498	119,864	118,964	117,326	119,147
F-statistic	60.10	42	26.22	39.40	78.11
F-test	0.000	0.000	0.000	0.000	0.000

Source: AmericasBarometer 2004-12. Notes: Model 1 is ordinal probit model and models 2-6 are probit models. Matched sample. Country and wave dummies are included but omitted from the table for ease of presentation. Standard errors in parentheses. Coefficients significant at *p < .05. **p < .01. ***p < .001

Table A6: Probit Regression: Participation in Community-Improvement Activities

DV:	(1) Through cash donations	(2) Through labour contributions	(3) Through setting new organisations	(4) Through attending meetings
Remittance recipient	0.029***	0.039***	0.031***	0.027***
	(0.008)	(0.008)	(0.007)	(0.008)
Female	-0.029***	-0.089***	-0.044***	-0.043***
	(0.007)	(0.007)	(0.006)	(0.006)
Age: 35-54 years	0.079***	0.070***	0.057***	0.075***
	(0.007)	(0.007)	(0.006)	(0.007)
Age: +55 years	0.090***	0.045***	0.049***	0.058***
	(0.009)	(0.010)	(0.009)	(0.009)
Urban	0.054***	0.093***	0.054***	0.082***
	(0.009)	(0.009)	(0.008)	(0.009)
Secondary	0.028**	0.012	0.023**	0.021*
	(0.009)	(0.010)	(0.008)	(0.009)
High school	0.044***	0.031**	0.042***	0.046***
	(0.009)	(0.010)	(0.008)	(0.009)
College or higher	0.098***	0.076***	0.087***	0.089***
	(0.011)	(0.011)	(0.010)	(0.011)
Wealth (index)	0.010***	-0.003	-0.002	-0.003
	(0.002)	(0.002)	(0.002)	(0.002)
Employed or working	0.040***	0.074***	0.034***	0.048***
	(0.007)	(0.007)	(0.006)	(0.007)
N	39,193	39,191	39,145	39,152
F-statistic	40.04	51.36	34.11	42.43
F-test (p-value)	0.000	0.000	0.000	0.000

Source: AmericasBarometer 2004-12. Notes: Matched sample. Country and wave dummies are included but omitted from the table for ease of presentation. Standard errors in parentheses. Coefficients are displayed as marginal effects. Coefficients significant at *p < .05. **p < .01. ***p < .001

Table A7: Probit regression: Willingness to pay higher local taxes for better services, alternative estimations

	(1) OLS	(2) OLS	(3) Logit	(4) Logit	(5) Probit	(6) Probit
Remittance recipient	0.028***	0.026***	0.160***	0.152***	0.094***	0.087***
	(0.007)	(0.007)	(0.041)	(0.042)	(0.024)	(0.025)
Quality of local services		0.098***		0.595***		0.342***
		(0.005)		(0.029)		(0.016)
Female		-0.051***		-0.307***		-0.178***
		(0.006)		(0.036)		(0.021)
Age: 35-54 years		-0.007		-0.043		-0.028
		(0.007)		(0.041)		(0.024)
Age: +55 years		-0.029**		-0.182**		-0.109***
		(0.009)		(0.056)		(0.032)
Urban		0.022**		0.130**		0.072**
		(0.008)		(0.048)		(0.028)
Secondary		0.025*		0.149*		0.085*
		(0.010)		(0.059)		(0.034)
High school		0.033***		0.202***		0.115***
		(0.009)		(0.054)		(0.031)
College or higher		0.073***		0.436***		0.252***
		(0.011)		(0.064)		(0.036)
Wealth (index)		0.003		0.015		0.008
		(0.002)		(0.010)		(0.006)
Employed or working		0.005		0.034		0.020
		(0.006)		(0.038)		(0.022)
N	41,171	41,171	41,171	41,171	41,171	41,171

Source: AmericasBarometer 2004-12. Notes: Matched sample. Control, and country and wave dummies are included but omitted from the table for ease of presentation. Standard errors in parentheses. Coefficients are significant at +p < 0.10 *p < .05. **p < .01. ***p < .001

Table A8: Probit Regression: Willingness to Pay Higher Local Taxes for Better Services, Additional Variables

	(1) + Emigration intentions	(2) +Former migrant	(3) + Paid a bribe	(4) +Paid a bribe to a municipal officer	(5) +Crime victim	(6) +Political ideology
Remittance recipient	0.025**	0.025**	0.025***	0.025***	0.025***	0.030***
	(0.008)	(0.009)	(0.007)	(0.007)	(0.007)	(0.008)
Emigration intentions	0.003					
	(0.008)					
Former migrant		-0.013				
		(0.038)				
Paid a bribe			0.007			
			(0.007)			
Paid a bribe at a municipal office				-0.019		
				(0.017)		
Crime experiences					0.001	
					(0.008)	
Political ideology						0.001
						(0.001)
Quality of local services	0.099***	0.096***	0.098***	0.098***	0.098***	0.096***
	(0.005)	(0.006)	(0.005)	(0.005)	(0.005)	(0.005)
Female	-0.053***	-0.051***	-0.051***	-0.051***	-0.051***	-0.051***
	(0.007)	(0.007)	(0.006)	(0.006)	(0.006)	(0.007)
Age: 35-54 years	-0.007	-0.011	-0.008	-0.008	-0.008	-0.002
	(0.008)	(0.008)	(0.007)	(0.007)	(0.007)	(0.008)
Age: +55 years	-0.030**	-0.034**	-0.030***	-0.030***	-0.030***	-0.029**
	(0.010)	(0.011)	(0.009)	(0.009)	(0.009)	(0.010)
Urban	0.028**	0.024*	0.021**	0.021**	0.022**	0.018*
	(0.009)	(0.010)	(0.008)	(0.008)	(0.008)	(0.009)
Secondary	0.023*	0.025*	0.023*	0.024*	0.023*	0.018
	(0.010)	(0.012)	(0.009)	(0.009)	(0.009)	(0.011)
High school	0.035***	0.023*	0.032***	0.032***	0.032***	0.030**
	(0.009)	(0.011)	(0.009)	(0.009)	(0.009)	(0.010)
College or higher	0.080***	0.063***	0.073***	0.074***	0.073***	0.074***
	(0.011)	(0.013)	(0.011)	(0.011)	(0.011)	(0.012)
Wealth (index)	0.003	0.001	0.002	0.002	0.002	0.002
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Employed or working	0.007	0.006	0.005	0.006	0.006	0.006
	(0.007)	(0.008)	(0.006)	(0.006)	(0.006)	(0.007)

N	35,889	25,838	41,147	41,111	41,021	33,574
F-statistic	41.23	39.26	44.42	45.19	44.79	37.67
F-test	0.000	0.000	0.000	0.000	0.000	0.000

Source: AmericasBarometer 2004-12. Notes: Matched sample. Country and wave dummies are included but omitted from the table for ease of presentation. Standard errors in parentheses. Coefficients are displayed as marginal effects. Coefficients significant at *p < .05. **p < .01. ***p < .001

Table A9: Probit Regression – Willingness to Pay Higher Local Taxes for Better Services, Heterogeneous Effects

	(1)	(2)	(3)	(4)	(5)	(6)
Remittance receipt	0.103**	0.119***	0.065*	0.059	0.066	0.062
	(0.032)	(0.033)	(0.030)	(0.040)	(0.035)	(0.056)
Remittances*Female	-0.032					
	(0.041)					
Remittances*35-54 years		-0.063				
		(0.050)				
Remittances*+55 years		-0.076				
		(0.061)				
Remittances*Urban			0.058			
			(0.047)			
Remittances*Secondary				0.078		
				(0.063)		
Remittances*High school				0.025		
				(0.055)		
Remittances*College or higher				0.041		
				(0.065)		
Remittances*Employed					0.042	
					(0.044)	
Remittances*Wealth						0.005
						(0.010)
Quality of local services	0.342***	0.341***	0.341***	0.342***	0.342***	0.342***
	(0.016)	(0.016)	(0.016)	(0.016)	(0.016)	(0.016)
Female	-0.163***	-0.177***	-0.178***	-0.178***	-0.179***	-0.178***
	(0.018)	(0.021)	(0.021)	(0.021)	(0.021)	(0.021)
Age: 35-54 years	-0.027	0.000	-0.028	-0.027	-0.027	-0.027
	(0.024)	(0.019)	(0.024)	(0.024)	(0.024)	(0.024)
Age: +55 years	-0.108***	-0.072**	-0.110***	-0.107***	-0.109***	-0.108***
	(0.032)	(0.025)	(0.032)	(0.032)	(0.032)	(0.032)
Urban	0.073**	0.073**	0.045	0.073**	0.073**	0.072**
	(0.028)	(0.028)	(0.026)	(0.028)	(0.028)	(0.028)
Secondary	0.085*	0.084*	0.085*	0.047	0.085*	0.085*
	(0.034)	(0.034)	(0.034)	(0.027)	(0.034)	(0.034)

High school	0.115***	0.113***	0.114***	0.103***	0.115***	0.115***
	(0.031)	(0.031)	(0.031)	(0.026)	(0.031)	(0.031)
College or higher	0.252***	0.250***	0.251***	0.234***	0.252***	0.253***
	(0.036)	(0.036)	(0.036)	(0.033)	(0.036)	(0.036)
Wealth (index)	0.008	0.008	0.008	0.008	0.008	0.006
	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.005)
Employed or working	0.020	0.020	0.019	0.020	-0.000	0.020
	(0.022)	(0.022)	(0.022)	(0.022)	(0.020)	(0.022)
N	41,171	41,171	41,171	41,171	41,171	41,171
F-statistic	46.43	43.38	44.90	42.07	44.60	44.75
F-test (p-value)	0.000	0.000	0.000	0.000	0.000	0.000

Source: AmericasBarometer 2004-12. Notes: Matched sample. Control and country and wave dummies are included but omitted from the table for ease of presentation. Standard errors in parentheses. Coefficients significant at *p < .05. **p < .01. ***p < .001

Table A10: Probit Regression: Trust in Local Authorities and Participation in Local Politics and Communal Affairs, Excluding Observations from Haiti

DV:	(1) Trust in municipal authorities	(2) Requested help to a local officer in the past year	(3) Ever requested help from a municipal office	(4) Attends townhall meetings	(5) Participates in community-improvement activities
Remittance recipient	0.038**	0.112***	0.107***	0.108***	0.118***
	(0.012)	(0.016)	(0.017)	(0.018)	(0.014)
Female	0.014	-0.046**	-0.036*	-0.139***	-0.160***
	(0.009)	(0.014)	(0.015)	(0.015)	(0.012)
Age: 35-54 years	0.000	0.183***	0.189***	0.161***	0.289***
	(0.010)	(0.015)	(0.016)	(0.017)	(0.013)
Age: +55 years	0.047**	0.158***	0.177***	0.137***	0.315***
	(0.014)	(0.021)	(0.020)	(0.023)	(0.017)
Urban	0.060***	0.175***	0.137***	0.197***	0.199***
	(0.014)	(0.019)	(0.018)	(0.021)	(0.017)
Secondary	-0.079***	-0.019	0.065**	0.055*	0.100***
	(0.015)	(0.022)	(0.022)	(0.024)	(0.019)
High school	-0.097***	-0.016	0.108***	0.041+	0.158***
	(0.014)	(0.021)	(0.021)	(0.023)	(0.017)
College or higher	-0.149***	0.105***	0.245***	0.167***	0.321***
	(0.017)	(0.025)	(0.025)	(0.026)	(0.021)
Wealth (index)	0.006*	-0.040***	-0.028***	-0.019***	0.006+
	(0.003)	(0.004)	(0.004)	(0.004)	(0.003)
Employed or working	-0.018+	0.086***	0.127***	0.149***	0.200***
	(0.010)	(0.015)	(0.016)	(0.016)	(0.013)
N	111,131	113,565	112,736	111,045	112,837
F-statistic	40.02	42.61	26.55	37.28	68.99
F-test (p-value)	0.000	0.000	0.000	0.000	0.000

Source: AmericasBarometer 2004-12. Notes: Model 1 is an ordinal probit model; Models 2-5 are probit models. Matched sample. Country and wave dummies are included but omitted from the table for ease of presentation. Standard errors in parentheses. Coefficients significant at *p < .05. **p < .01. ***p < .001

Table A11: Probit Regression: Willingness to Pay Higher Local Taxes for Better Services, Excluding Observations from Haiti

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Remittance receipt	0.028***	0.019**	0.018**	0.017*	0.017*	0.017*	0.015*	0.016*
	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)
Trust in local authorities				0.025***				
				(0.001)				
Requested help from local authorities					0.040***			
					(0.006)			
Requested help at municipal offices						0.038***		
						(0.006)		
Attended townhall meetings							0.074***	
							(0.007)	
Community-improvement activities								0.045***
								(0.005)
Quality of local services			0.090***	0.069***	0.089***	0.091***	0.090***	0.089***
			(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
Female		-0.045***	-0.048***	-0.048***	-0.047***	-0.049***	-0.047***	-0.045***
		(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)
Age: 35-54 years		-0.002	-0.003	-0.003	-0.005	-0.004	-0.004	-0.009+
		(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
Age: +55 years		-0.027***	-0.026***	-0.031***	-0.028***	-0.028***	-0.030***	-0.033***
		(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
Urban		0.008	0.011+	0.009	0.008	0.010+	0.007	0.007
		(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
Secondary		0.015*	0.015*	0.015*	0.015*	0.017**	0.014*	0.013*
		(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.007)	(0.006)
High school		0.029***	0.027***	0.030***	0.027***	0.028***	0.025***	0.023***
		(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
College or higher		0.061***	0.061***	0.066***	0.060***	0.060***	0.053***	0.055***
		(0.007)	(0.008)	(0.008)	(0.008)	(0.008)	(0.008)	(0.008)
Wealth (index)		0.005***	0.003*	0.003*	0.003**	0.003*	0.004**	0.003*
		(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Employed or working		0.003	0.002	0.002	0.000	0.000	-0.001	-0.001
		(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.005)	(0.004)
N	44,367	44,367	41,874	41,126	41,661	41,267	39,789	41,604
F-statistic	53.27	45.72	63.88	71.19	63.38	64.56	64.42	65.66
F-test (p-value)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Source: AmericasBarometer 2004-12. *Notes:* Matched sample. Country and wave dummies are included but omitted from the table for ease of presentation. Standard errors in parentheses. Coefficients are displayed as marginal effects. Coefficients significant at + p < 0.10 *p < .05. **p < .01. ***p < .001

Table A12: Probit Regression: Willingness to Pay Higher Local Taxes for Better Services, Excluding each Country at a Time

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Excluding observations from:	Mexico	Guatemala	El Salvador	Honduras	Nicaragua	Costa Rica	Panama	Colombia
Remittance recipient	0.022**	0.024**	0.024**	0.029***	0.026***	0.024**	0.022**	0.024**
	(0.007)	(0.008)	(0.008)	(0.008)	(0.007)	(0.007)	(0.007)	(0.007)
Quality of local services	0.098***	0.099***	0.098***	0.094***	0.095***	0.098***	0.098***	0.104***
	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
Female	-0.051***	-0.048***	-0.043***	-0.056***	-0.053***	-0.050***	-0.052***	-0.055***
	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
Age: 35-54 years	-0.007	-0.011	-0.013+	-0.009	-0.007	-0.008	-0.009	-0.003
	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)
Age: +55 years	-0.031***	-0.030**	-0.037***	-0.028**	-0.031***	-0.030**	-0.032***	-0.030**
	(0.009)	(0.009)	(0.009)	(0.010)	(0.009)	(0.009)	(0.009)	(0.009)
Urban	0.021*	0.019*	0.022*	0.022*	0.021*	0.020*	0.024**	0.022*
	(0.008)	(0.008)	(0.008)	(0.009)	(0.008)	(0.008)	(0.008)	(0.009)
Secondary	0.026**	0.022*	0.024*	0.024*	0.020*	0.022*	0.024*	0.025*
	(0.010)	(0.010)	(0.010)	(0.010)	(0.010)	(0.010)	(0.010)	(0.010)
High school	0.035***	0.026**	0.028**	0.034***	0.031***	0.030***	0.032***	0.033***
	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)
College or higher	0.075***	0.071***	0.060***	0.077***	0.071***	0.072***	0.075***	0.074***
	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)
Wealth (index)	0.003	0.001	0.003	0.003	0.002	0.002	0.002	0.003+
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Employed or working	0.007	0.007	0.007	0.002	0.003	0.006	0.006	0.003
	(0.006)	(0.007)	(0.007)	(0.007)	(0.006)	(0.006)	(0.006)	(0.007)
N	39,821	37,324	38,026	35,526	39,614	39,716	39,905	36,995

Source: AmericasBarometer 2004-12. Notes: Matched sample. Country and wave dummies are included but omitted from the table for ease of presentation. Standard errors in parentheses. Coefficients are displayed as marginal effects. Coefficients significant at *p < .05. **p < .01. ***p < .001

Table A12: Probit Regression: Willingness to Pay Higher Local Taxes for Better Services, Excluding Each Country at a Time

	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Excluding observations from:	Ecuador	Peru	Chile	Uruguay	Venezuela	Dominican Republic	Haiti	Jamaica	Guyana
Remittance recipient	0.028***	0.027***	0.025***	0.025***	0.025***	0.029***	0.027***	0.022**	0.025***
	(0.008)	(0.008)	(0.007)	(0.007)	(0.007)	(0.008)	(0.007)	(0.007)	(0.007)
Quality of local services	0.098***	0.097***	0.099***	0.096***	0.097***	0.095***	0.100***	0.100***	0.096***
	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
Female	-0.051***	-0.053***	-0.050***	-0.050***	-0.052***	-0.051***	-0.052***	-0.051***	-0.051***
	(0.006)	(0.007)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
Age: 35-54 years	-0.008	-0.004	-0.008	-0.010	-0.008	-0.007	-0.008	-0.009	-0.008
	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)
Age: +55 years	-0.030***	-0.027**	-0.030***	-0.030**	-0.031***	-0.025**	-0.032***	-0.032***	-0.032***
	(0.009)	(0.010)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)
Urban	0.024**	0.017*	0.021**	0.020*	0.020*	0.026**	0.020*	0.021**	0.016+
	(0.008)	(0.009)	(0.008)	(0.008)	(0.008)	(0.008)	(0.008)	(0.008)	(0.008)
Secondary	0.022*	0.027**	0.025**	0.024*	0.024*	0.023*	0.022*	0.021*	0.025**
	(0.010)	(0.010)	(0.010)	(0.010)	(0.010)	(0.010)	(0.010)	(0.009)	(0.009)
High school	0.031***	0.034***	0.034***	0.032***	0.031***	0.031***	0.033***	0.033***	0.037***
	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)
College or higher	0.073***	0.080***	0.074***	0.074***	0.074***	0.073***	0.070***	0.076***	0.079***
	(0.011)	(0.012)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)
Wealth (index)	0.003	0.001	0.002	0.002	0.002	0.003*	0.003	0.003	0.001
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Employed or working	0.007	0.003	0.007	0.007	0.005	0.009	0.005	0.007	0.006
	(0.007)	(0.007)	(0.006)	(0.007)	(0.006)	(0.007)	(0.006)	(0.006)	(0.006)
N	38,381	35,688	39,804	38,639	40,143	38,436	40,047	40,099	40,204

Source: AmericasBarometer 2004-12. Notes: Matched sample. Country and wave dummies are included but omitted from the table for ease of presentation. Standard errors in parentheses. Coefficients are displayed as marginal effects. Coefficients significant at *p < .05. **p < .01. ***p < .001

Table A13: Probit Regression: Willingness to Pay Higher Local Taxes for Better Services, Excluding Each Survey Wave at a Time

	(1)	(2)	(3)	(4)
Excluding observations from:	2004	2006	2008	2010-12
Remittance recipient	0.017*	0.020+	0.033***	0.025***
	(0.008)	(0.011)	(0.008)	(0.008)
Quality of local services	-0.045***	-0.052***	-0.051***	-0.056***
	(0.006)	(0.009)	(0.007)	(0.006)
Female	-0.011	-0.010	-0.008	-0.005
	(0.007)	(0.011)	(0.008)	(0.007)
Age: 35-54 years	-0.029**	-0.037**	-0.025*	-0.032***
	(0.009)	(0.013)	(0.010)	(0.009)
Age: +55 years	0.021*	0.022+	0.025**	0.016+
	(0.009)	(0.012)	(0.009)	(0.009)
Urban	0.028**	0.020	0.019+	0.025*
	(0.010)	(0.014)	(0.011)	(0.010)
Secondary	0.033***	0.054***	0.022*	0.030***
	(0.009)	(0.013)	(0.010)	(0.009)
High school	0.069***	0.089***	0.069***	0.075***
	(0.011)	(0.016)	(0.012)	(0.011)
College or higher	0.002	0.004	0.002	0.002
	(0.002)	(0.003)	(0.002)	(0.002)
Wealth (index)	0.004	0.006	0.010	0.005
	(0.007)	(0.009)	(0.007)	(0.007)
Employed or working	0.101***	0.103***	0.092***	0.097***
	(0.005)	(0.006)	(0.005)	(0.005)
N	35,497	17,929	33,176	36,842

Source: AmericasBarometer 2004-12. Notes: Matched sample. Country and wave dummies are included but omitted from the table for ease of presentation. Standard errors in parentheses. Coefficients are displayed as marginal effects. Coefficients significant at *p < .05. **p < .01. ***p < .001

Figure A1. Covariate Imbalance across Recipients and Nonrecipients (Pre-balancing)

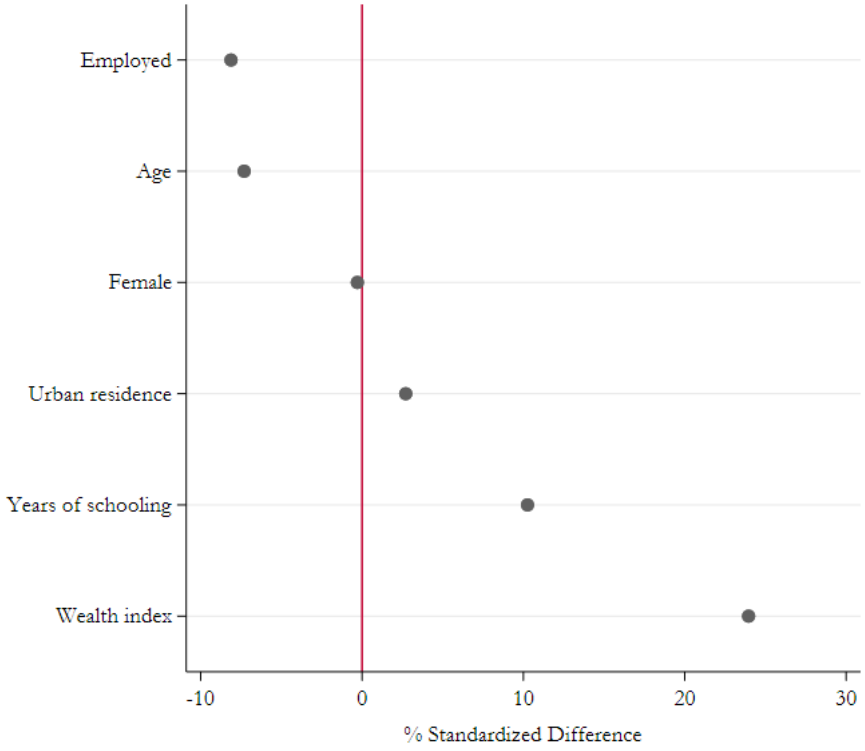
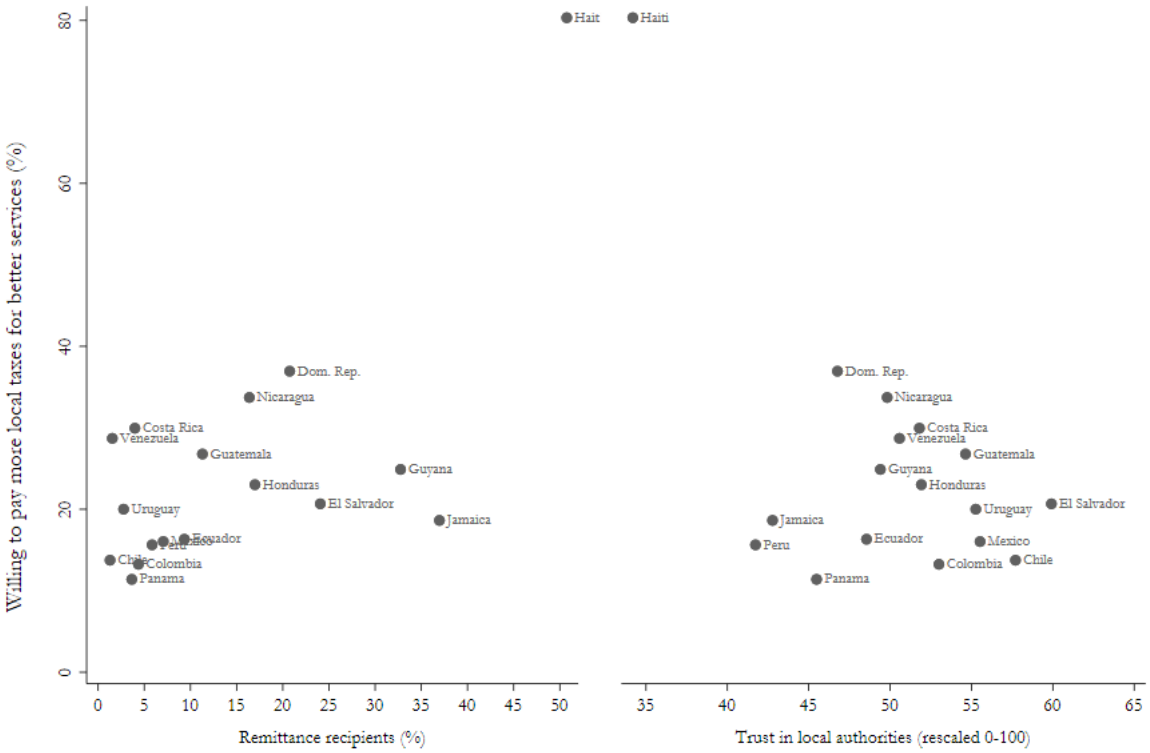
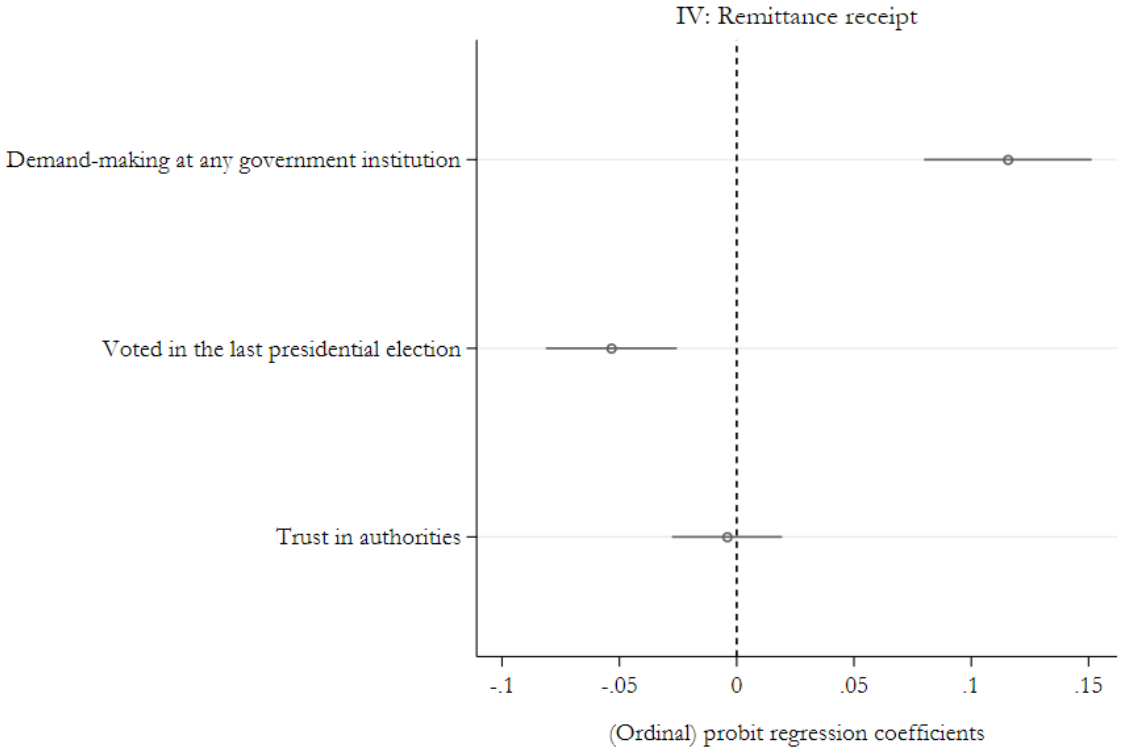


Figure A2: Remittance Receipt, Support for Local Taxation and Trust in Local Authorities by Country



Source: AmericasBarometer 2004-2012

Figure A3: Remittance Receipt, Trust in Authorities and Voting in National Elections



Source: AmericasBarometer 2004-2012