

# The Geography of Remittances in Ghana

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Migrant transfers and their remittances provide a significant source of capital flows and foreign exchange for Developing Countries. While peripheral regions like Sub-Saharan Africa are underrepresented in the remittance literature there is growing recognition that the region is globally important as a migrant sending zone and that subsequent remittances influence local economies (Yeboah 2008). For example, Ghana has experienced increased migration in the post-SAP era of decentralization, and Bank of Ghana estimates place national remittances in the \$1billion range (Mazzucato, van den Boom and Nsowah 2008). However, research has largely failed to address the geography of remittances. In particular, little attention has been given to the usage of remittances by receiving households and how these uses vary with respect to their origin and destinations. My specific objective is to address the disparity in geographical research on remittances and Sub-Saharan African subjects by investigating the geography of remittances between migrant sending and receiving scales in Ghana, how this relates to the uses to which payments are put, and from these what deductions may be drawn about the impact of remittances on development.

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## **Chapter One: Introduction**

### **1.1: Introduction**

Migrant transfers and their remittances provide a significant source of capital flows and foreign exchange for Developing Countries. While peripheral regions like Sub-Saharan Africa are underrepresented in the remittance literature there is growing recognition that the region is globally important as a migrant sending zone and that subsequent remittances influence local economies (Yeboah 2008). For example, Ghana has experienced increased migration in the post-SAP era of decentralization, and Bank of Ghana estimates place national remittances in the \$1billion range (Mazzucato, van den Boom and Nsowah 2008). However, research has largely failed to address the geography of remittances. In particular, little attention has been given to the usage of remittances by receiving households and how these uses vary with respect to their origin and destinations. My specific objective is to address the disparity in geographical research on remittances and Sub-Saharan African subjects by investigating the geography of remittances between migrant sending and receiving scales in Ghana, how this relates to the uses to which payments are put, and from these what deductions may be drawn about the impact of remittances on development.

### **1.2: Statement of Research Problem**

The growing share of remittances in international money flows alongside their evident impacts upon receiving countries has demanded a great deal of attention among academics, policy makers, and development agencies. Over the 2000-2006 period global remittance flows doubled from \$111 billion (Lianos and Cavounidis 2010) to \$221 billion (Adida and Girod 2011), and remittances to developing countries have been increasing at an annual rate of 16% since 2000 (Gupta, Pattillo and Wagh 2009). 2006 figures place global remittances at double total official development assistance (ODA) and their growth has outstripped both ODA and foreign direct investment (FDI) to the global periphery (Gupta, Pattillo, and Wagh 2009). Furthermore, official estimates do not include remittance payments sent through informal channels which World Bank estimates suggest could add another 50% to world figures (ibid 2009).

However, grand figures, while demonstrating remarkable global statistics, do not capture the heterogeneity of trends that operate at and between scales. Globally, remittances are distributed highly unevenly with the top three recipient countries; China, India and Mexico, accounting for over one third

of total remittance payments (Gupta, Pattillo and Wagh 2009). In particular, Sub-Saharan Africa as a region by most estimates does not seem to be a major player in the global remittance game, and as such there have been relatively few studies in Sub-Saharan Africa (notable exceptions; Yeboah 2008; Gupta, Pattillo and Wagh 2009; Wouterse 2010). Despite this gap, what research exists suggest that while Africa's portion of remittances has been relatively small it has demonstrated remarkable growth and dynamism in recent years. Between 2000 and 2007 transfers grew by 114% to nearly \$27 billion (Anyanwau and Erhijakpor 2010). Furthermore, global remittances are growing at rates faster than international migration indicating deeper underlying processes than a simple numbers game (Brown 2006). This suggests that Sub-Saharan Africa is an emerging migrant sending and remittance receiving zone, and further studies are needed to gauge the scale and impacts of remittances upon African economies. Furthermore, most of the remittance research demonstrates an economics bias which neglects to address geographical questions. While primary academic and policy concerns revolve around the determinants and impacts of remittances (Buch and Kuckulenz 2010) there is evidence that

### **1.3: Research Questions**

This thesis subdivides the general question of the geography of remittances in Ghana into four primary research questions.

1. What proportion of Ghanaian migrants choose to remit, what is the value of their transfers flowing into Ghana, and is there a geography to these behaviors with respect to migrant origins and destinations?
2. How frequently do migrant households receive remittances and how does this frequency vary with respect to migrant origins and destinations?
3. How do Ghanaian households with absent migrant members consider remittances flows vis-à-vis other sources of income (e.g. wages, rents, etc.)? To what extent are remittances used differently by households and is there a geography to this difference; namely how do perceptions and usage of remittances vary depending on where remittances come from and where they go within Ghana?
4. For those households which use remittance payments differently than other income sources, to what uses are they put, and how do these uses vary by geographical origin and destination?

For each question four spatial variables are considered: Countries to which migrants emigrate, global economic regions (Core, Periphery and Semi-Periphery) destinations, administrative district of origin in Ghana, and urban versus rural households.

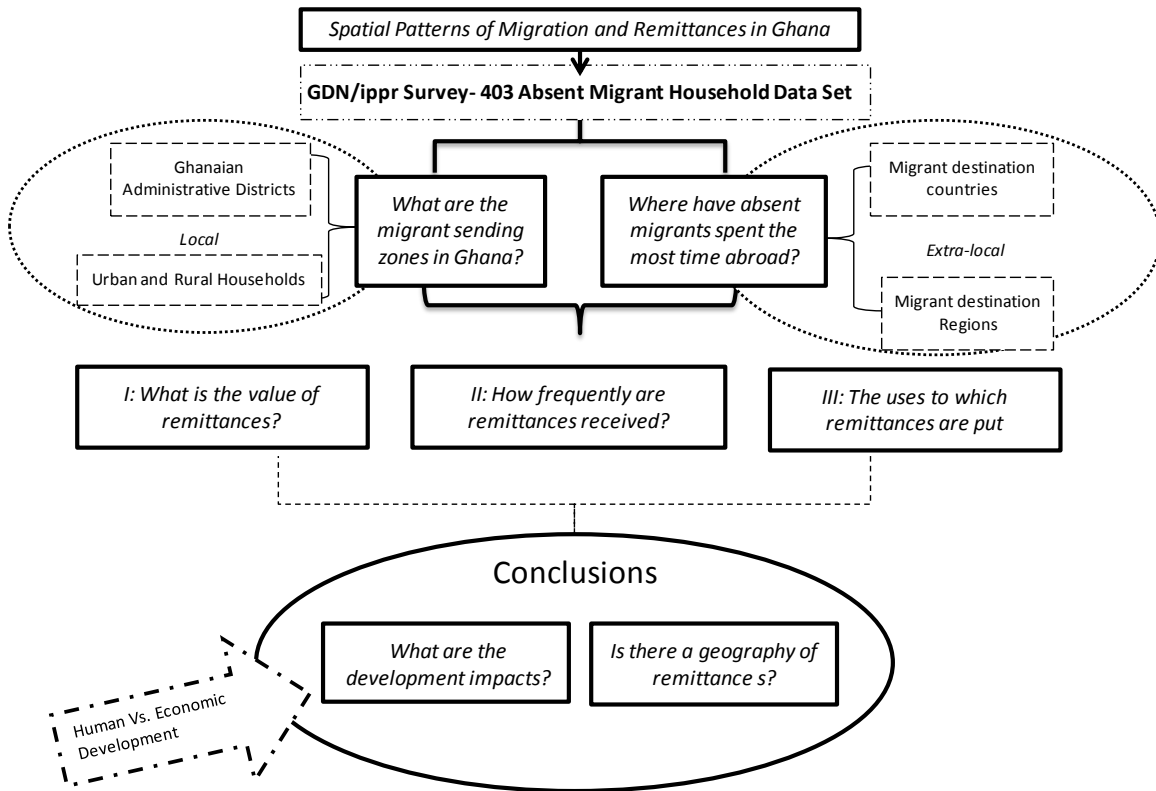
#### **1.4: Methodology**

This paper makes use of a 403 point subset of households taken from surveys conducted in Ghana in 2008 by the Global Development Network and Institute for Public Policy Research (henceforth referred to as GDN/ipp) and undertaken by fellows of the Regional Institute for Population Studies (RIPS) at the University of Ghana and of Miami University. The GDN/ipp Ghana survey was part of a larger six-country study designed to measure and assess the social and economic impacts of migration both in Ghana, and to serve as a basis for cross-country comparisons of migration, remittances, and development between nations of the global periphery and semi-periphery. Of the Ghanaian portion, 1166 households were randomly selected and issued surveys. These households were differentiated along five categories: those with an absent migrant, those with a return migrant, those with both return and absent migrants, immigrant households and non-migrant households (the latter of which served as a control group). This paper presents data specifically on the absent migrant households who numbered 403 households in total. Survey questions included information on migrant origins and destinations, remittances behavior (the scale and frequency of payments), and the spending behavior and uses of remittances by remittance receiving households. The questionnaire followed a tiered structure designed to isolate special groups of households within the study.

Absent migrant households were asked whether they had received any remittances from abroad within the past 12 months, to report the value of monetary remittances received over the past 12 months (earnings in Ghana cedis and foreign currencies are converted to US\$), and how frequently the households received payments. If they responded affirmatively to receiving remittances, the questionnaire posed a series of follow-up questions about the household's usage of these resources. Households were asked whether they used any remittances differently than other sources of income (e.g. wages, rents, etc.). If, yes, then the survey taker was requested to mark down those uses for which they had spent remittance money. The explicitly listed uses were: education, medical costs, weddings, funerals, religion, business, household (HH) goods, property, land/agriculture, child support, pay off debts, savings, given to others, help others migrate, and community development. If households had an 'Other' use not listed, the questionnaire requested that they specify that additional use. The results of the

questionnaire on remittance usage are presented below. Statistical hypothesis testing are performed where appropriate and specific methods are detailed alongside conclusions. Figure 1 provides my conceptual model for research.

**Figure 1.1: Conceptual Model**



**1.5: Study Area**

The households surveyed came from twelve different administrative districts located in six regions. Of these twelve, only eleven appeared in the absent migrant category (Kwahu South lacked any migrant families). Figure 2 indicates those districts participating in the study area while Table 1 illustrates a number of physical and demographic characteristics for each. They represent a broad swath of Ghanaian climatic, economic, ethnic, and linguistic variation, with the exception of the Northern regions which are not adequately represented.

Table 1.1 demonstrates the variety of districts in a more explicit fashion than does Figure 1.1. Population densities range from a low of 41.4/km<sup>2</sup> in Atebubu to a high of 3,914/km<sup>2</sup> in the Ashanti regional capital of Kumasi. Most districts are rural in character and dominated by agricultural



economies. However, Kumasi, Tema, and Cape Coast all have a strong urban presence as reflected by their high population densities, while even Hohoe District is viewed as a regional economic hub by its neighbors in the Volta District: <http://nkwantanorth.ghanadistricts.gov.gh> (Last accessed 9 December 2011).

**Table 1.1: Physical and Demographic Characteristics of Survey Districts**

Districts	Population	Size (km <sup>2</sup> )	Density	Character
Jomoro	111,348	1,350	82.3	Rural
Kumasi Metropolitan Assembly	1,170,270	299	3,914	Urban
Cape Coast Metropolitan	118,106	122	968.08	Urban
Ajumako Enyan Esiam	91,965	541.3	169.90	Rural
Wassa-Amenfi West	156,256	2,354	66.38	Rural
Tema Metropolitan Assembly	506,637	564	898.29	Urban
Akatsi	93,477	1,077	86.79	Rural
Nkwanta*	213,793	4,800	44.54	Rural
Gomoa**	297,241	1,472	201.98	Rural
Atebubu	82,109	1,996	41.14	Rural
Hohoe Municipal	144,511	1,172	123.30	Urban/ Rural

All population, density, and size figures are based off of the 2000 Ghana Census data. \*Nkwanta is a composite of Nkwanta North and Nkwanta South Districts since the survey did not distinguish between the two. \*\*Gomoa is a composite district of Gomoa East and Gomoa West since the survey did not distinguish between the two districts either. Rural versus Urban status was not determined by density *per se* but rather by how local governments classified themselves or how they were viewed by their neighbors (Hohoe for example might be considered rural, but Hohoe town represents a significant regional market and urban center, thus the dual ranking). In future Kumasi, Tema, Cape Coast, and Ajumako Enyan Esiam shall be abbreviated as K.M.A, T.M.A, C.C.M, and A.E.E respectively.

**Figure 1.2: Map of the Study Area**

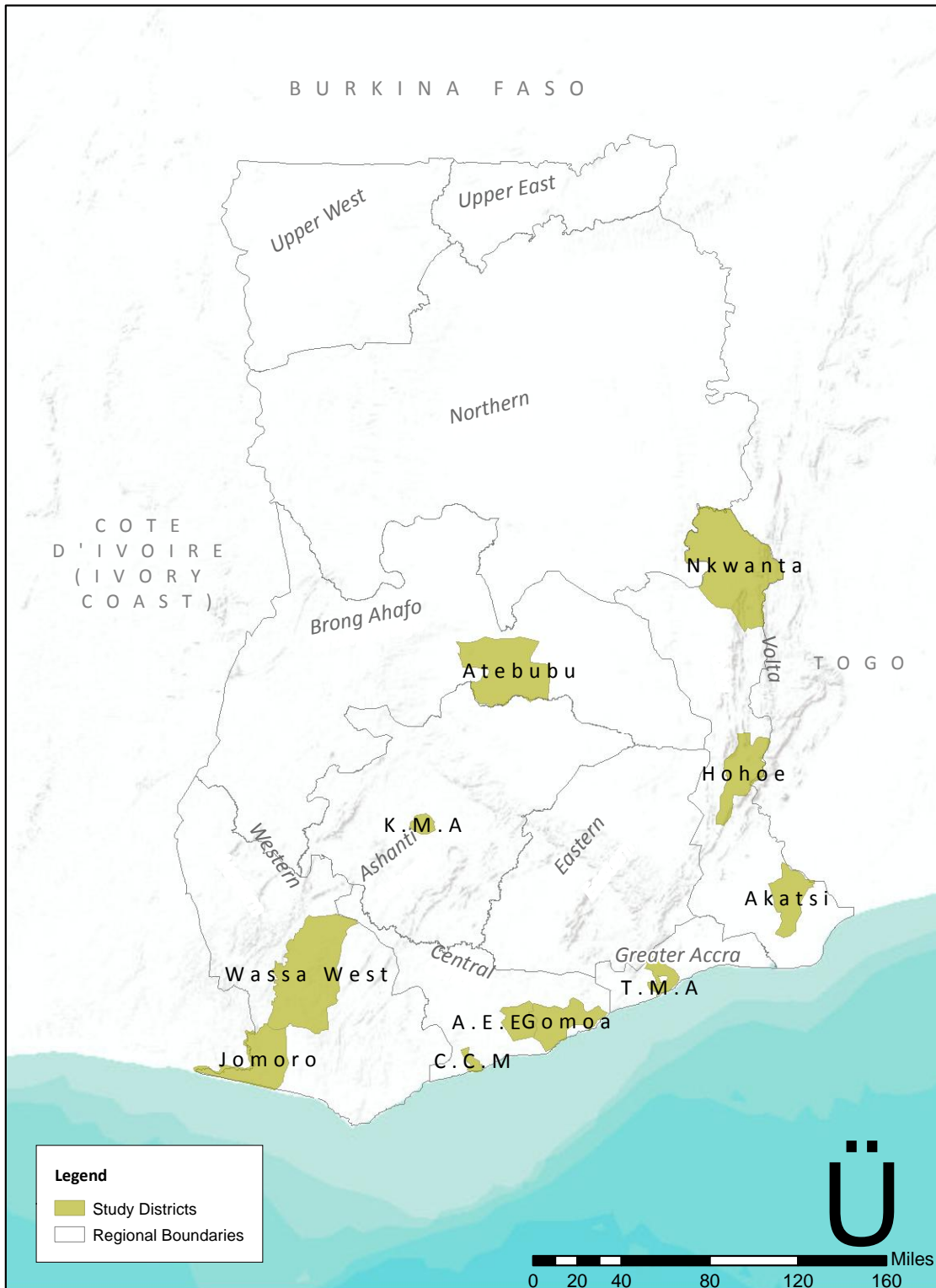


Figure 1.2: The administrative districts that participated in the gdn/ippr study and registered families with absent migrants living abroad are displayed above. Demographic and physical characteristics for each may be found in table 2. It should be noted that Nkwanta and Gomoa are actually composites of Nkwanta North and South and Gomoa East and West respectively since the survey data made no distinction between them.

## Chapter Two: Literary Review

### 2.1: Introduction

The explosion in international migration and remittances has instigated investigation from academics and policy makers attempting to both explain patterns and formulate frameworks for maximizing the potential of these flows. Scholarly research into contemporary migration and remittances has largely focused on two broad questions: what are the determinants of remittances i.e. why migrants choose to remit, and what impact do remittances have upon developing economies.

### 2.2: The Determinants of Remittances

The debate around why migrants choose to remit, their motivations and how these create observed outcomes for households and communities has produced a fruitful and concept rich literature. Theoretical work has employed Rational Choice Theory on both individual migrants and migrant households in modeling efforts to explain remittance decision making (Buch and Kuckulenz 2010). Common frameworks explore both self-interested and ‘altruistic’ motivations. Self-interest based models articulate remittances as a form of investment for migrants hoping to return within the context of sibling rivalry and competition for inheritance (ibid 2010). Family level models consider the ‘self-enforcing cooperative contractual arrangements’ of transnational households where risk sharing and co-insurance occurs between migrant origins and destinations (Lianos and Cavounidis 2010). Both consider remittances as forms of income diversification across borders and geographies. In this way transnational economic relationships insulate communities, households and individuals from economic shocks volatile environments (Amuendo-Dorantes and Pozo 2010).

Empirical studies on the determinants of remittances have analyzed demographic, political, cultural and economic variables. Education level, income level, wage and job situation, the number of household dependents, marital status, age, gender, household composition and temporary versus permanent migration all have demonstrated impacts upon remittance behaviors. Buch and Kuckulenz indicate the age dependency ratios are strongly negatively correlated with both the decision and value of remittances (2010). Volatility in migrant wages and employment seem to promote less frequent but larger remittance payments (Lianos and Cavounidis 2010). This interaction between frequency and size of remittances suggests that migrants may engage in consumption smoothing between multiple geographies. Permanent immigrants tend to initially remit much higher sums home before their activity

tapers off, whereas temporary migrants remit at consistent but lower levels (Brown 2006). There is also evidence to suggest that migrants are both keenly aware of and actively exploit macroeconomic situations such as interest, exchange, and unemployment rate differentials between home and destinations to better maximize joint resources (Shabaz and Aamir 2009; Buch and Kuckulenz 2010). The volume of international remittances taken with these demographic and economic characteristics provokes the second question of what impact these flows are having locally, and in turn how that directs or inhibits national development.

#### **2.4: Remittances and Development**

The second dominant question addressed in the remittance literature asks how remittances impact development. Research on the interaction between remittances and development is highly contentious. Remittances can be viewed within a ‘migration-development nexus’ (Bailey 2010) that occupies a controversial discourse riddled with competing optimistic and pessimistic views about migration’s impact upon development (Castles 2009).

The remittances literature demonstrates an economics bias which while incorporating both micro and macro level analyses, tends to neglect geographical questions. At the micro level economic questions include impacts on relative income inequality (Wouterse 2010), poverty rates and alleviation (Mazzucato, van den Boom, and Nsowah 2008), household consumption levels and asset formation (Quisumbing and McNiven 2010), and community development projects (Adida and Girdod 2011). Macroeconomic studies emphasize remittance impacts upon foreign exchange earnings, currency exchange rates, human capital formation, savings, and economic growth (Brown 2006; Anyanwu and Erhijakpor 2010; Buch and Kuckulenz 2010). Remittances have also received significant attention due to their apparent stability vis-à-vis other monetary flows (ODA, FDI, etc.) and their potential countercyclical nature due to inter-family altruism (Gupta, Pattillo, and Wagh 2009). There is, however, no consensus upon the relative costs and benefits of these impacts.

Optimistic assessments argue that remittances not only mitigate the human capital losses of migration (Akokpari 2006) but directly promote capital formation by providing investment funds or indirectly through poverty alleviation and household consumption multiplier effects (Chen 2009; Gupta, Pattillo, and Wagh 2009). India’s high tech sector and China’s small business advances have been touted by development heavyweights like Jeffery Sachs as examples of successful migration-

development stories (Sachs 2005). In Africa, cross panel surveys have indicated that remittances reduce the level, depth and severity of poverty (Anyanwu and Erhijakpor 2010). The empirical data is reinforced by neoclassical economics and systems-level models of economic geography that suggest that migration from relatively poorer to relatively well off regions helps to promote growth and economic convergence (Schwartz 2007). Multilateral agencies have largely adopted this view and the World Bank estimates that easing restrictions on labor migration by increasing temporary work visas by just 3 percent would increase global incomes by \$16 billion US (Brown 2006).

However, there is still considerable skepticism about whether remittances really outweigh their adverse outcomes. The Dependency school has fingered discriminatory immigration policies in the global core as draining precious human resources from developing nations by cherry picking highly skilled migrants (Castles 2009). This so-called 'Brain drain' remains a particularly potent critique of international migration (Akokpari 2006; Chen 2009) and also fears about pernicious economic effects such as Dutch Disease (Amuendo-Dorantes and Pozo 2004), negative wealth effects (Azam and Gubert 2006), and destabilization of local currencies (Brown 2006). There is also concern that remittances create and exacerbate local inequalities (Koeclin and Gianmarco 2010). Wouterse's analysis of remittances in Burkina Faso concluded that international remittances resulted in more unequal outcomes than those from internal migration (2010), and Mazzucato et al. indicate that foreign remittances in Ghana mainly accrue to the richest 2% of the population (Mazzucato, van den Boom and Nsowah 2008).

Aside for the value and directions of remittance flows their micro and macro effects differ depending on the way in which recipients of remittances employ them. Observation indicates that remittance uses are diverse including: food (Shahbaz and Aamir 2009), housing, consumer durables and education (Quisumbing and McNiven 2010), informal insurance (Amuendo-Dorantes and Pozo 2006; Azam and Gubert 2006), health (Reanne et al. 2009), and public services and utilities provision (Adida and Girod 2011). While this combination of theoretical macro-micro analysis with extensive case studies provides powerful insight into the causes and effects of remittances, there are few studies concerning interactions between scales which situate remittances in a strong geographical context.

Furthermore, to an extent the breadth of modeling efforts and empirical observations dodge the larger question of what constitutes development and how remittances interact within this broader picture. Narrowing down a definitive definition of development is notoriously difficult and plagued by normative assumptions and well-intentioned but vague philosophical aspirations (Rist 1997; Sen 1999).

One salient distinction should be made between economic and human development. Economic development is traditionally viewed as a collection of processes which generate growth and structural changes in an economy, e.g. primary to secondary production: second to tertiary and quaternary. Part of the reason for this distinction is that development as an independent concept is difficult to define. Rist's critique of the developmentalist paradigm charges that 'development' as a discourse has been weakly expressed in normative rather than substantive or instrumental terms (Rist 1997). Thus, development is described as it should be or in ideal form, rather than in concrete practicalities of those phenomena the international community labels 'development'. Amartya Sen expresses similar concerns, and it is to escape this conceptual paucity that he erects his capabilities framework of development whereby progress is measured by the expansion of positive individual and collective freedoms (1999). While both Sen and Rist offer insights into the critical problem of definition, In part it is the distinction between human and economic development is at the heart of this confusion, and trying to reconcile the two concepts completely obfuscates complex social processes and outcomes. Economic development represented the dominant development perspective until the early 1990s when critiques of growth-oriented global development practices emerged in response to the 'lost decade' of the 1980s under structural adjustment. Human development became the primary development paradigm in response to these criticisms. Human development as a concept expands traditional development by including a number of social indicators such as adult literacy, educational attainment, infant mortality, morbidity, nutrition, human rights, etc. (United Nations Development Report 1996). While many of these social indicators may co-vary with economic variables, there is mainstream recognition that economic development may not accompany social advances. That said, economic development remains a core objective for underdeveloped regions in addition to human development goals. Thus, when evaluating the impact of remittances upon the Ghanaian situation it is important to keep both in mind as interrelated yet distinct concepts.

The diversity of remittance uses combined with competing operational frameworks makes a general assessment of remittances' effect on development difficult, but provides a rationale for holistic research which considers a broad array of variables considering both local and international contexts.

## **2.5: Developing a Geography of Remittances**

This paper intends to contribute to the contemporary remittance literature by presenting evidence from a 2008 household survey on migration and remittances conducted in Ghana by the Global

Development Network and Institute for Public Policy Research in order to develop a geographical understanding of Sub-Saharan Africa remittances, their uses, and their potential impacts on development in the region. Mazzucato, van den Boom and Nsowah (2008) estimate while official Bank of Ghana figures place remittance values at approximately \$1 billion, informal sources may catapult this figure to \$3 billion in annual remittance payments. If accurate, this would place Ghana high on the list of remittance receiving nations and makes it a prime example of Sub-Saharan Africa's emerging participation in global migrant social fields and remittance flows. However, these statistics still aggregate and obscure the impact that remittances have at the local level; in particular they ignore the uses to which remittances are put by households. In the literature it is acknowledged that the behavior and uses of remittances vary across studies and are influenced by demographic, economic, and geographical factors (Bracking and Sachikonye 2010; Buch and Kuckulenz 2010). Furthermore, the structural impact of remittances upon developing economies, and their growth potential are directed by the manner in which they are employed by receiving households. While geographers have contributed directly to applied and basic research in transnationalism, migration, and population geography (Bailey 2010) their contribution to the remittance discourse has been disappointingly absent. Thus, the spatial characteristics and uneven geographies of remittances occurring at global, regional and country scales (Lopez and Ascencio 2010; Wouterse 2010) indicates Geography's necessity to this discussion and provides a rationale for new geographical research in this field (Yeboah 2008).

## **2.7: Conclusion**

Contemporary research on migration and remittances reveals both the complexity of transnational relationships and the difficulty of determining whether current trends are having positive or negative outcomes for the global periphery. Remittances are a large and growing, but attempts to tease out their ultimate impact upon economic and human development goals have produced no clear consensus. While most research has neglected geographic questions what information we do have from Wouterse, Mazzucato et al. and others about geographic inequities and gradients of remittances suggests profound relationships and interactions between remittances, space and scale. Embedded within the primary questions of determinants and impacts on development are concepts of value, frequency and usage of remittances, and these explored through a spatial lens provide a rationale for the research questions articulated in chapter one.

## Chapter Three: The Geography of Remittance Value

### 3.1: Introduction

Considerable study has been dedicated to determining the value of remittance flows entering the developing world. How much migrants choose to remit is critical for how remittances contribute to economic development, family livelihoods and poverty alleviation and as such intersects with country and international development agendas. However, relatively little attention has been paid to how these values vary across Geographical factors. Since remittances occur in a transnational context and the opportunities and constraints for migrants to remit and families to receive remittances are partly defined by their respective geographies this is significant hole in research. This chapter seeks to redress this deficiency by considering the variation in remittance values by migrant destinations and migrant origins.

### 3.2: The Value of Remittances by Migrant Destinations:

The two geographic variables under consideration are the country destination and global economic region; the latter is divided into Core, Periphery and Semi-Periphery categories. Core nations included the United States of America (USA), Canada, the United Kingdom (UK), Germany and Italy: Periphery nations included Nigeria, Togo, la Cote d'Ivoire, and an Other African Country aggregate: the sole Semi-Periphery nation represented is South Africa.

#### *3.2a: Migrant Likelihood to Remit: Global Region and Country Data*

My analysis of remittance value begins with a discussion on the overall likelihood of migrants' decision to remit home. Whether migrants choose to remit home or not is of general interest, but is specifically instructive for the purpose of illustrating the influence of non-remitters on the overall picture of remittance values. If a given migrant chooses not to send resources home, or chooses to remit but at a lower level than another are qualitatively different outcomes and as such is considered here. Table () presents data and analysis of the proportion of migrants who chose to remit home during the 12 months prior to the study by their destinations.

Overall, 59.31 % of 403 migrants in the study remitted in the past 12 months with 95% confidence limits of 54.4% and 64.0%. Migrants from the global Core remitted somewhat more than average at around 64.29% whereas those living in the Periphery remitted less, at 54.61%. The Semi-Periphery had the highest proportion of remitters at 100.0%, however with only a sample size of 5 this



value has 95% confidence limits of 54.1% and 99.6% and as such is a poor estimate and is of limited value.

By country, Canada had the highest proportion of remitters at close to 70%, while la Cote d'Ivoire had the lowest portion of 48.98%. The pattern of Core having a higher rate of remitting than Periphery persisted at the country level with no Periphery nation surpassing a single Core nation. However, hypothesis testing on the country sample proportions against the assumption of a constant rate of 59.31% were largely unimpressive. The strongest result; that migrants living in the Core remitted at a higher rate than average, still had a type I error of 7.37%. Similar results were obtained for comparison of proportion tests between Core and Periphery regions. So while there is some evidence to conclude that migrants living in core nations are more likely to remit on average than those living in the Periphery it is weak. Individual country and global region results largely fall within the boundaries of our estimated confidence interval for the total proportion as stated above.

**Table 3.1: Migrant Likelihood to Remit – Destination**

Destination	Migrants	Remitters	%	Relation to Average			p-value
				Greater	Same*	Less	
<b>Core</b>	<b>182</b>	<b>117</b>	<b>64.29</b>	<b>X**</b>	-	-	<b>0.073654</b>
USA	63	42	66.67	X**	-	-	0.092571
Canada	13	9	69.23	-	X	-	0.156096
UK	47	29	61.70	-	X	-	0.317362
Germany	23	13	56.52	-	X	-	0.471045
Italy	36	24	66.67	-	X	-	0.142162
<b>Semi-Periphery</b>	<b>5</b>	<b>5</b>	<b>100.0</b>	-	-	-	-
South Africa	5	5	100.0	-	-	-	-
Periphery	152	83	54.61	-	X	-	0.136522
Nigeria	32	18	56.25	-	X	-	0.427635
Togo	12	6	50.00	-	X	-	0.353348
Cote d'Ivoire	49	24	48.98	-	-	X**	0.093256
Other African	59	35	59.32	-	X	-	0.449550
<b>Other</b>	<b>52</b>	<b>32</b>	<b>61.54</b>	-	<b>X</b>	-	<b>0.322252</b>
<b>Total</b>	<b>403</b>	<b>239</b>	<b>59.31</b>	-	-	-	-

Table 3.1 summarizes the results of hypothesis testing on the proportion of migrants who remitted by the countries and regions to which migrants emigrated. The 'Relation to Average' column indicates the results of these tests with 'Same' designate the decision to not reject the null hypothesis that the proportion was equal to the average 0.5931. The double \* signifies an alpha level of only 0.10

### 3.2b: Monetary Values of Remittances: Global Region and Country Data

Investigations of monetary flows of remittances by migrant destinations are more revealing than the proportion of migrants remitting. Table 3.2 provides descriptive statistics of remittances values reported by households.

A number of key findings emerge from the data. Households reported significantly greater earnings from family members living in Core nations than from those in the Periphery. Mean remittances from the Core were \$633 whereas those from Periphery nations were just \$151. This pattern persists when disaggregated by along country lines. The highest mean remittances were from the UK at \$723 compared the lowest of la Cote d'Ivoire with just \$106. Semi-Periphery (South African) results are located between the Core and Periphery at \$320. Overall, while just 45.2% of households had family members residing in Core countries, these migrants accounted for over seventy percent of remittances received.

**Table 3.2: Value of Remittances by Migrant Destinations (in US\$)**

Destination	Number of Migrants	Total Remittances	Average Remittances	Median Remittances	Standard Deviation
<b>Core</b>	<b>182</b>	<b>115,184</b>	<b>633</b>	<b>185</b>	<b>1,362</b>
UK	47	33,970	723	250	1,620
Canada	13	9,080	698	200	1,341
Germany	23	15,154	659	99	1,329
USA	63	38,350	609	200	959
Italy	36	18,630	518	70	1,661
<b>Semi-Periphery</b>	<b>5</b>	<b>1,600</b>	<b>320</b>	<b>300</b>	<b>316</b>
South Africa	5	1,600	320	300	316
<b>Periphery</b>	<b>152</b>	<b>22,954</b>	<b>151</b>	<b>40</b>	<b>276</b>
Other African	59	11,624	197	66	262
Togo	12	1,820	152	20	242
Nigeria	32	4,310	135	50	239
Cote d'Ivoire	49	5,199	106	0	319
<b>Other</b>	<b>52</b>	<b>15,773</b>	<b>303</b>	<b>55</b>	<b>733</b>
<b>Total</b>	<b>403</b>	<b>155,801</b>	<b>387</b>	<b>50</b>	<b>993</b>

Table 3.2 summarizes the data on remittance values received by migrant destinations. Number of migrants, total flows, arithmetic means, medians and sample deviations are all presented. All data are in US\$.

While core nations had higher averages they also exhibited much greater variability of value. In general, remittances payments varied greatly with a sample deviation of \$993; however this variability jumps to \$1,362 for Core nations. The UK and Italy were even higher than average at \$1,620 and \$1,661 respectively. This contrasts with the relatively small deviations for the Periphery (\$276).

Moreover, variation of payments is not evenly distributed about the averages; rather it emerges from the presence of a limited number of extreme outliers only present amongst Core nations. The highest individual remittance payment received was \$10,400 and many households with migrants living in the global Core reported earnings in excess of several thousands, but these were uncommon. The spread of the data diminishes greatly when considering the median over mean remittances. The Core median was \$185 versus the just \$40 for the Periphery. While this difference remains significant it is less so, indicating that some households received the lions' share of remittance earnings while others report more modest returns on migration.

### **3.3: The Value of Remittances by Migrant Origins:**

My attention now shifts to the second geographical variable under study: how the value of remittances received by households varies by their home context in Ghana. I return to the question of the proportion of remitters versus non-remitters before discussing the characteristics of remittance values. Table 3.3 presents the analysis of proportion results.

#### *3.3a: Migrant Likelihood to Remit: District of Origin*

An analysis of the proportion of migrants who remit by administrative district shows much greater variability than the destination data. Migrants from Akatsi in the Volta region were the most likely to remit and did so 90% of the time. Migrants from predominantly urban districts like Kumasi Metropolitan and Cape Coast Municipality also demonstrated higher likelihoods of receiving remittances. T.M.A however did not follow this pattern. Migrants from the Western region (both Jomoro and Wassai West) were less likely to send remittances home than average. Other districts more or less reflected countrywide patterns.

**Table 3.3: Migrant Likelihood to Remit – Districts**

District	Migrants	Remitters	%	Relation to Average		
				Greater	Same*	Less
Jomoro	122	64	52.46	-	-	X**
C.C.M	38	27	71.053	X	-	-
T.M.A	28	16	57.14	-	X	-
Akatsi	20	18	90.00	X	-	-
Gomoa	17	9	52.94	-	X	-
Wassa West	35	16	45.71	-	-	X**
Hohoe	8	4	50.00	-	X	-
A.A.E	36	21	58.33	-	X	-
K.M.A	66	47	71.21	X	-	-
Nkwanta	18	10	55.56	-	X	-
Atebubu	15	7	46.67	-	X	-
Total	403	239	59.31	-	-	-

Table 3.3 summarizes the results of hypothesis testing on the proportion of migrants who remitted by their home districts. The ‘Relation to Average’ column indicates the results of these tests with ‘Same’ designate the decision to not reject the null hypothesis that the proportion was equal to the average 0.5931. The double \* signifies an alpha level of only 0.10. Otherwise an alpha of 0.05 is used.

**Table 3.4: Migrant Likelihood to Remit: Urban versus Rural**

Character	Migrants	Remitters	%	Relation to Average		
				Greater	Same*	Less than
Urban	242	145	59.92	-	X	-
Rural	154	90	58.44	-	X	-
Total	403	239	59.31	-	-	-

Table 3.4 shows the number of migrants from urban and rural areas and whether those migrants chose to remit. Their relation to the average was determined via hypothesis testing using a binomial distribution. Same indicates that the null hypothesis of equal proportions was not rejected. Note that seven households were not listed as rural or urban and were excluded from analysis.

### *3.3b: Migrant Likelihood to Remit: Urban versus Rural Households*

The next geographic variable reflecting local differences is whether migrant households were located in urban versus rural areas. Table 3.4 displays the number of migrants and the number of remitting migrants from each. The results of urban versus rural migrants are striking for their similarity. Urban migrants remitted 59.92% of the time while rural migrants did so at 58.22%. Neither of the two categories deviated significantly from the mean of 59.31%. Urbanites remitted slightly more frequently

than their rural counterparts, but this is well within reasonable limits of sampling variation, indicating that rural-urban divisions had little impact upon migrant decisions to remit.

### 3.3c: Monetary Values of Remittances: Districts

While district origins showed greater variability than destinations with respect to the proportion of remitters among migrants the opposite is the case for the value of remittances.

Overall, while observed values certainly vary, none of these results is highly significant under analysis. The highest average was for Akatsi with \$1,400, however payments to this district were so variable that we cannot say with any reasonable level of confidence that this differs from the overall average of \$387. Two districts out of the eleven, Wassa West and Nkwanta, were significantly poor remittance performers with average payments of only \$177 and \$185 respectively. Hohoe also displayed lower than average values but this result was not statistically significant. With the exception of Akatsi and Atebubu no systematic pattern emerges concerning the variability of payments. Those two districts each had some high outlier values pushing up both their mean and sample deviations.

**Table 3.5: Value of Remittances Received by District (in US\$)**

District	Number of Migrants	Total Remittances (\$)	Average Remittances (\$)	Median Remittances (\$)	Std. Deviation (\$)
Jomoro	122	48,985	402	20	854
Cape Coast Municipality	38	12,423	327	117	494
T.M.A.	28	7,110	254	50	437
Akatsi	20	27,991	1,400	160	3,203
Gomoa	17	3,810	224	12	397
Wassa West	35	6,180	177	0	305
Hohoe	8	1,400	175	50	416
Ajumako Anyan Esiam	36	10,110	281	100	460
K.M.A.	66	20,962	318	195	552
Nkwanta	18	3,330	185	130	227
Atebubu	15	13,500	900	0	1,581
Total	403	155,801	387	50	993

Table 3.5 summarizes the remittance value data along home district lines. Numbers of migrants, total remittances, arithmetic averages, medians and sample deviations are presented. All values are in US\$.

### 3.3c: Monetary Values of Remittances: Urban versus Rural Households

Urban-rural distinctions illustrate a clearer picture than the District level analysis. Migrants from urban centers remitted far more on average than those from rural areas; \$509 versus \$185 US respectively (with p-value less than 0.001). Cities received the lion's share of flows with just over 79% of all remittances reported going to urban households. The familiar association of high remittance averages with high variability of payments persists at the urban-rural level with a standard deviation of \$1,231 in urban areas compared to just \$327 in the countryside.

**Table 3.6: Value of Remittances Received by Urban and Rural Origins (in US\$)**

Character	Number of Migrants	Total Remittances (\$)	Mean Remittances (\$)	Std. Deviation (\$)
Urban	242	123,196	509	1,231
Rural	154	28,445	185	327
Total	403	155,801	387	993

Table 3.6 summarizes the value of remittances received in the 12 month period prior to the survey by migrant families disaggregated by urban and rural locations of households. All values given in US\$.

### 3.4: Conclusion

Remittances to Ghana show highly uneven geographies. This uneven character manifests between different local and international scales, meaning that the disparity between remittance earning between Core and Periphery nations was mirrored locally through differences between urban and rural households. The relative wealth of migrant destinations played a considerable role on remittance outcomes. Migrants living in the Global Core contributed over 74% of total reported remittances, with average payments of 633 US\$ compared to 151 from Periphery nations. While migrants' decision to remit home was not significantly influenced by their country or regional destinations how much they chose or were able to remit was situated within this geographic context. Within differing scales remittances were also uneven with those with the highest levels of remittances also being the least reliable. While Core nations' remittances were larger they were highly variable with a standard deviation of payments of \$1,362 and half of households received less than \$185 over the year. This variability was also present in the Periphery though in diminished degree. Thus, while remittances payments are uneven between countries and on regional scales for migrant households these disparities are exacerbated as chances for higher earnings increase, reinforcing the overall picture of highly unequal outcomes of migration.

A similar situation is observed for local geographies. The decision to remit varies considerably among individual districts, but this variation contrasts with the uniformity of behavior when comparing urban and rural households. However, the size of remittances flowing to individual districts was strongly influenced by urban-rural differences. Atebubu and Akatsi, the two districts with the largest sample means, while being largely rural districts, had overwhelming urban migrants represented in the sample (100 to 75 percent respectively). Similarly, districts with smaller than average payments had a greater proportion of rural households among those surveyed. Wassa West and Nkwanta households were 48.6 and 50.0 percent rural versus an overall 38.8 percent in the report. All eight migrants from Hohoe, the district with the lowest sample mean value of remittance payments, were from rural areas. This indicates that while the decision to remit may be poorly determined by geography, how much migrants ultimately send home is vitally linked with the local and international economic structural contexts in which they act. The results are less obvious concerning the decision to remit. Akatsi had the largest proportion of remitters (90%), but this was anomalous even among its own region. KMA and CCM, both districts located in and around major urban centers were more likely to remit, but there was no general urban rural split generally.

## Chapter Four: How frequently do Migrants Remit?

### 4.1: Introduction

How frequently migrants receive remittances is less frequently studied than their value, but how often migrants send money home can serve as a proxy the strength of migrant-household relations, transnational networks, and carries implications for how remittances are viewed and employed by households. The GDN/IPPR questionnaire posed the question, how often does the household receive payments from abroad with response categories of descending frequency: weekly, fortnightly, monthly, every couple of months, every six months, every year, and only for special occasions or emergencies. As before, these categories are considered for both migrant origins and destinations.

### 4.2: The Frequency of Remittances: Migrant Destinations

Table 4.1 presents the household responses to how frequently they received remittances by the proportion of positive responses and where the migrants were living abroad. The most common categories were monthly, every couple of months and only for special occasions or emergencies. While the proportions are presented here for completeness they are difficult to interpret in of themselves.

**Table 4.1: Frequency of Remittances Received by Migrant Destinations**

Destination	Frequency Reported (in percentage)						
	Weekly	Fortnightly	Monthly	Every couple of months	Every six months	Every year	Only on special occasions or emergencies
USA	1.6	1.6	15.9	15.9	3.2	4.8	23.8
Canada	.0	.0	.0	30.8	7.7	.0	30.8
Germany	.0	8.7	13.0	21.7	4.3	4.3	4.3
UK	2.1	2.1	12.8	17.0	6.4	.0	21.3
Italy	.0	.0	8.3	16.7	11.1	5.6	25.0
South Africa	.0	.0	20.0	80.0	.0	.0	.0
Nigeria	.0	.0	6.3	21.9	3.1	9.4	15.6
Cote d'Ivoire	.0	.0	8.2	16.3	.0	10.2	14.3
Togo	.0	.0	8.3	8.3	16.7	.0	16.7
Other African	.0	.0	8.5	18.6	3.4	8.5	20.3
Other	.0	.0	15.4	13.5	5.8	9.6	17.3
Total	.5	1.0	10.7	17.6	4.7	6.2	18.6

Table 4.1 presents the relative proportion of affirmative responses given for specific categories for migrant destinations. Proportions are listed as percentages.



Dark shades indicate statistically significant deviations from the mean ( $\alpha = 0.05$ ), lighter only observed differences. Red indicates greater than, blue less than.

The Countries are arranged in order of decreasing wealth as measured by World Bank figures for Gross National Income per capita (GNIPc). Taken together the decreasing frequency of remittances correlates with decreasing wealth of migrant destinations. Core country migrants typically remit more frequently than their Periphery counterparts. That said, the proportion of those remitting most frequently (weekly, fortnightly, etc.) is still very small even for core countries and most remit with intermediate regularity, i.e. once a month to every couple of months or for special occasions and emergencies only. The regularity of remittance payments to an extent acts as a proxy measurement for the strength of transnational connections between migrants and households. Migrants living in the global core are generally more successful in maintaining steady contact with home and have the resources to transfer resources more consistently

**Table 4.2: Comparison of the Frequency of Remittances: Migrant Destinations**

		Frequency of Remittances						
		More ←				→	Less	
		Weekly	Fortnightly	Monthly	Every Couple Months	Every Six Months	Every Year	Special Occ./ Emergency
Core	USA	Dark Red	Light Red	Dark Red	Light Blue	Light Blue	Light Blue	Light Red
	Canada	Light Blue	Light Blue	Light Blue	Dark Red	Light Red	Light Blue	Light Red
	Germany	Light Blue	Dark Red	Light Red	Light Red	Light Blue	Light Blue	Dark Blue
	UK	Dark Red	Dark Red	Light Red	Light Blue	Light Red	Dark Blue	Light Red
	Italy	Light Blue	Light Blue	Light Blue	Light Blue	Dark Red	Light Blue	Light Red
Semi-Periphery	South Africa	Light Blue	Light Blue	Light Red	Dark Red	Light Blue	Light Red	Light Blue
Periphery	Nigeria	Light Blue	Light Blue	Light Blue	Light Red	Light Blue	Light Red	Light Blue
	Cote d'Ivoire	Light Blue	Light Blue	Light Blue	Light Red	Light Blue	Dark Red	Light Blue
	Togo	Light Blue	Light Blue	Light Blue	Light Red	Dark Red	Dark Red	Light Blue
	Other African	Light Blue	Light Blue	Light Blue	Light Red	Light Blue	Light Red	Light Red

Table 4.2 summarizes the result of hypothesis testing on the proportion of households reporting the frequency at which they received remittances from relatives abroad. The red and pink shades indicate that the proportion was greater than average, the blue that the proportion was less than average. The darker shades indicate statistically significant results while lighter shades are simply observational. The intention is that the reader may view the overall impression of the data without deciphering cumbersome data.

### 4.3: The Frequency of Remittances: Migrant Origins

#### 4.3a: Administrative Districts

Migrant household responses disaggregated by their administrative districts delivered more mixed results. The raw data displays a similar pattern to the country data: the three dominant categories were only for special occasions and emergencies, every couple of months, and monthly in that order. Table 10 contains the household responses. The only districts with any payments received with greater regularity than monthly were Jomoro, Cape Coast Municipality Akatsi and Gomoa. Table 4.3 performs a similar analysis as in the previous section, but districts are now organized by whether they represent largely urban, rural or peri-urban organizations. However, no systematic pattern arises, but individual districts are somewhat revealing when analyzed on a region by region basis. The Volta region districts generally received remittances more infrequently than others, in particular Nkwanta, the northern most district shows a skew towards less regular categories like every couple of months and every year. Districts in the South-West: Jomoro, Cape Coast Municipality, and Wassa West in contrast all receive remittances somewhat more frequently than others.

**Table 4.3: Frequency of Remittances for Districts**

District	Frequency of Money Transfers Received (in percentages)						
	Weekly	Fortnightly	Monthly	Every couple of months	Every six months	Every year	Only on special occasions or emergencies
Jomoro	.0	.8	10.7	16.4	3.3	5.7	15.6
Cape Coast Municipality	5.3	.0	10.5	15.8	5.3	10.5	23.7
TMA	.0	.0	14.3	21.4	7.1	.0	14.3
Akatsi	.0	10.0	5.0	10.0	20.0	5.0	40.0
Gomoa	.0	5.9	5.9	5.9	.0	5.9	29.4
Wassa West	.0	.0	11.4	22.9	.0	2.9	8.6
Hohoe	.0	.0	12.5	.0	.0	.0	37.5
Ajumako Anyan Esiam	.0	.0	5.6	22.2	13.9	8.3	8.3
KMA	.0	.0	16.7	16.7	1.5	7.6	28.8
Nkwanta	.0	.0	5.6	27.8	5.6	11.1	5.6
Atebubu	.0	.0	6.7	26.7	.0	6.7	6.7
Total	0.5	1.0	10.7	17.6	4.7	6.2	18.6

Table 4.3 shows the proportion of affirmative responses for each frequency category. Note the dominance of monthly, every couple of months and special occasions and emergencies.

**Table 4.4: Comparisons of the Frequency of Remittances for Districts**

District	Frequency of Remittances						
	Weekly	Fortnightly	Monthly	Every Couple Months	Every Six Months	Every Year	Special Occ./ Emergency
K.M.A	Light Blue	Light Blue	Light Red	Light Blue	Light Blue	Light Red	Dark Red
T.M.A	Light Blue	Light Blue	Light Red	Light Red	Light Red	Light Blue	Light Blue
Cape Coast	Dark Red	Light Blue	Light Red	Light Blue	Light Blue	Light Blue	Light Red
Hohoe	Light Blue	Light Blue	Light Red	Light Blue	Light Blue	Light Blue	Dark Red
Jomoro	Light Red	Grey	Light Red	Light Red	Grey	Grey	Light Blue
Ajumako A. E.	Light Blue	Light Blue	Light Blue	Light Red	Dark Red	Light Red	Dark Blue
Wassa West	Light Blue	Light Blue	Light Red	Dark Red	Light Blue	Light Blue	Light Blue
Akatsi	Light Blue	Dark Red	Light Blue	Dark Blue	Dark Red	Light Blue	Dark Red
Gomoa	Light Blue	Dark Red	Light Blue	Light Blue	Light Blue	Light Red	Dark Red
Nkwanta	Light Blue	Light Blue	Light Blue	Dark Red	Light Red	Dark Red	Light Blue
Atebubu	Light Blue	Light Blue	Light Blue	Dark Red	Light Blue	Light Red	Light Blue

Table 4.4 summarizes the results of hypothesis testing for difference in proportion as well as nominal difference in proportion. Lighter shades indicate non-statistically significant differences. Grey shades indicate that proportions were effectively equal to the mean. Potential urban-rural differences are present but the relationship is less clear than was that for migrant destinations.

**Table 4.5: Frequency of Remittances for Urban and Rural Households**

Development	Frequency of Money Transfers Received (in percentages)						
	Weekly	Fortnightly	Monthly	Every Couple of Months	Every Six Months	Every Year	Special Occ./ Emergencies
Urban	0.8	1.2	12.8	16.5	4.1	4.5	19.8
Rural	0.0	0.6	7.1	18.8	5.8	9.1	16.9
Total	0.5	1.0	10.7	17.6	4.7	6.2	18.6

Table 4.5 shows the percentages of households from urban and rural areas who reported receiving remittance payments at the given categories of frequency. Percentages do not add to 100 because migrants who did not remit are included in calculations. Note the slight increase in regularity for urban versus rural households.

**Table 4.6: Comparisons of the Frequency of Remittances for Urban and Rural Households**

Development	Frequency of Remittances						
	Weekly	Fortnightly	Monthly	Every Couple of Months	Every Six Months	Every Year	Special Occ./ Emergencies
Urban	Light Red	Light Red	Light Red	Light Blue	Light Blue	Light Blue	Light Red
Rural	Light Blue	Light Blue	Light Blue	Light Red	Light Red	Dark Red	Light Blue

Table 4.6 summarizes the results of hypothesis testing for difference in proportion as well as nominal difference in proportion. Lighter shades indicate non-statistically significant differences.

#### *4.3b: Urban versus Rural Households*

Urban versus rural households demonstrate a more systematic pattern than the districts. Monthly, every couple of months and special occasions remain the primary categories, but a very small subset of urban households received remittances on a weekly and fortnightly basis, whereas more rural households reported the least frequent categories of every six months and every year. On this basis there is some observational evidence to conclude that urban households receive remittances with more regularity than their rural counterparts, but that this difference is slight and does not possess the strong systematic pattern of the country data.

#### **4.4: Conclusion**

The frequency of remittance payment shows more distinctive geographies for migrant destinations than migrant origins. Migrants in wealthier countries tended to remit on a more regular basis than those in less affluent regions though overall every month to every couple of months and for special occasion and emergencies were the most common across all categories. The responses regarding migrant origins are less conclusive and do not indicate a strong geographies, at least at this level of analysis. Some urban-rural distinctions may be apparent with respect to remittances for emergencies and special occasions, but these are by no means absolute. The suggestion from these results is that migrant's ability and choices to remit are more determined or constrained by the foreign contexts in which they live rather than the home context from where they have come. The slight increase in regularity for urban households may reflect greater access to money wires and financial services

## Chapter Five: The Geography of Remittance Usage

### 5.1 Introduction

This chapter addressed the question of usage by first asking whether remittances were treated just like any other source of household income and second inquiring what uses were reported by migrants who did not. Remittances treated like regular income are assumed to be spent on typical household consumption. Whether households employed remittance earnings in the same fashion as other sources of income has important implications for their potential impact upon development and the extent to which they can have lasting structural effects upon economic activity and output. This question is addressed relative to both the migrant sending and receiving contexts

### 5.2: Do remittances differ from other sources of income by Migrant Destinations?

#### 5.2a: Global Regions

Tables 5.1 illustrates the results of the survey question whether absent migrant households employed remittances differently than other sources of income differentiated by the region of the global economic system to which the absent family member emigrated; Core, Periphery or Semi-Periphery.

**Table 5.1: Do Households Use Remittances Differently? – Region**

Region	N	Yes	%	Relation to Average		
				Greater	Same*	Less
Core	117	28	23.9	X*	-	-
Periphery	83	11	13.3	-	X	-
Semi-Periphery	5	3	60.0	X	-	-
Total	239	45	18.8	-	-	-

Table 5.1 shows the proportion of migrant households who employed remittances differently than other sources of income differentiated by whether their migrant family member was living abroad in the Global Core, Periphery or Semi-Periphery. The ‘Relation to Average’ was determined by z-value testing for  $p = p_0$  for  $n \geq 30$  and binomial estimation for  $p$  for  $n$  small (Semi-Periphery) with  $\alpha$  – level = 0.05. \*Same indicates that we could not reject  $H_0$

Overall, a large majority of migrants’ families either who received payments over the past 12 months treated remittances no differently than general household income (18.8%). Just 45 households out of the 239 who collected transfers from abroad reported using their remittances in a special way, or 11.2% of those surveyed.

Within this overall trend we do see some significant variation in behavior between regions, however. While remittances from Core nations tended to be utilized differently roughly one fifth of the time, those from the Periphery were treated like typical sources of income more often. The opposite was true of transfers from the Semi-Periphery that were much more likely to be considered separate from regular wages (though this result is somewhat questionable due to small sample size).

These results carry a number of implications which are discussed below.

### *5.2b: Countries*

When the scale of analysis is reduced to country comparisons some of the trends observed at the global level disappear while others become more transparent. Table 5.2 presents the results by country. The United Kingdom had the highest proportion in the Core with 37.9%, while Togo had the smallest with 0.0%. The lopsidedness towards the U.K. may reflect longstanding relationships with the former colonial metropole, in particular relatively more open immigration policies towards Ghanaians as well as a shared language background? South Africa was the only representative of the semi-periphery so this result repeats the trend noted above. I also received a number of results at a lower significance level ( $\alpha = 0.10$ ). I leave it up to the reader to draw their own conclusions about the merit of such findings. With a reduced level of confidence, Canada also demonstrates a greater proclivity for using remittances differently, while Nigeria less so. Thus, at the country level I see some variation within core countries with the UK and Canada, both Commonwealth nations, trending upwards, and Nigeria trending down, likely pulling the other periphery nations along with it in the aggregate. For the most part, however, country percentages float around the average of roughly 20 percent being treated no differently than other sources of income.

**Table 5.2: Do Households Use Remittances Differently? – Country**

Country	Number	Yes	%	Relation to Average		
				Greater	Same*	Less
UK	29	11	37.9	X	-	-
USA	42	7	16.7	-	X	-
Other African	35	7	20.0	-	X	-
Italy	24	5	20.8	-	X	-
Canada	9	3	33.3	X**	-	-
Cote d'Ivoire	24	3	12.5	-	X	-
South Africa	5	3	60.0	X	-	-
Germany	13	2	15.4	-	X	-
Nigeria	18	1	5.6	-	-	X**
Togo	6	0	0.0	-	X	-
Other	32	3	9.4	-	-	X**
Total	239	45	18.8	-	-	-

Table 5.2 shows the proportion of migrant households who employed remittances differently than other sources of income differentiated by the country in which the migrant family member spent the most time while abroad. The 'Relation to Average' was determined by binomial estimation for p with  $\alpha$  – level = 0.05. \*Same indicates that we could not reject  $H_0$ . X\*\* indicates a significance level of  $\alpha = 0.10$ .

### 5.3: Do remittances differ from other sources of income by Migrant Origins?

#### 5.3a: Administrative Districts

There was considerably less significant variation in remittance behavior at the local scale, as represented by migrant home districts (see Table 5.3 and Figure 5.1). The map in Figure 3 is provided to illustrate the distributions of families who received remittances and used them differently, used them no differently, and those who did not receive transfers of any kind.

While there are some differences virtually none to be prove statistically significant as most measurements diverge by less than 10% from the mean. That said, the exception that proves the rule was the Gomoa District. It significantly exceeded the mean of 20.5% with 66.7% of migrant households using their remittances differently than normal income. Gomoa has a longstanding history of migration within Ghana and a proactive local government that recognizes its development potential. The concept of the “Gomoa Two Weeks” is a local festival where migrants traditionally return home to share their new found wealth and experiences with the community.

**Table 5.3: Do Households Use Remittances Differently? – District**

District	Number	Yes	%	Relation to Average		
				Greater	Same*	Less
Jomoro	64	13	20.3	-	X	-
K.M.A	47	7	14.9	-	X	-
C.C.M	27	3	11.1	-	X	-
A.E.E	21	2	9.5	-	X	-
Wassa West	16	4	25.0	-	X	-
T.M.A	16	2	12.5	-	X	-
Akatsi	18	4	22.2	-	X	-
Nkwanta	10	2	20.0	-	X	-
Gomoa	9	6	66.7	X	-	-
Atebubu	7	2	28.6	-	X	-
Hohoe	4	0	0.0	-	X	-
Total	239	45	18.8	-	-	-

Table 5.3 shows the proportion of migrant households who employed remittances differently than other sources of income differentiated by the country in which the migrant family member spent the most time while abroad. The ‘Relation to Average’ was determined by z-value testing for  $p = p_0$  for  $n \geq 30$  and binomial estimation for  $p$  with small;  $\alpha$  – level = 0.05. \*Same indicates that we could not reject  $H_0$ .

While the district council has expressed concern about its ability to keep attracting successful return migrants, perhaps this local tradition of migration and return is reflected in the strong result here. Hohoe was the sole district to have no households using remittances differently relative to other sources of income, but this result was not strong enough to suggest any clear pattern here.

### 5.3b: Urban versus Rural Households

The proportion of households who used their remittance earnings differently than other sources of income was virtually indistinguishable between urban and rural areas. Roughly 18 percent from each category treated their receipts as distinct resources while the majority of households allocated no special place for remittances in household expenditures.

**Table 5.4: Do Households Use Remittances Differently? – Urban vs. Rural**

Development	Number	Yes	Percentage
Urban	145	27	18.6
Rural	90	17	18.9
Total	239	45	18.8

Table 5.4 show the proportions of migrants of both rural and urban households who used remittances differently than other sources of income. No testing was performed since proportions conformed so consistently to the total proportion.



**Figure 5.1: Map of Likelihoods and Uses of Remittances**

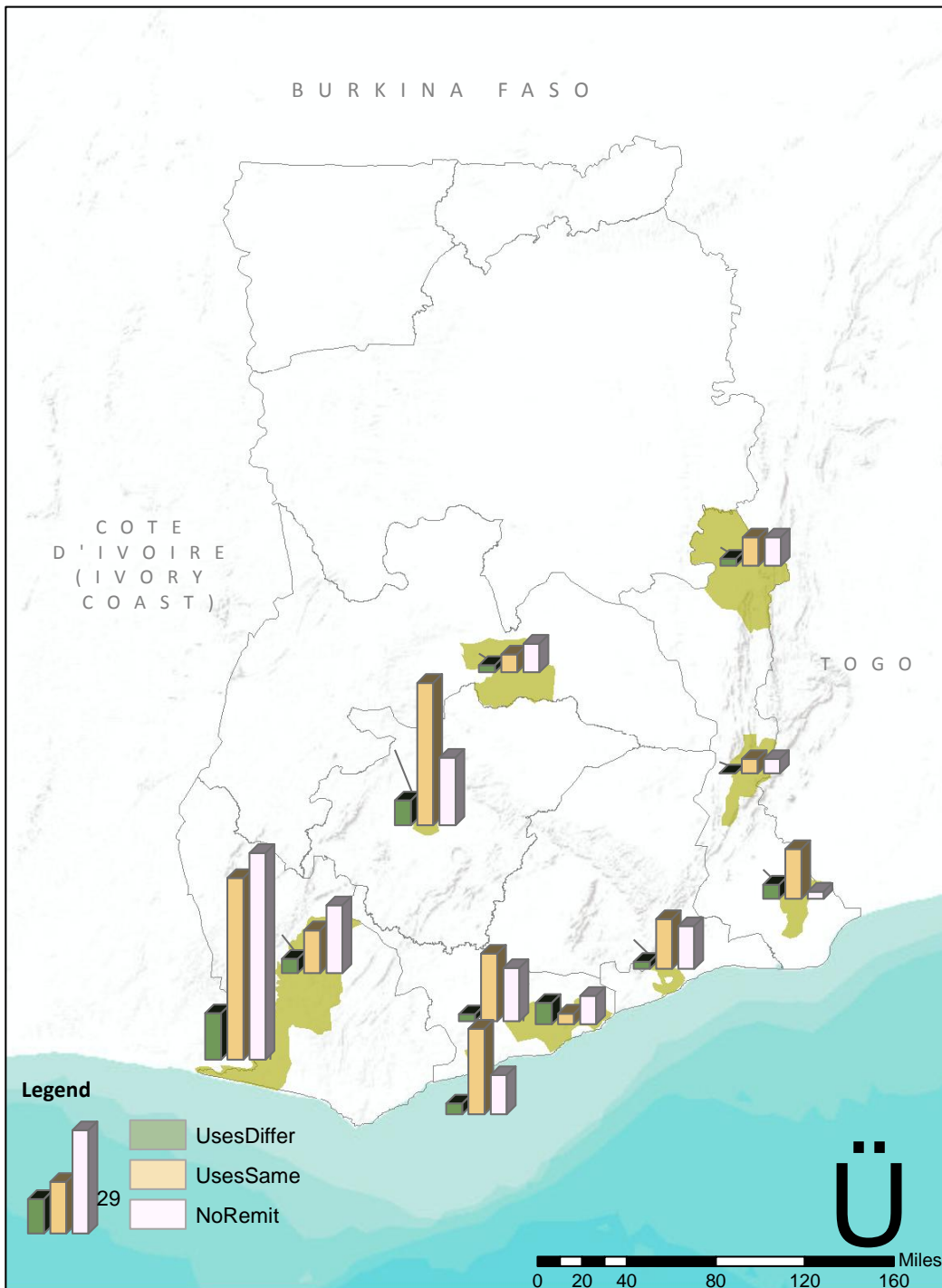


Figure 5.1: the above map displays comparative bar graph for absent migrant households who reported using remittances received differently than other sources of income (uses differ), using remittances no differently than other incomes (uses same), and those who reported no remittances received at all (NoRemit). For raw data please see table 16. For specific district names, please refer to figure 2.

#### 5.4: How do households use other remittances?

The questionnaire results from the follow-up with the 45 households who reported using remittances differently than other income sources serves as the basis for answering how households spend remittance earnings when those earnings are viewed differently than other income. In aggregate the most common use listed was education which was ticked ‘yes’ by 40.0% of the responders. Following this were household (HH) goods, medical costs, and property with 26.7%, 22.2%, and 20.0% respectively. Funerals, land/agriculture, given to others, and pay off debts were minor, while business, child support and savings were intermediate. Weddings, helping others migrate, and community development projects were not listed as uses by any households. Further analysis based on the two spatial dimensions of origin and destination follows below.

#### 5.5: To what uses were remittances put by Migrant Destinations

##### 5.5a: Global Region

**Table 5.5: Estimating Remittance Use Likelihoods by Regions**

Uses	%	Greater than	No Difference*	Less than
Education	40.0	-	Core, Periphery, Semi-Periphery	-
Household Goods	26.7	Core	Semi-Periphery	Periphery
Medical Costs	22.2	Periphery	Core, Semi-Periphery	-
Property	20.0	-	Core, Periphery, Semi-Periphery	-
Child Support	13.3	-	Core, Periphery, Semi-Periphery	-
Savings	13.3	-	Core, Periphery, Semi-Periphery	-
Business	11.1	-	Core, Periphery, Semi-Periphery	-
Land/Agriculture	8.9	Core	Periphery, Semi-Periphery	-
Pay off Debts	6.7	Semi-Periphery	Core, Periphery	-
Funerals	6.7	-	Core, Periphery, Semi-Periphery	-
Given to Others	4.4	-	Core, Periphery, Semi-Periphery	-

Conclusions are based upon Single Sample Proportion Estimations using test statistic  $p$  (average likelihood) and  $\alpha = 0.05$  or  $0.1$

\*No difference indicates that the result of the hypothesis testing was inconclusive, i.e. result “could not reject  $H_0$ ”.

The 45 households reported 28 absent migrants living abroad in Core countries, constituting 62.2% of the 45 surveyed. The countries were the United States of America (USA), Canada, the United

Kingdom (UK), Germany and Italy with seven, three, eleven, two, and five migrants reported respectively (see table 5.5). The household responses to the remittance use questionnaire for individual core countries are listed below.

The dominant use of Education did not vary significantly across regions. Household Goods however demonstrate a clear split between Core and Periphery nations with Semi-Periphery falling in between. Remittances from the periphery are more likely to be funneled towards medical costs, however. Intermediate uses do not produce any significant results, but a few pop up for Land/Agriculture and Pay off debts.

#### *5.5b: Countries*

There are many strong results for different uses at the country scale as well. The United Kingdom features for both top uses: Education and Household Goods where it is also joined by Italy and the USA respectively. Thus, while the core in general did not deviate from the mean for education expenditures, individual core nations did. Medical Costs shows a periphery nation: the Cote d'Ivoire. The intermediate variables which did not show a great deal of differences at the regional scale pick up some activity: German based migrants have a higher tendency to send money home for child support and business purposes. Germany is again prevalent for Land/Agriculture and Pay off debts, though in retrospect some distortion due to sample size may be occurring. Migrants from the USA, one of the larger subsets, have a greater tendency to save than others.

Some possible explanations exist for these patterns, and they provide paths for future lines of inquiry. For instance, Germany's higher proclivity for child support might reflect the combination of linguistic barriers for migrants wanting to bring their children with them abroad but suffering concerns about their performance in school, and also the lack of a direct route to citizenship for migrant children born in Germany, thus creating disincentives for migrant families wanting to move with their families permanently. The prevalence of the UK and USA in household goods, savings, and given to others by contrast may reflect altruistic concerns from relatively well-off educated migrants living in the global metropole sending money to relatives back home for livelihood maintenance and poverty alleviation versus the migrant traveling to the Cote d'Ivoire from Wassa West to earn extra cash to pay hospital fees in a rural district.

Overall, the results indicate that the national context of migration matters a great deal for how they view the purposes of the money they send home, and how their families make use of it. This is a lesson well learned in the transnationalism literature, but often neglected in the discourse on remittances.

**Table 5.6: Estimating Remittance Use Likelihoods for Countries**

Uses	%	Greater than	No Difference*	Less than
Education	40.0	UK, Italy	USA, Other African, Canada, South Africa, Cote d'Ivoire, Germany, Nigeria	-
Household Goods	26.7	UK, USA	Other African, Italy, Canada, South Africa, Cote d'Ivoire, Germany, Nigeria	-
Medical Costs	22.2	Cote d'Ivoire	UK, USA, Other African, Italy, Canada, South Africa, Germany, Nigeria	-
Property	20.0	-	UK, USA, Other African, Italy, Canada, South Africa, Cote d'Ivoire, Germany, Nigeria	-
Child Support	13.3	Germany, Cote d'Ivoire	UK, USA, Other African, Italy, Canada, South Africa, Nigeria	-
Savings	13.3	USA	UK, Other African, Italy, Canada, South Africa, Cote d'Ivoire, Germany, Nigeria	-
Business	11.1	Germany	UK, USA, Other African, Italy, Canada, South Africa, Cote d'Ivoire, Nigeria	-
Land/Agriculture	8.9	Italy, Germany	UK, USA, Other African, Canada, South Africa, Cote d'Ivoire, Nigeria	-
Pay off Debts	6.7	South Africa, Germany	UK, USA, Other African, Italy, Canada, Cote d'Ivoire, Nigeria	-
Funerals	6.7	UK, Cote d'Ivoire	USA, Other African, Italy, Canada, South Africa, Germany, Nigeria	-
Given to Others	4.4	UK, USA	Other African, Italy, Canada, South Africa, Cote d'Ivoire, Germany, Nigeria	-

Conclusions are based upon Single Sample Proportion Estimations using test statistic  $p$  (average likelihood) and  $\alpha = 0.05$  or  $0.1$

\*No difference indicates that the result of the hypothesis testing was inconclusive, i.e. result "could not reject  $H_0$ ".

## 5.6: To what uses were remittances put by Migrant Origins

### 5.6a: Administrative Districts

The questionnaire results disaggregated by the home districts of surveyed households are presented in Table 5.7, below. Figure 5.2 on the next page illustrates the relative values of the various uses by their districts. Thus Jomoro, the largest subset present, features prominently. This map indicates some the similarities that occur within regions.

**Table 5.7: Estimating Remittance Use Likelihoods for Districts**

Uses	%	Greater than	No Difference*	Less than
Education	40.0	C.C.M, Wassa West	Jomoro, K.M.A, A.E.E, T.M.A, Akatsi, Nkwanta, Gomoa, Atebubu	-
Household Goods	26.7	C.C.M, A.E.E, T.M.A, Atebubu	Jomoro, K.M.A, Wassa West, Akatsi, Nkwanta, Gomoa,	-
Medical Costs	22.2	K.M.A, Wassa West, T.M.A	Jomoro, C.C.M, A.E.E, Akatsi, Nkwanta, Gomoa, Atebubu	-
Property	20.0	Jomoro, A.E.E, Nkwanta	K.M.A, C.C.M, Wassa West, T.M.A, Akatsi, Gomoa, Atebubu	-
Child Support	13.3	C.C.M, Wassa West, Akatsi	Jomoro, K.M.A, A.E.E, T.M.A, Nkwanta, Gomoa, Atebubu	-
Savings	13.3	Jomoro, T.M.A	K.M.A, C.C.M, A.E.E, Wassa West, Akatsi, Nkwanta, Gomoa, Atebubu	-
Business	11.1	Jomoro, Atebubu	K.M.A, C.C.M, A.E.E, Wassa West, T.M.A, Akatsi, Nkwanta, Gomoa,	-
Land/Agriculture	8.9	Gomoa, Atebubu	Jomoro, K.M.A, C.C.M, A.E.E, Wassa West, T.M.A, Akatsi, Nkwanta	-
Pay off Debts	6.7	C.C.M, Akatsi, Atebubu	Jomoro, K.M.A, A.E.E, Wassa West, T.M.A, Nkwanta, Gomoa,	-
Funerals	6.7	K.M.A, Gomoa	Jomoro, C.C.M, A.E.E, Wassa West, T.M.A, Akatsi, Nkwanta, Atebubu	-
Given to Others	4.4	Jomoro	K.M.A, C.C.M, A.E.E, Wassa West, T.M.A, Akatsi, Nkwanta, Gomoa, Atebubu	-

Conclusions are based upon Single Sample Proportion Estimations using test statistic  $p$  (average likelihood) and  $\alpha = 0.05$  or  $0.1$

\*No difference indicates that the result of the hypothesis testing was inconclusive, i.e. result “could not reject  $H_0$ ”.

A number of results emerge from the district level perspective, a few key observations follow. Wassa West and Cape Coast migrant families favor education expenditures over other districts. Cape Coast Metropolitan, as a former colony administrative seat, has many of the most exclusive secondary schools in Ghana which could account for the additional education expenses there. The lack of low valued education districts itself is also significant since it suggests that roughly 40 percent of those remittances being spent differently than traditional income is at least partly going towards child development. Gomoa, a largely rural district, has greater expenditures on land and agriculture. Kumasi and Tema, the two urbanized districts have a higher rate of medical cost uses, perhaps reflecting their superior access to health services and infrastructure. Another urban dimension emerges with Tema and Cape Coast having greater expenses on household goods. This makes sense if city dwellers are seeking to maintain higher standards of living, though Atebubu and Ajumako Enyan Esiam, both rural also feature here.

These diverse results begin to have meaning when viewed through a geographical lens in their various contexts, but by themselves cannot establish what is going on. Overall, a number of significant geographies emerge between districts when considering the use of remittances by household.

**Figure 5.2: Map of Alternative Uses of Remittances**

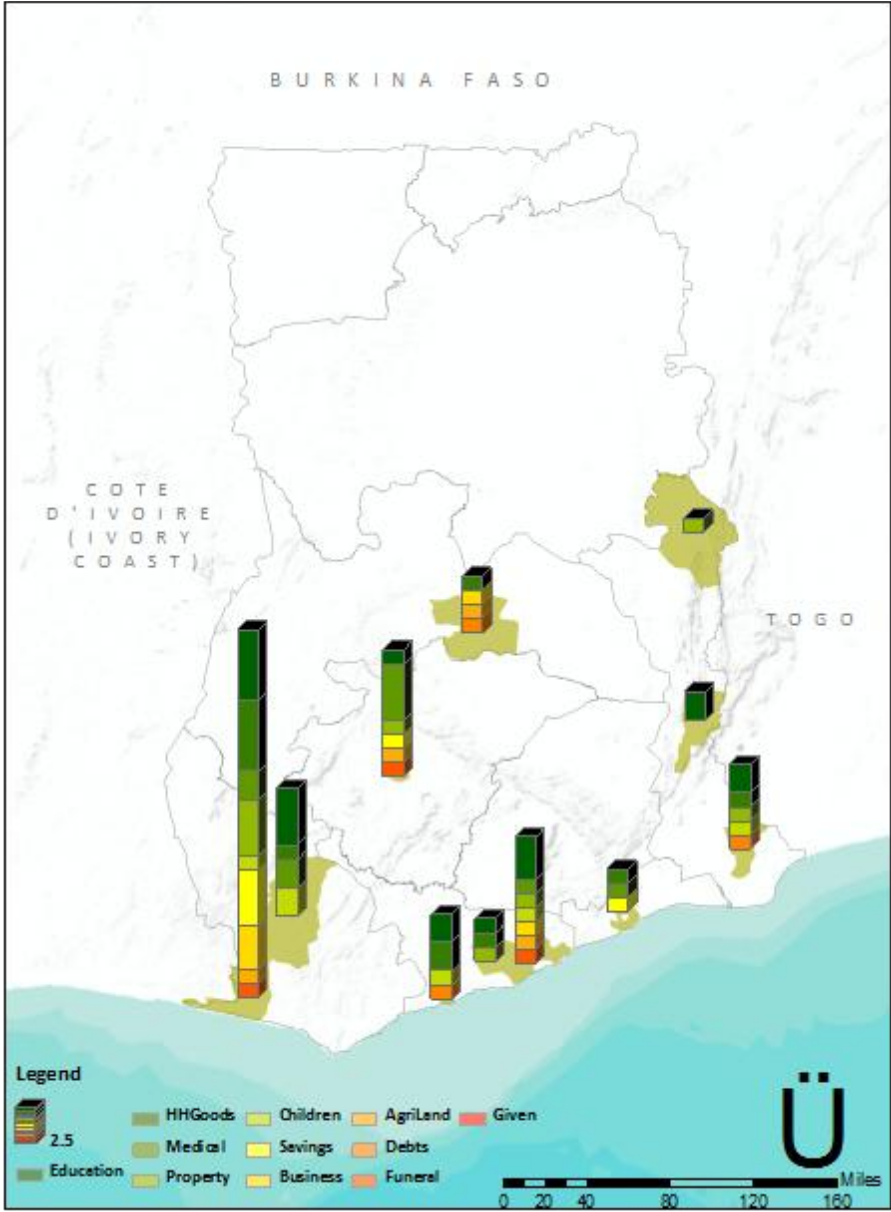


Figure 5.2: the above map illustrates the relative proportion of migrant households in a given district reporting atypical uses of remittances via stacked bar graphs. The stacks are arranged in top down descending order with most common education on top and least common “given to others” on bottom. Please see legend for color coding system. for specific district names please refer to figure 1.

### 5.6b: Urban versus Rural Households

The analysis of difference between urban and rural households is less revealing than that for districts and while there was considerable variation most of this was not statistically significant. The strongest result was for expenditures on household goods. 39.3 percent of urban households allocated remittances to purchases of household goods versus just 5.9 percent in rural areas. Medical costs also show an observational but non-significant bias towards urban households. Education remained the number one category for both urban and rural areas and roughly 40 percent of households used remittances for education purposes. Urban households generally had a greater diversity of uses with households marking yes for several categories while rural households marked just one or two. Overall, the lack of variability found between urban and rural households regarding uses is most striking and helps to reinforce some of the localized effects of specific district geographies observed above.

**Table 5.8: Estimating Remittance Use Likelihoods for Urban & Rural Households**

Uses	%	Greater Than	No Difference	Less Than
Education	40.0	-	Urban, Rural	-
Household Goods	26.7	Urban	-	Rural
Medical Costs	22.2	-	Urban, Rural	-
Property	20.0	-	Urban, Rural	-
Child Support	13.3	-	Urban, Rural	-
Savings	13.3	-	Urban, Rural	-
Business	11.1	-	Urban, Rural	-
Land/Agriculture	8.9	-	Urban, Rural	-
Pay off Debts	6.7	-	Urban, Rural	-
Funerals	6.7	-	Urban, Rural	-
Given to Others	4.4	-	Urban, Rural	-

Conclusions are based upon Single Sample Proportion Estimations using test statistic  $p$  (average likelihood) and  $\alpha = 0.05$

\*No difference indicates that the result of the hypothesis testing was inconclusive, i.e. result “could not reject  $H_0$ ”.

### 5.7: Conclusion

How migrants used remittances demonstrates considerable variability between households and several key geographies emerge. Overall, the large majority of remittances in Ghana are included and spent with other sources of income on typical household purchases. However, remittances from Core nations were viewed and used differently by migrant households than those from the Periphery.

Remittances from the United Kingdom in particular were treated differently than other sources of income more frequently than for other nations. At the district level the lone outlier was Gomoa. The majority of migrants from this small rural district spent their remittance earnings differently than other sources of income; generally for land or agricultural purposes or for special occasions like funerals. For households employing remittances for special purposes, education, household goods and medical costs were the most common uses. Household goods are associated with both core nation remittances and urban households. Uses associated with business, financial and agricultural development were infrequent, though Atebubu, one of the districts with the highest remittance values did use remittances for these purposes at higher rates than other parts of Ghana. The overall impression from the data indicates that the use of remittances does vary locally according to geographic context of origins and destinations, though precise reasons for this variation are unclear and further ethnographic work would be needed to tease out causal relationships.



## **Chapter Six: Discussion**

### **6.1: Introduction**

This paper addresses the intersection between the remittances and the geographies of migrants and their families in Ghana. Its four research questions about remittances in Ghana are: One, how much are Ghanaians remitting home, two, how frequently to households receive remittance payments from family members living abroad, three, what are household attitudes towards their remittance earnings, i.e. are they lumped together with other income sources or treated differently, and four, when held aside for other purposes, to what ends are remittances put? Geography plays a central role in the construction of these questions and for the findings presented below. The three primary conclusions are: one; that remittances have uneven geographies that generate unequal outcomes, two; that remittances contribute more to poverty alleviation and household incomes than development, and three; that proactive government and local cultural practices alter how households view and use remittances.

### **6.2: Uneven Geographies and Unequal Outcomes**

What can we conclude about the geography of remittances from the research questions and data detailed above? First, remittances in Ghana are highly uneven and that this is expressed for both migrant origins and destinations. Expected household earnings from migrants living in the global core are much higher than those from the periphery. Households able to send family members to developed nations, particularly the United Kingdom and USA, can expect transfers of over four times as much as families with relatives abroad in the developing world. A similar pattern of disparity emerges between urban and rural areas within Ghana. City dwellers seem to be most capable of capitalizing on returns to migration. Rural households, while constituting roughly forty percent of those surveyed received less than twenty percent of all remittances coming into Ghana. While disparities are evident between different regions they are even more profound at local scales. There is a consistent correlation across all variables between the average size and variability of payments. The average deviation from the mean was close to 1000 US\$ and this was even greater for urban households. Similar situations are observed for individual districts and for countries sending large remittances. Half of all households received less than fifty dollars a year while the maximum earner received over \$10,000. These findings are consistent with Mazzucato et al.'s (2008) and Wouterse's (2010) work that remittances accrue mainly to a small subset of wealthier households and exacerbate local inequalities. Remittances, like other dimensions of

globalization, have relative winners and losers and this process is played out not only between households but more importantly between geographies.

This suggests that remittances are somewhat of a double edged sword for policy makers. While larger transfers are ostensibly preferable in order to outweigh the human capital losses of migration, those regions most likely to earn high remittances and the countries from which migrants are likely to remit large amounts of money are also the areas that generate the least equitable outcomes. It is also possible that the fantastic successes of a few households create unrealistic expectations of remittance earnings, contributing to local push factors for migration. When evaluating costs and benefits remittances may place national and local policy makers in the awkward position of sacrificing economic development goals or growth and investment for human development agendas of social equity and vice versa. Therefore, the rush by academics and development agencies to embrace remittances as the new route to development is perhaps premature and a more staid assessment is required to determine what migration really means for Ghana in particular and the developing world at large.

### **6.3: Consumption and Poverty Alleviation over Development**

Second, remittances contribute more to household incomes and poverty alleviation than they do to economic or human development. Remittances in Ghana are mostly lumped together with typical income and only 18.8% of households set them aside for other purposes. This varied somewhat with the source of remittances with the smaller flows of the periphery more likely to be treated as regular income. In this sense, remittances build household incomes, consumption and can help alleviate poverty. While this can stimulate development by lifting families out of cycles of poverty (Sachs 2000), their contribution is limited and tempered by the disparities in remittances highlighted above.

The households that used their remittances differently than other sources of income often spent earnings on activities than enhance human development goals. The primary alternative uses of remittance were education, household goods, medical costs, and property. Education and medical costs obviously impact human development, improving opportunities for upward mobility via education and generally investing in human capital. Household goods are less clear, but property purchases can signal household investment behavior, particularly in rural locations where people lack access to financial services. Not only can expansions in household capital provide insulation against adverse economic shocks, they can also serve as collateral for future investments which contributes to both structural

change and growth effects. The intermediate uses have even more implications for economic development: savings generally low in rural underdeveloped areas. Business investments, while a small use relative to the whole, are still occurring where they would not. In these situations it is also prescient to recall the potential impact of social remittances (Castles 2008). Social remittances represent transfers of ideas, practices and norms that have positive economic impacts upon the lives of their recipients. A cousin working in Germany sending money home to work on an import-export business modeled after the migrants experiences abroad can be a powerful tool for development. Thus, from just a few of the alternative uses of remittances reported, some major and some minor, it seems plausible that remittances can contribute in a number of ways to both economic and human development objectives. That said, it should be emphasized that the number of households using remittances in these ways is very small, less than one percent of the survey population.

#### **6.4: The Impact of Cultural Practices and Government Attitudes**

Third, cultural practices and local government attitudes can contribute to very different outcomes for remittances. For this Gomoa represents an interesting and relevant example. Out of 15 households, nine set aside their remittance earnings for other uses than regular income or over 60 percent versus the average of 18.8. An indication for why this might be comes from both Gomoa's district government and its local traditions surrounding migrants. The Gomoa "Two Weeks" is an annual festival that celebrates the return of itinerant laborers to their homes from work elsewhere in Ghana and the resources they bring with them. Gomoa has the only district government takes a positive and activist stance towards migration and remittances. In particular, they both recognize the role that remittances play in household livelihoods and are concerned with being able to continue to attract return migrants in future. Most districts either do not mention remittances in their development goals and strategies, are indifferent, or are vaguely hostile towards migration, as detailed in the development agendas and strategies detailed on district websites. Local government attitudes are of special import for development in the post SAP-Rawlings era of decentralization (Yeboah 2008). Each local council or assembly in Ghana is responsible to establishing its own development objectives and programs in accordance with national goals, and these programs are controlled at the district level. Naturally, there is a great deal of overlap in objectives between districts and this commonality in part reflects the similarity in local situations, national objectives, and also contemporary trends in the international development discourse. The broad development efforts shared by each of the districts in this study include: economic development

advancements such as increased access to financial services, cultivation of tourism potential, improvements in market access through road and infrastructural projects and human development goals including improvement in the quantity and quality of education services, health infrastructure, immunizations, sanitation, etc. Local governments seek to effectuate these goals via public-private partnerships, seeking aid dollars, and by providing a business friendly environment for investment (private sector competitiveness is another common objective). In this capacity, Gomoa's perspective may influence local outcomes and lead to more development oriented uses for remittances. However, the degree to which this affects the value of remittances reaching households is limited. Gomoa's average earnings are relatively small and the proportion of migrants who did not remit was average. Still, the combination of proactive government and historical precedence with a shared heritage that celebrates the migrant who returns and brings riches can generate more useful outcomes.

## **6.5: Conclusion**

Remittances will continue to play a central role in the development discourse in the years to come. Global trends are on the rise and in the absence of significant and tumultuous upheaval and modification of neoliberal immigration policies and the continued pursuit of open global labor markets will persist. It is also likely that Sub-Saharan Africa will maintain its growth patterns. However, the benefits of remittances should not be overstated. The potential impact these processes may have upon human and economic development suggest that governments, academics and advocates should consider remittances, but they should remain realistic about their contribution to economic transformation and sensitive to their unequal outcomes. However, the goal of the thesis is not however to articulate a broad pessimism towards remittances as a route to development. Rather, it is to highlight the shortcomings of contemporary assumptions about migration and development so that future policy and research may be crafted around more nuanced perspectives that incorporate spatial patterns to create improved outcomes. If decision makers neglect the potential of remittances or ignore how these uses are mediated and renegotiated through the geographies in which they occur, the development potential of remittances may be squandered.

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