

# UNIVERSITY FOR DEVELOPMENT STUDIES

## INTERNAL MIGRANTS REMITTANCES AND ITS UTILIZATION IN HOUSEHOLDS IN THE NORTHERN REGION OF GHANA

USIF WUNTUMA OSMAN

UNIVERSITY FOR DEVELOPMENT STUDIES



A THESIS SUBMITTED TO DEPARTMENT OF AFRICAN AND GENERAL STUDIES,  
UNIVERSITY FOR DEVELOPMENT STUDIES, TAMALE IN PARTIAL FULFILMENT OF  
THE REQUIREMENTS FOR THE AWARD OF A MASTER OF PHILOSOPHY IN  
DEVELOPMENT STUDIES

2017

# UNIVERSITY FOR DEVELOPMENT STUDIES

## INTERNAL MIGRANTS REMITTANCES AND ITS UTILIZATION IN HOUSEHOLDS IN THE NORTHERN REGION OF GHANA

BY

USIF WUNTUMA OSMAN (B.A. Soc. Sci. Economics/Sociology)  
(UDS/MDS/0144/10)

A THESIS SUBMITTED TO DEPARTMENT OF AFRICAN AND GENERAL STUDIES,  
UNIVERSITY FOR DEVELOPMENT STUDIES, TAMALE IN PARTIAL FULFILMENT OF  
THE REQUIREMENTS FOR THE AWARD OF A MASTER OF PHILOSOPHY IN  
DEVELOPMENT STUDIES



JULY, 2017

**DECLARATION**

**Student**

I hereby declare that this dissertation/thesis is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere:

Candidates Signature ..... Date.....

Name Usif Wuntuma Osman

**Supervisor**

I hereby declare that the preparation and presentation of the dissertation/thesis was supervised in accordance with guidelines on supervision of dissertation/thesis laid down by the University for Development Studies.

Supervisor's Signature ..... Date.....

Name Dr. Sylvester Zackaria Galaa



## ABSTRACT

Internal migrant remittance in Ghana has been a neglected area of study for sometime now. This study investigated internal migrants' culture of intra-national remittances and how those remittances were used by the internal migrants' families in the Northern Region. In conducting the research, a survey method was used. A total of 160 returned internal migrants from 8 different communities in four districts were involved in the study. Both structured and semi-structured interviews were employed to elicit data for the study. The data from the study were analyzed using descriptive statistics and t-test. The results of the study showed that internal migrants made use of friends and families and self-remitting more than any other channel of remittance. In addition, the result showed that there was a significant difference between male and female internal migrants' remittances. Robbery, inconvenience and disclosure of remittance to relatives and friends were among some of the challenges faced by internal migrants. Internal migrants also preferred remitting cash to non-cash items. Families of the internal migrants used remittance for household food needs, education and health. It is recommended that internal migrants be educated to use formal channels of remittance such as banks and mobile money. Secondly, the study recommended the formation of a network of stakeholders (NGOs, DAs, financial institutions, and transport companies) to collect these remittances at the destination places while these recipient agencies make the remittances available to receiving families. This finding on the dynamics of internal remittances and its associated challenges is significant as it will inform policy formulation and implementation.



## ACKNOWLEDGMENTS

My deepest appreciation goes to my thesis supervisor and former Dean of Faculty of Integrated Development Studies, Dr. Sylvester Z. Galaa, for the support, patience and input into this work.

This study would not have been possible without the unflinching support of my friend and brother, Dr. Abdul-Razak Alhassan Kuyuni - I will always owe him my debt of gratitude. My special thanks to Mohammed Abdul-Rashid Suhuyini (MARS) for his support in the early part of this study.

I am also grateful to my dearest mother, Mercy Ahedhor, for her unceasing love and constant prayers. And, to my late father, Osman Abubakari, may he rest in peace. I am also grateful to my siblings; Fati, Ajaratu, Mohammed, Alhassan and Zeynab as well as my wife, Haruna Yaro Karima.

I am indebted to the Assembly Persons of Bole and Central Gonja Districts who assisted me in the mobilization of respondents in their respective districts. Finally, I am grateful to the research assistants who help me in my data collection and data entry. Finally my special thanks go to Fred Effah-Yeboah, General Manager of Bawku Hospital, for his support in this study, as he proof-read the full thesis.



[www.udsspace.uds.edu.gh](http://www.udsspace.uds.edu.gh)

## **DEDICATION**

The thesis is dedicated to the loving memory of my father.

UNIVERSITY FOR DEVELOPMENT STUDIES



**TABLE OF CONTENT**

DECLARATION ..... ii

ABSTRACT ..... iii

ACKNOWLEDGMENTS ..... iv

DEDICATION ..... v

TABLE OF CONTENT ..... vi

LIST OF TABLES ..... viii

LIST OF MAPS ..... ix

LIST OF ACRONYMS ..... x

CHAPTER ONE ..... 1

INTRODUCTION ..... 1

    1.1 Background to the study ..... 1

    1.2 The Research Problem ..... 4

    1.3 The Research Questions ..... 6

    1.4 The objectives of the study ..... 6

    1.5 Justification for the study ..... 7

    1.6 Limitations of the study ..... 8

    1.7 Organization of the Study ..... 8

    1.8 Chapter summary ..... 9

CHAPTER TWO ..... 10

LITERATURE REVIEW ..... 10

    2.0 Introduction ..... 10

    2.1 Concept of migration ..... 10

    2.2 Theories of migration ..... 12

    2.3 Remittances ..... 16

    2.4 Channels of domestic remittances ..... 18

    2.5 Challenges Associated with the Channels of Remittances ..... 23

    2.6 Remittances by gender ..... 29

    2.7 Value and Frequency of remittances ..... 33

    2.8 Utilization of remittance ..... 37

    2.9 Chapter Summary ..... 41

CHAPTER THREE ..... 42



RESEARCH METHODOLOGY AND DESIGN .....	42
3.0 Introduction .....	42
3.1 Study Design.....	42
3.2 Description of Study area .....	44
3.3 Development of instrument .....	46
3.4 Validity and Reliability of the Instrument .....	48
3.5 Population and Sampling Design.....	52
3.6 Data sources and data collection procedures .....	57
3.7 Data collection methods .....	61
3.8 Data management and analysis.....	62
3.9 Chapter summary .....	63
CHAPTER FOUR .....	64
PRESENTATION AND DISCUSSION OF RESEARCH RESULT.....	64
4.0 Introduction .....	64
4.1 Demographic Data .....	64
4.2 Challenges of channels of remittances .....	75
4.3 Remittance by gender.....	94
4.4 Value of remittance flows.....	101
4.5 Utilization of circular migrants' remittance.....	109
4.6 Summary .....	117
CHAPTER FIVE .....	119
SUMMARY, CONCLUSION AND RECOMMENDATION.....	119
5.0 Introduction .....	119
5.1 Summary .....	119
5.2 Conclusions .....	122
5.3 Recommendations.....	123
REFERENCES.....	125
APPENDICES.....	133
Appendix 1: Survey questionnaire.....	133
Appendix 3: Consent for participation in a research interview .....	138





## LIST OF TABLES

TABLE 3.1: SELECTED STUDY DISTRICTS AND COMMUNITIES .....	55
TABLE 4.1: AGE OF RESPONDENTS.....	65
TABLE 4. 2: MARITAL STATUS AND GENDER OF RESPONDENTS .....	66
TABLE 4.3: EDUCATIONAL BACKGROUND AND SEX OF RESPONDENTS.....	67
TABLE 4.4: MIGRANTS DESTINATION BY DISTRICT .....	68
TABLE 4. 5: DURATION OF MIGRANTS' STAY.....	69
TABLE 4.6: MOTIVATION FOR TRAVELLING .....	70
TABLE 4.7: TIME FOR SECURING JOB AT DESTINATION BY SEX .....	72
TABLE 4. 8: AVERAGE WORKING HOURS PER DAY BY SEX.....	72
TABLE 4.9: NUMBER OF DAYS WORKED PER WEEK BY SEX .....	74
TABLE 4. 10: CHANNELS OF REMITTANCE .....	76
TABLE 4.11A: REMITTANCE BY GENDER .....	95
TABLE 4.11B: REMITTANCE BY GENDER .....	95
TABLE 4.11B: REMITTANCE BY GENDER .....	95
TABLE 4.12: AMOUNT EARNED PER WEEK BY SEX.....	97
TABLE 4.13: DESCRIPTIVE STATISTICS OF THE VALUE OF REMITTANCES.....	103
TABLE 4.14: DESCRIPTIVE STATISTICS OF THE NATURE OF REMITTANCES .....	108
TABLE 4.15: DESCRIPTIVE STATISTICS OF UTILIZATION OF CIRCULAR MIGRANTS' REMITTANCE.....	110



**LIST OF MAPS**

FIGURE 3 1: MAP OF NORTHERN REGION .....46



## LIST OF ACRONYMS

ACP	African Carribean and Pacific
AERA	American Educational Research Association
APA	American Psychological Association
BDA	Bole District Assembly
BRAC	Building Resources Across Communities
CERDI	Centre for Studies and Researches on International Development
CGDA	Central Gonja District Assembly
CI	Confidence Interval
CMS	Centre for Migration Studies
COMPAS	Centre on Migration, Policy and Society
DAs	District Assemblies
DFID	Department for International Development
EACC	Economics of Adaptation to Climate Change
EC-PREP	European Community's Poverty Reduction Effectiveness Programme
GLSS	Ghana Living Standard Survey
GoG	Government of Ghana
GPC	Ghana Post Company
GPRTU	Ghana Private Road Transport Union
GSS	Ghana Statistical Service
IFPRI	International Food Policy Research Institute
ILO	International Labour Organization
IOM	International Organization for Migration
JHS	Junior High School
MMT	Metro Mass Transport



MTF	Money Transfer Firms
MTN	Multinational Telecommunication Network
NDPC	National Development Planning Commission
NGOs	Non-Governmental Organizations
NHIS	National Health Insurance Scheme
PDA	Participatory Development Associates
PPP	Public Private Partnership
PPVA	Participatory Poverty and Vulnerability Analysis
NR	Northern Region
SAVACEM	Savannah Cement
SD	Standard Deviation
SHS	Senior High School
SID	Statics and Informatics Division
SNDA	Savelugu/Nanton District Assembly
SPSS	Statistical Package for Social Science
TMA	Tamale Metropolitan Assembly
UN	United Nations
WB	World Bank
WFP	World Food Programme



## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background to the study

The economic factor remains a dominant reason for migration. As a result many migrants make significant efforts to remit to their families back home. Remittances could be in cash and non-cash form that are transferred to relations in their places of origins. Remittances therefore become lifeblood of families of the migrants. For this reason, many studies argued that remittance is one of the significant rational for migration (Addison, 2005 cited in Quartey, 2006; Ghana Statistical Service (GSS), 2008; GSS, 2007).

Migration is experienced in several forms. It is classified based on the nature of movement, spatial and duration of stay (Nabila, 1986; Foresight, 2011; International Organization for Migration (IOM), 2014). This study concentrates on the classification based on the duration of stay. People who migrate based on the duration of stay include circular migrants. Circular migrants, who are also known as repeat migrants, are migrants ‘who travel back to the village on a regular basis, to visit or to practice agriculture’ usually for three to four months. Effectively, it involves migrants sharing work, family, and other aspects of their lives between two or more locations (Rains, 1999; Hugo, 2013).

The channels for remittances used by circular migrants for remitting to their families back home at their place of origin are beset with various forms of challenges. According to Centre for Migration Studies (CMS) of the University of Ghana, (2010) and GSS (2010), most of the channels for remitting to families back home remain largely informal, and sometimes discourage



migrants from remitting. CMS (2010) stated that, apart from availability and accessibility of means of transfer, the cost of remitting influences the willingness and volume of money to transfer.

The remittances sent largely through informal means are utilized on household food consumption. Studies conducted on the main uses of international remittances worldwide and especially in Ghana, suggest that a large part of these funds are used for daily expenses such as food, clothing and health care (Addison, 2004 and IOM, 2010). For instance in the study on utilization of remittances in Ghana by Addison, the author indicated that in some cases part of these funds are also spent on the construction of houses, buying lands and performing funerals. According to the same study, generally a small percentage of these funds are used for savings and productive investments.

According to Participatory Development Associates (PDA) (2010), as a result of income and other benefits gotten by migrants, the scale of migration is increasing particularly north-south migration. PDA (2010) and IOM (2010) indicate that, in the savannah communities, the scale of circular migration is perceived to be increasing, with more females migrating and doing so at a younger age than males. It further indicates that these remittances are invaluable for staving off starvation in the savannah's hungry season thereby increasing their resilience. National Development Planning Commission (NDPC) (2004) cited in Al-Hassan et.al (2009) explain that households that rely heavily on agriculture for their livelihoods are vulnerable to various shocks and these households' diversify their income sources through migration and remittances.



Though the bulk of migrants (80%) are internal (Ackah & Medvedev, 2010; Ghana Statistical Service (GSS), 2008), a lot of studies on remittance have concentrated on international migration and its associated remittances (Department for International Development (DFID), 2007; Bryman, 2008; Awumbila et. al., 2011) compared to internal migration and internal remittances. Centre for Studies and Researches on International Development (CERDI), (2011) confirms that the scholarly study of internal migration remains in its early stages. Amanor (1994) and CERDI (2011) explained that little has been written about internal migrants and their modes of remitting as well as the role of internal remittances in economic development of the country. For instance, many of the north-south migrants in Ghana have little or no education and the people they remit to also have little or no education (World Food Programme (WFP) & Government of Ghana (GoG), 2009), particularly, Northern Region has the highest rate of illiteracy at 78.7% (GSS, 2010). As a result of the high illiteracy rate, many of the migrants predominantly illiterates (GSS, 2010), may remit through informal means.

The study therefore focused on remittances behaviour among short stay (three to four months) internal migrants. The study further measured the remittance flow between these circular migrants and their families back home. Also, the study assessed the utilization of remittances for productive activities, food consumption, health and housing needs as well as expenditure associated with children's education. Furthermore, for purposes of definiteness, the study would be limited to short-term (seasonal or circular) migrants.



## 1.2 The Research Problem

One of the key reasons for which youth from Northern Region of Ghana migrate to the southern Ghana is to increase resilience in the household in terms of food security and income (PDA, 2010). These migrants include JHS and SHS graduates, married and unmarried males and females aged 12 and more but below 35 (WFP & GOG, 2009; PDA, 2010). There are numerous studies on international remittance and its utilization (Ackah & Medvedev, 2010; Sørensen, 2012; GSS, 2008; Awumbila et. al., 2011). However, there is, virtually, no research on intra-national remittances particularly for migrants from Northern Region who have moved southern part of Ghana who have limited or no education (GSS, 2008; CMS; 2010). This is more so because, Ghana as a developing nation, still has weak financial systems for money transfers, particularly internal money transfer systems for receiving money in rural areas.

In the twentieth century, Ghana Post Company was the dominant means migrants used to transfer money to their families back home (Crowder, 1968). In the 21<sup>st</sup> century, however, Ghana witnessed an increased communication and transportation systems leading to a sharp increase in the availability of several means of remittances. For instance, studies showed that migrants used to face challenges in remitting money to their relatives (CMS, 2010; Crowder, 1968). Today, about 50 percent of remittances are received directly from the senders; about 40 percent of the transfers are received through the informal channels of remittances; and less than five percent is received through the banking system (GSS, 2008; CMS; 2010). As a result of these rapid changes attributable to improvement in communication and transportation systems such as mobile telephone technology (e.g. mobile money transfer), circular migrants tend to have low patronage of the traditional channels of remittances such as the postal system (e.g. postal order)





and banking system and through drivers. Despite the some known challenges associated with informal channels (self-remitting and friends & relatives), migrants still remit through these channels. Secondly, these informal channels deprive the nation of some revenue associated with migrant remittances.

Although new technology in the communication and transportation system brings improvement, it creates new challenges for the circular migrants who have not received formal education. For example, the researchers recent years' experience working with circular migrants in different parts of the country suggests that migrants have often said they experienced different forms of challenges in respect of remitting back home. Circular migrants, for instance, often cited robbery, distance, and inconveniences as some of the key challenges they faced when remitting home. Englama (2009), for instance, states that remittance is only seen as a transfer between the north and the south. However, little knowledge exists in terms of these intra-national remittances. Therefore, the key problem of the study is about the returned circular migrants' intra-national remittances. For example, how do circular migrants in the southern part of Ghana transfer their remittances to their families in the Northern Region of Ghana? Which channels of remittances do they trust and utilized and what associated challenges do they often face in remitting home, and how do they resolve those challenges? What is the gender disaggregated nature and value of their remittances more so given the increasing rate at which females are migrating?

These issues need investigation. It is, therefore, imperative to study the returned circular migrants' remittance flows, channels of remittances with its associated challenges and the utilization of remittances at the receiving end. Furthermore, the net-inflow of resources, the



manner in which the inflows are organized is not known and in fact, the whole fiscal culture of intra-national remittance as well as circular-migrants households' utilization of these remittances needs to be studied. what is the current dynamics in intra-national remittance?

### **1.3 The Research Questions**

In order to address the research dilemma expressed in the research problem, a central research question was formulated. Therefore, the main research question of the study is: What is the fiscal culture of circular migrants and how do households' of migrants utilize the remittances? To find answer for the main research question, the following specific questions were addressed:

1. What are the current remittances channels of north-south migrants as well as the challenges associated with these channels of remittances by circular migrants?
2. What are the gender dimensions to remittances?
3. What is the value of remittance flows between circular migrants and their households in Northern Region of Ghana
4. How are remittances utilized by the receiving households?

### **1.4 The objectives of the study**

The main objective of the study is to explore fiscal culture of intra-national remittances and how circular migrants-families' utilized the remittances. The specific objectives include the following:

1. To investigate remittances channels of circular migrants as well as assess its associated challenges.
2. To assess gender dimensions of circular migrants' remittances.



3. To assess value of remittances from circular migrants in the South and to their families in the Northern Region.
4. To explore utilization of remittances by the receiving households in the Northern Region of Ghana.

### **1.5 Justification for the study**

Large numbers of persons, (81 percent) are involved in some forms of human movement within Ghana (GSS, 2010). These internal movements are associated with large volumes of resources both cash and non-cash. An assessment of the remittances behaviour among these circular migrants will help to improve the lots of people both at the destination and places of origin as these movements' results in cash and non-cash resources changing hands and ownership.

In addition a good understanding of remittances practices among circular migrants will help to create a pool of financial resources that would create jobs and credit funds for investment purposes. Besides providing formal means for saving and remitting will ensure the security of the hard earned money of migrants. Furthermore, it will help to make it easier for receiving households of circular migrants receive remittances with minimal transactional cost.



IOM (2010) indicates that, 'migration is a constant and dynamic phenomenon that increasingly requires diversified policy intervention in order to maximize its potential benefits and minimize related costs for both areas of origin and destination as well as migrants themselves'. The study would contribute in deepening the knowledge of researchers and policy makers in the fiscal culture of intra-country remittances. It will also unearth the utilization of remittances by families

of circular migrants in the north. Besides it would further deepen our understanding on circular migrants' internal channels (formal and informal) for remittances.

### **1.6 Limitations of the study**

There are limitations to any piece of research work. This is no exception. The research was aimed at investigating the returned circular migrants' fiscal culture of intra-national remittances and its utilization in the Northern Region of Ghana. In this respect, self-constructed data collection instrument and interview guide were used to gather data for the study. Although test-retest approach, face validity, content and construct validity issues were addressed, other types of validity and reliability issues were not addressed, making the study susceptible to the test of time. The study relied so much on individual and group interviews, where the returned circular migrants provided data based on their memories of events. There was, therefore, a high tendency that the returned circular migrants might have forgotten valuable events that could have enriched the outcome of the study or exaggerated in their attempt to provide accurate data. In this way, there is likelihood that the data could be tainted by other events. All these limitations notwithstanding, appropriate measures were put in place to address such limitations.



### **1.7 Organization of the Study**

The thesis is made up of five chapters. Chapter one serves as the introductory chapter comprising introduction, the problem statement, research questions, the objectives, justification for the study, limitations of the study, rationale of the study and chapter summary. Chapter two consists of review of literature on migration and remittance. This includes theories on migration, channels of remittance with its associated challenges and utilization of remittance. Chapter three comprises

of the methodology of the study. This explains in details the manner in which the whole study was conducted including the underlining principles for all the decisions that were taken. Specific profile was done on the study area, Northern Region, with emphasis on the study districts. Chapter four is made up of presentation and analysis of data that were collected from the field. At the same time, field findings were juxtaposed against literature to find out whether they are similar or different and the reasons responsible for that similarities or differences in findings and existing body of knowledge in the field of migration and remittances. Chapter five consists of findings, conclusions and recommendations.

### **1.8 Chapter summary**

This chapter served as the opening stage for the study. It looked at the background, research problem, research questions and objectives of the study. This introductory chapter also looked at the methodology, justification, organization and limitations of the study. The last division served as the chapter summary for this chapter. To appropriately shot a bud of relevant body of literature on intra-national remittances, literature was reviewed in the next chapter.



## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

The review of literature on migration, remittances and its utilization was conducted to discuss the four objective areas of this research: (1) to explore common remittances channels among circular migrants and associated challenges; (2) to examine the differences between male and female migrants' remittances; (3) assess the value and nature of remittances; and (4) investigate how circular migrants' remittances are utilized by the receiving household in the Northern Region. This section of the study is divided into three broad areas; migration theories, remittances and utilization of transfers by receiving households of migrants.

#### 2.1 Concept of migration

Migration is the movement of people within a country, and between countries (Nabila, 1986; Assimeng, 1999; International Organization for Migration (IOM), 2013). Willers (2001) classified migration into two broad categories: 'inclusive' and 'exclusive.' Inclusive was explained broadly as 'mobility' while an exclusive is "a long-term residential relocation by one or more social units across community boundaries as a result of a perceived decrease in the benefits of remaining residentially stable and/or a perceived increase in the benefits of relocating to prospective destinations. Movement across community boundaries as a result of decreased gains for being immobile rationalizes this study as economic gains, cash and non-cash remain some of the reasons for north-south migration.



IOM further explains that, migration encompasses any kind of movement of people, whatever its length, composition and causes. In addition, they define a *migrant* as an individual who has resided in a far-off country for more than one year irrespective of the causes, voluntary or involuntary, and the means, regular or irregular, used to migrate. Nabila (1986) identified four types of internal migration; rural-rural, rural-urban, urban-urban and urban-rural. Kees (2012) further indicated that there are three principal forms of migratory flows in Ghana; from North to middle belt (mostly rural-rural migrants); to national capital Accra (mostly urban-urban migrants) and Cocoa frontier settlement (to South-west) who are mostly farmer migrants, which fall in the category of urban-rural migration.

However, some experts have classified migration based on the duration of stay. Addo (1975) cited in Nabila (1986) and EACC (2011), in terms of duration of stay of migrants, classified migration into short-term (seasonal), medium-term (only for a few years away from home) and long-term permanent movement involving extended periods of absence away from home. EACC however added a fourth type of migration; tide migration traditionally referred to as 'ayobga' in the Dagbani language. This type of migration (tide migration) is usually dominated by women who travel short distances for material resources (harvesting of groundnuts, maize, sheanuts and millet) to assist the family go through an adversity. Foresight (2011) classified migration based on conditions under which people choose to stay or move. When people are forced to move they are called displaced persons but when they move on their own will they are migrants. On the other hand, when persons choose to stay then they are immobile but when they are unable to leave then they are trapped. World Bank (WB) (2011) added that conflict contributes in forcing people out from the north of Ghana. Circular migration applies to shorter-term migrants, such as



seasonal farm-workers who travel for short periods to seek for greener pasture in earning jobs in the urban areas or abroad order than their own community of stay.

## **2.2 Theories of migration**

Migration theories can be classified into two based on era, Pre-modern and modern migration theories. The pre-modern migration theories deal with emergence of Homo sapiens and their subsequent spread over Africa, Europe, Asia and Americas (Foresight, 2011). While the modern migration theories deal with Industrialization and the rise of nationalism/imperialism (Asamoah, 2001). Many theories have been developed to explain migrations which have resulted in basic perspectives in migration studies. Some of these theories are reviewed below.

### **2.2.1 Todaro's theory of migration**

Todaro (1971) posited that Africa experiences an urban growth rate of between 7 to 10 percent which is fueled by population increase (about 3%) and rather massive migrants arriving from surrounding communities. He indicated that numerous factors, both economic and non-economic, underlie the decision of peasant farmers and educated youths to seek the 'better life' in the rapidly growing urban centres. Todaro (1971) further explained that most of the development theories are based largely on the historical experience of Western industrialized nations, emphasize the transformation of an economy from a rural agrarian base to one with industrial, urban-oriented focus. This process is made possible by the gradual but continuous absorption of 'redundant' or 'surplus' rural labour into the growing industrial economy.





The basic behavioural assumption of the model is that each potential migrant decides whether or not to move to the city on the basis of an implicit, 'expected' income maximization objective. Two principal economic factors involved are large disparities between urban-rural real wage for different categories of skill workers and secondly the degree of probability that a migrant will be successful in securing an urban job. It is the combination and interaction of these two variables, which determine the rate and magnitude of rural-urban migration in tropical Africa (Todaro, 1971).

The migration decision-making process in Africa is largely a household rather than an individual concern (Adepoju, 1995) and is evidently more complex than such behavioral models assume. Adepoju further added that the model has been preoccupied with the problem of urban unemployment. The fact however, is that a substantially proportion of migrant in Africa are self-employed workers and usually move in to the informal urban sector where entry barriers are minimal. Even in the case of wage aspirants their wage expectation reflect their experience and knowledge about the working conditions in the towns may be limited, they are more readily prepared to take up low-paid jobs, thus ensuring their quick absorption into the labour market. Also the model by emphasizing the wage differential between urban and rural areas and impact of increase in urban wages on migration and unemployment has not improved our understanding of the courses of non-mobility among a large proportion of the rural population.

In case of Northern Ghana, as a result of colonial policy of the neglect of the north and concentration of business and industries and economic activities in the south, people migrate from the north to seek for economic opportunities in the south of the country. This is further



compounded by the fact that the economy of the north is largely agrarian which is beset with drought and flood resulting in weak livelihood sources for the indigenes. As a result of weak economic opportunities in some ecological zones, migration for work has become popular in the 21<sup>st</sup> century in which individuals from areas of perceived low economic avenues travel to areas of perceived opportunities and this increases the income level of the migrant for survival.

### **2.2.2 The survival strategy approach**

The survival strategy approach states that the reproduction of labour from the rural area is essential for the survival of urban capitalism (Stark, 1984). Stark expands this view and argues that rural families use rural-urban migration as a wealth maximization (or risk alleviating) strategy through remittances from migrants. Adepaju (1995) extends this perspective and distinguishes between survival and mobility strategies. According to him families within the survival strategy are those groups subject to living conditions that barely allow them to survive while those in the mobility strategies have already solved the survival strategy problem and are now looking for ways to improve the lot of their members as a whole or at least some of its members (Adepaju, 1995). This implies that a family decision-making process depends on its economic status, which in turn determines the type of migration strategy that would be adopted.

However, this perspective fails to comment on the socio-demographic background of family members who migrate, and more importantly, on the possibilities of obtaining jobs in urban areas. Circular migrants adopts these short bouts of migration of duration ranging from three to four months to raise money to support livelihood sources of their family at the destination communities. In some instances students embark on such journeys to raise money to support in financing their education at the secondary school level. At other times such movements are



meant to raise money to support with farming activities or to buy livestock to serve as savings which the family can depend on during emergency.

### **2.2.3 The household strategy approach**

The household strategy approach closely related to the survival strategy was proposed by Chant (1998). In this perspective, the household is considered the social arena where family members meet to make decisions concerning their well-being. Migration arises because the household needs an additional activity to satisfy livelihood requirements, and the household decides who can leave and who has to stay behind. The approach can be a useful tool for analyzing women's position in the household as well as their ability and power to act. The household strategy approach also tries to 'face' several of the problems of the previous models, taking into account reproduction and production, socio-cultural influences and power relations within households.

Furthermore, the approach tries to incorporate both macro and micro level perspectives, and in that way facilitates comparisons between different locations (Synoove, 1999). However, the approach has not escape criticism such as the difficulties in defining a household and make general statements about it. Unlike associational migration in which a woman who moves to join the husband can be viewed in the context of household decision, in autonomous migration it is possible that some women for one reason or the other may move without the knowledge or the concern of household members. Moreover, it does not also explain household strategy for migrants who after some time return to the household.



### 2.3 Remittances

Remittances are resource flows into households that do not require a quid pro quo in economic value (Addison, 2005 cited in Quartey, 2006). Remittances both in-flows and out-flows are usually not to be repaid (GSS, 1995; GSS, 2008; Sorenso, 2012). Remittances have become central in the debates on the benefits of skilled professional migrating from developing economies, are defined generally as the portion of a migrants earnings sent from the migrants' destination to the place of origin (CMS, 2010; Sorenso, 2012). Refugees, legal and illegal migrants are involved in remittance transfers and these migrant worker remittances probably constitute the largest part of total global remittance flows (IOM, 2013).

However, in Ghana only 36 percent of migrants send remittances (GSS, 2010). In a similar study by Tutu (1995) cited in International Food Policy Research Institute (IFPRI) 2010 indicated that, only one in four internal migrants transfers money back to the household, and these transfers are generally low. This low "remittance success" ratio suggests that most households probably overestimate the likelihood that a migrant will remit and the potential gain to household welfare from migration (Ackah & Medvedev, 2010). However, other studies established that, as high as about 70% of migrants remit (Addae, 2011).

Remittances have been classified in various ways by different authors. Based on reviewed literature, the researcher classified remittances into four categories; spatial, form, sender and beneficiary. The explanations of these categories of remittances are explained in the subsequent paragraphs base on the type of migration. It is however observed that the different types of migration are not mutually exclusive.



Based on space there are two types of remittances. Intra-national remittances are transferred by persons who migrate within their countries of origin (including internally displaced persons), whereas international remittances are transferred by migrants who cross international border (Sørensen, 2012). Similarly based on form, remittances give rise to three types; cash, non-cash and social ideas. Non-cash items include food items, medicines, vehicles and equipment. Social remittances are usually defined as the ideas, practices, identities and social capital that flow between receiving and sending country communities (Levitt, 1998).

Likewise based on sender, remittances may be grouped as either individual or collective remittance (Hall, 2007; Sørensen, 2012). Individual remittances are sent by individual migrants and collective remittances are sent by migrant associations to their communities of origin. Also based on beneficiary institution(s), remittance is classified into four; individual, family, community and entrepreneurial (Hall, 2007; Sørensen, 2012). Individual transfers or remittances are sent to persons known to the migrant for the recipient's usage. Family transfers are meant for basic household needs of their kin back home. Collective remittances meant for community social infrastructure projects. Entrepreneurial remittances are targeted at profitable investment opportunities that also contribute to local economic development.



The different types of remittances contribute to different aspects of development (Hall, 2007; Sørensen, 2012). Goldring cited in Sørensen (2012) specifically indicated that family remittances build on intimate social ties, are *private* transfers, and tend to be used on recurrent livelihood costs and to substitute for/improve access to public services such as health, education and social

security. While collective remittances are generally donations for community projects. Entrepreneurial remittances have the clearest productive investment potential. Traditionally, a bulk of migrant's remittances support migrants' families and to a lesser extent community needs (Hall, 2007). A major question faced by those advocating greater use of remittances for business purposes is how to mobilize resources on an economically viable scale. One proposal would have migrants pool their resources to make productive investments in a "grassroots venture capital" approach (Hall, 2007).

#### **2.4 Channels of domestic remittances**

There are two principal channels for remitting; formal (banks, post office/money gram, mobile money) and informal channels (friends, relatives, drivers, traders) (Kubo, 2015). In some jurisdictions formal and informal channels are classified as legal and illegal channels respectively (ILO, 2014). The formal channels are further broken down into two. The first is the formal financial institutions including banks and credits unions and the second is non-bank money transfer firms (MTFs) (Kubo, 2015). According to Kubo ( 2015) transaction costs, accessibility of the payment points in recipient areas and attributes of migrant workers such as legal status, educational attainment and financial literacy influence the type of channel used for remittances.

Kosse & Vermeulen (2014) using a sample of 1,680 to investigate the determinants in migrants' choice of payment channel when transferring money to relatives abroad in the Netherlands identified five remittance channels: bank services, money transfer operator (MTO) services, in-cash transfers via informal intermediaries, ATM cash withdrawals abroad and carrying cash



when travelling back home. The study also concluded that migrants who regularly use internet banking for other purposes are more likely to use bank services for remittances as well. However, the authors also demonstrated that other important drivers exist in determining the choice of payment channels, such as personal characteristics and country-specific factors, (perceived) costs, ease of use and the availability of remittance options.

Globally a large percentage of remittances travel through informal channels and this figure is higher for developing and least developed countries (ILO, 2014). According to GSS (2008) study, over 50 percent of these remittances are received directly from the senders whilst about 40 percent of the transfers are received through someone. Less than five percent is received through the banking system. Contrary to earlier studies by Crowder (1968) in Ghana, indicated that Post Office/postal money order was the dominant means of transfer of money by migrants. Remittances are also channeled through family relation, friend, self or driver, trusted trader, GCB Xpress Money Transfer (CMS, 2010, ILO, 2014). However, in the twenty-first century, revolution in technology, communication and transport has opened new avenues for remittance transfer (CMS, 2010).



McGovern (2011) of Africa Renewal Magazine reports that many people have mobile phones as compared to bank accounts. According to the author sending remittances through mobile money is cheap, efficient and safe compared to the traditional channels of remittance such as transport companies or acquaintances travelling to the source communities. Such transfer of money moves instantly to address emergency issues as far as receiving household can access a payment vendor. In addition, it has created huge jobs for inhabitants. However, mobile money agents largely have

small amounts of cash on hand and provide cash-in and cash-out of mobile money only and are not so trusted (IFAD, et. al., 2016) by rural folks which include circular migrants with no formal education.

DFID and European Community's Poverty Reduction Effectiveness Programme (EC-PREP) in a 2005 commissioned study; informal remittance systems in Africa, Caribbean and Pacific (ACP) countries, and executed by Centre on Migration, Policy and Society (COMPAS) discovered and reported in the Ghana Country Study paper that, Ghana's financial infrastructure does not extend very effectively into rural areas of Ghana which may encourage informal means of remitting outside the main cities.

As a result of increasing use of MTFs, these firms are enhancing their skills in remittances as they also have limited regulations in sending or receiving areas. Similarly, MTFs have a growing base of commission agents at both sending and recipient points. Inadequate data and frail information on remittances makes it difficult to calculate the economics of cost associated with formal and informal channels for migrant workers' remittances. Siegel and Lucke (2009) indicated that the transaction costs of remittances for migrants are cheaper in informal channels than in formal channels for remittances. It may account for proliferation of Hundi and Hawala in Asian countries (El-Qorchi, et al., 2003).

The growth of mobile money is expanding at rapid rates in some African countries. In Kenya Safaricom and Vodafone glowed the path in 2007 with the launch of M-Pesa (M for "mobile" and pesa meaning "money" in KiSwahili). M-Pesa started as a national mobile money service operating in Kenya and it has international transfer services for migrants. By 2010, four mobile





phone operators had signed up more than 15.4 million subscribers which represent more than half of Kenya's adult population to their mobile money transfer services. Similarly, in Ghana mobile money transactions are growing and expanding to every turn of the country. There are currently attempts to use mobile money to serve as part of a larger approach to build up the bank's client base. Consequently banks are forming partnerships with multiple telecommunications companies to provide mobile money services (McGovern, 2011). The increasing availability of mobile phones and mobile money vendors is making it attractive to many migrants who want to remit.

Similarly, in Bangladesh, it is established that remittance transmission by means of mobile phone has become popular at a fast pace (ILO, 2014). In the same vein, in Ghana, the telecommunications giant, MTN, has also begun operating money transfer services for its customers (CMS, 2010; ILO, 2014). However, the coverage of mobile banking network for sending remittance in Bangladesh is still very limited in terms of the number of exchange points. This situation is similar in Ghana particularly in Northern Region, where settlement pattern is sparse.



Demirguc-Kunt et al. (2011) established in a study on municipality-level data of the migrant worker population in Mexico that migrants remit through banking system. In the same study the researcher discovered that remittances lead to growth in the banking sector and also provided a space for banking services to be provided to the large majority of unbanked recipients or senders of remittances.

Another channel of remittance is postal money order but this has become dormant channel because of evolvement of new channels which are quicker and faster (Frierich, Jens, & Zeitschel, 2007). The National Postal Office is the incumbent organization or entity managing the distribution of services with a network of post offices and providing postal services pursuant to applicable postal law. Postal financial services or postal banking is a range of basic financial services accessible at post offices of which the distribution is organized by the NPO. While a postal money order is a service and messaging system provided, operated and owned by the NPO whereby the sender pays the amount remitted plus a commission at the post office and upon notification the recipient picks up the money at a post office (IFAD, The World Bank, Universal Postal Union, World Savings and Retail Banking Institute & United Nations Capital Development Fund, 2016). In Ghana the NPO is not evolving much with changes in communication and technology and so it is losing out on its market share on remittances.

NPOs in Africa today provide more financial services than mails and so its market share in remittances has grown to 20 per cent. In markets where post offices are active in remittances, it makes the market more competitive, increase transparency and contributes to lowering costs and decreasing pick-up time. Other merits of post office include trustworthiness, convenience, financial education, informal atmosphere and adequate available cash. These merits make post office relatively attractive to rural folk, development agencies and financial regulators. Consequently, sending remittances via African post offices is currently 6.36 per cent, lower than the current global average of 7.4 per cent, and far below the average for Africa, which still stands at 9.58 per cent (IFAD, The World Bank, Universal Postal Union, World Savings and Retail Banking Institute & United Nations Capital Development Fund, 2016). Additionally remittances



through post offices fit into SDGs target for 2030 to reduce the transaction costs of migrant remittances to less than 3 per cent and eliminate remittance corridors with costs higher than 5 per cent (IFAD et. al., 2016).

As a result of the operations of mobile agents many people have gotten jobs. For only MTN in partnership with about 16 banks and have recruited about 60,000 agents across Ghana and offering mobile money services to about 5.6 million subscribers (Daily Guide, 2017). MTN mobile money is leading telephony agent in mobile money transactions in Ghana. This used by many Ghanaians thereby leading to the opening of many service shops across the length and breadth of the country.

### **2.5 Challenges Associated with the Channels of Remittances**

Beside availability and accessibility, the cost involved in effecting the transfer of money is also key to the flow of domestic remittances as high cost adversely affects the willingness of people and the value of these transfers. Among drivers and transport companies who handle domestic remittances, a percentage of the amount to be transferred, usually 10 percent is charged. These costs may be high for migrants, especially those from poor households (CMS, 2010). On the contrary Sørensen (2012) indicates that intra-national remittance transfer fees are generally lower due to the absence of foreign exchange fees and related financial regulations.

However, the distance between sending and place of destination still pose a challenge in the transfer of remittance (CMS, 2010). Each of these channels has its own fee depending on the amount and value of remittance, but these concepts are expected to fall with increased competition among the agents involved in this business (CMS, 2010). Besides in the case of the



three northern regions which involve several transports before one gets to destination it is often difficult to remit through drivers.

Broadly speaking the formal channels tend to be associated with lengthy collection and account processes, time consuming, poor coverage of receiving points and technology (internet) failure. However, it tended to be reliable. Also, the informal channels also have some challenges which include; loss of cash/goods, loss of revenue to the state and delay in payment. Informal channels tended to attract no cost and in some cases has very fast transaction (Hugo, 2013).

There is an inverse relationship between remittances and the cost of transaction (Gibson et al. 2006; Yang, 2011). This suggests that when the transactional cost is low, more migrants are motivated to remit to source communities and probably more frequently. Similarly, Karafolas and Sariannidis (2009) noted in the study of branch network expansion of the Italian and Greek banks in Albania concluded that increase in network branches led to an increase in bank remittances of Albanian migrant workers from these countries. The ease and convenience of remittance transaction as well as transaction cost has an influence the choice of channel for remittance.



There is poor penetration of registered and formal financial institutions in rural areas particularly rural north of Ghana. Amuedo-Dorantes & Pozo (2005) in their study of Mexican migrants noted that as a result of poor penetration of registered and formal financial institutions, circular migrants resort to alternatives like Money Transfer Firms (MTFs) as a channel of remittance. This is partly responsible for explosion in the use of mobile money in Ghana including rural

north. Despite the growth in mobile money it has not been able to address the non-availability of financial services in the rural north because of the sparse nature of the region.

In addition, the characteristics of the migrants have influence on the choice of channel of remittance which comes with its attendant challenges. Amuedo-Dorantes and Pozo (2005) and Siegel and Lucke (2009) find that migrants of irregular legal status do not use formal remittance channels for fear of exposure and possible deportation. Kosse and Vermeulen (2014) show migrants with higher educational attainment tend to avoid informal channels for the case of migrants in the Netherlands suggesting that migrants with no formal education sub-scribes to informal channels (self-remitting, drivers, traders, friends and relations).

Another associated challenge of the channels for remittances is the speed of delivery of remittances which differs greatly based on several factors including location of the sender and the recipient, type of MTF used, demographic characteristics of recipient including recipient readiness. Largely the MTFs offer instantaneous disbursement services as the flow of funds with attendant information on remittance are concurrent. When the originating point agent transfers the remittance it is committed to beneficiary account simultaneously. However, with wire transfer by banks and post offices, the flow of funds and the flow of information are not concurrent and so it takes longer for recipients to receive payments. In addition it also involves a lot of paper work (Kubo, 2015). Although this is the situation in Ghana, there are many instances where the network is bad and so messages do not go fast and so messages are not sent to show the transaction is completed or otherwise.



In an IOM (2016) study in Ghana, it noted that it was the poor who suffered the brunt of the high tariffs adopted by Money Transfer Operators (MTOs). When one remits less money the fee is higher while higher amounts attracted less transactional cost. This means that the higher the amount transferred, the lower will be the fee paid by the remitter. In other words poorer migrants, who send small amounts of remittances at a time as a result, pay much for the services of the MTO as higher fraction of transactional charges. For instance, withdrawing an amount of 50GHC and below attracts a flat rate of 0.50 pesewas.

Since the launch of MTN mobile money in Uganda in March, 2009 and its subsequent participation in remitting of money under the Social Assistance Grant for Empowerment programme (SAGE) reported some challenges associated with mobile money. Among other challenges associated with mobile money include high levels of illiteracy among SAGE beneficiaries and poor infrastructure which limits MTN operations more so in rural areas of Uganda (Okello, 2015). Despite these challenges the study reported that the technology is believed to be the most viable option for achieving inclusive and financial growth for the poor and women.

In a study by Ernest and Young (2009) reported that users of mobile money have fears about the security of the money, the recent emergence of fraud associated with it, lack of harmonization in financial regulations (lack of interoperability between all parties offering services) and user experience (ease of use & reliability). As a result of high levels of illiteracy among circular migrants many of them do not have ease in the use of formal channels of remittances including mobile money. In Ghana, there are recent cases of fraud associated with mobile money



operations for both vendors and users (Daily Guide, 2017) alike. Fraud and other related challenges create some fear in illiterate circular migrants in the adoption of these channels as means for remitting to their communities of origin.

Formal channels (banks, post offices, mobile money) of remittances are inaccessible in many parts of the country and migrants are unfamiliar with its use. Furthermore, banks and to some extent post offices are concentrated in cities (Mohapatra & Ratha, 2012). Similarly, post companies are beset with operational rigidities in handling cash, inadequate training, and outdated information technology systems (Clotteau & Anson, 2010). Lack of connectivity to these post offices to national clearing and settlement systems hampers their efficiency. Finally these post companies are regulated by the postal regulator for international money orders and by the financial regulator for account-based services thereby making it unattractive to illiterate circular migrant or persons with low level of education. Despite these challenges disseminating information about remittance channels and the costs of sending money to destination communities would increase transparency and competition in the remittance industry, thus encouraging lower prices and new entrants while fostering the increased use of formal channels (IFAD, The World Bank, Universal Postal Union, World Savings and Retail Banking Institute & United Nations Capital Development Fund, 2016).

As a result of mobile money transfer, circular migrants are saved the time and cost of self-remitting, sending by bus or transport company. This has also increased the frequency with which circular migrants remit money and also senders to send smaller amounts of money. Circular migrants also save in the form of electronic cash on their phones to attend daily issues



including emergencies. Mobile money is used for domestic transfers and it holds a promising chance to overtake the financial market by storm (Daily Guide, 2017). Post offices also differ from mobile money agents who only have small amounts of cash on hand and provide cash-in and cash-out of mobile money only. (IFAD, The World Bank, Universal Postal Union, World Savings and Retail Banking Institute & United Nations Capital Development Fund, 2016).

According to the banking survey of Ghana for year 2016 conducted by PricewaterhouseCoopers (PWC). The survey identified the following as some challenges facing mobile money transactions in Ghana. The first is network instability. The second is mobile money fee as it is considered by some users as high. Third, the transaction limits imposed by the regulator. Fourth, there is the lack of transparency in sharing of returns accruing on the floats of mobile money operations. And finally low liquidity of agents in meeting some transactions (PWC, 2016).

Although there is rapid expansion in money transfer services by mobile phone companies it is associated with some difficulties. Some include inadequate liquidity by vendors, mistrust and unfamiliarity, technical obstacles, varied national regulations and insufficient monitoring mechanisms. In distant rural areas vendors don't have adequate cash on hand to pay out to people receiving remittances. The largely rural inhabitants are not used to banks and MTOs as a result have some mistrust with these systems. Another common challenge associated with mobile money is when they are beset with technical challenges including disruption in network connectivity. Similarly with international remittances, it is beset with many and unclear regulations from both sending and receiving areas. The mobile money business is also beset with





theft from some scrupulous individuals, who develop criminal approaches for siphoning money in peoples accounts (McGovern, 2011).

According to WorldRemit (2012) indicated that remitting through the traditional formal channels (bank, money transfers and post office) is time consuming and also involves huge fees. Revolutions in technology and communication are transforming the way money transfer is conducted. WorldRemit indicated that in the past migrants used to remit money home via agent locations including withdrawing cash from a bank, taking time off to visit an agent and queuing up to hand over cash. This also had huge cost implications. WorldRemit operates in Ghana and with their services remitters can transfer funds from the comfort of their location at any time at much lower fees. The cost of remitting across borders to Ghana is 7% of amount remitted and that the cost of remittances accounts for about 0.8% of the country's GDP (UKaid, 2011). However the cost of remittance within the country is not well documented.

## **2.6 Remittances by gender**

The UNDP and UN (2005) study cited in Guazman, Morrison, & Sjöblom (2007) indicated that women form an increasing part of the migratory movements and are almost half of today's global migrant population are females and there are indications that the characteristics of female migrant is changing. This means more women are migrating for employment reasons instead of following their male relatives (associational migration). Despite the significance attached to remittances and evidence of increasing number of female migrants' analysis of the gender dynamics of remittances by sex remains weak to show how men and women contribute to the remittance business.



Amoako & Apusigah (2013) using conceptual analysis as a framework involving concept and content analysis, existing literature and statistical data sought to establish the gender dimensions of migration and remittances. These authors established that although men still lead in the migration business, women are becoming a significant part of the crowd and that independent women's migration is on the rise while the women and men who emigrate do so for similar reasons. Their analyses also indicated that female migrants are vulnerable to various forms of discrimination such as human trafficking, sex harassment and unfair treatment and so recommended reforms to tackle women's vulnerability during migration and to engender this emerging area of socio-economic interest of women.

Guazman, Morrison, & Sjöblom (2007) in a study in Ghana established that female-headed households receiving remittances (both internal and international) seem to have different expenditure patterns than their male counterparts. This is likely to have some relationships with amount and frequency of remittances sent. Overall, the results of this exercise are evidence that the sex of the remitter can matter for budget allocations.



In general gender has a relationship with frequency and amount sent by a migrant. Similarly, gender has influence on who migrates, when, where, why and how as well as how the money is used (IOM, 2004). Further more, migrants' remitting behaviour is influenced among other factors by gender, age, education, marital status, and position in the family, as well as opportunities in the destination country (IOM, 2010). Nonetheless data on migration studies often leave data not disaggregated by sex and also by other factors (Orozco et al., 2006).

At the global level, female migrants send approximately the same amount of remittances as male migrants (IOM, 2010). However, research suggests that women tend to send a higher proportion of their income, even though they generally earn less than men. They also usually send money more regularly and for longer periods of time (IOM, 2007). By sending smaller sums more often, women tend to spend more on transfer fees. In general, men mostly remit to their wives, while female migrants often send remittances to the person taking care of her children (UN-INSTRAW, 2007), to ensure that the money is spent for the benefit of the children and the household. Female migrants also tend to assume greater responsibility for money transfers to extended family members (Orozco et al., 2006). In male-controlled societies, when women marry, they frequently cease to send money to their own family, sending it instead to their husband's family (Piper, 2005).

The motivation to remit varies with personal circumstances of migrant. For instance women who have some responsibility towards sustaining a family remit more than women who migrate autonomously (UN-INSTRAW, 2005). It is also reported by Curran and Saguy (2001) that traditional culture of a people also have some influence on pattern of remittance. For instance traditional gender roles may influence females especially single women to remit the largest part of their earnings to support their (extended) families back home. Consequently, this might put pressure and their feeling of responsibility towards their families, women migrants may accept very difficult living and working conditions.



Although labour migration is facilitated in highly skilled sectors of work, it is still restricted for low skilled employment and this has differential impact for males and females. This regulation in low-skilled employment has awful consequences for women in particular (IOM, 2007). According to UNDP (2009) twenty (20) countries still restrict the migration of women leading to some women borrowing considerable sums of money in order to pay for the services of smugglers. As a result, these women are forced to spend their earnings on repaying debts instead of spending remittances on their family needs (UN-INSTRAW, 2005).

Female labour migrants are frequently confined to low-skilled jobs in domestic and care work, hotel and catering services, the entertainment and sex industry, agriculture and assembly lines (OSCE, 2009). Many skilled or highly skilled women also face downgrading in job placement and remuneration in the country of destination. These sectors are quite regularly characterized by poor working conditions which influence women's ability to remit and the amount of money they are able to send. Many migrant women working in low-skilled sectors face particular barriers to accessing formal remittance channels because of the conditions under which they work.



Ullah (2012), in a study on exposure to remittance by males and females (one hundred and one respondents - remitters and receivers) in four countries in Asia indicated that females in Bangladesh ( $P < 0.004$ ) are significantly less exposed to remittances than those of the Philippines, Sri Lanka and Thailand. Females constitute half of the total migration flow in today's world yet they are exposed to lower remittances as compared to males. The author established that although females remit a higher proportion of their income than men, they

enjoy less 'exposure to remittance' than men. According to the author the level of exposure depends on a respective country's social and cultural milieu.

## **2.7 Value and Frequency of remittances**

More remittances flow from the towns to the villages as returning migrants bring cash and goods. Remittances to households in Ghana total about 60 billion Ghana Cedis per year; two-thirds of this amount comes from other households in Ghana, and one-third comes from overseas (GSS, 2010). Income from remittances form between 5 – 11% of total household income (GSS, 2010; Ackah & Medvedev, 2010). If remittance forms a small percentage of migrant household income, then it suggest that remittances are used to meet the basic needs of the household.

GSS (2010), established that within the period of 12 months preceding the survey, cash in-flows from individuals to households ranged from small amounts up to 160 Ghana Cedis, with a median value of the order of about 15 Ghana Cedis. IFPRI (2010) in a study in Northern Ghana concluded that remittances sent back to the household by an internal migrant were about 100 Ghana Cedis on average during year 2008. Remittances from urban households were higher than those from rural households with the exception of the rural savannah, receipts appear to be significantly higher than expenditures on remittances across all localities (GSS, 2010). This is consistent with earlier literature which indicate nothern migrants do not do well as their southern counterparts (World Bank, 2010; Al-Hassan et.al., 2009)

Addae (2011) in a study of estimating remittances in the informal labour market in Ashanti Region of Ghana using a sample size 313 established that, the majority of head porters (locally



referred to as kayayoo) migrants are found to retain close links with family ties back home with 72% remitting some amount of money in the 12 months preceding the survey date. Sørensen (2012) also established that despite female migrants' lower incomes; it is generally assumed that women by and large send back home a greater share of their earnings in remittances than men and also tend to be better savers. Gender and the position of the migrant within the family are important factors influencing the amount, pattern, function, use and beneficiaries of remittances (Sørensen, 2012).

Similarly, according to Building Resources Across Communities (2013), the amount or value remitted is influenced by several factors with migrants remitting 56 – 72% of earned income. This was confirmed in other studies by Addae (2011) and De Haas (2007). Migrants earn increased returns to their labour but there are huge differentials in wages both within and among countries. Although two-thirds of our total remittances are internal (GSS, 2010) they do not pay-off as international remittances (Sørensen, 2012) and even within countries wage differentials can be huge (Sørensen, 2012).

Regarding the frequency of remittances, it is observed that 57 percent of all remittances received were made on a regular basis (11% weekly, 18% monthly, 12% quarterly, and 16 % annually), while 41 percent were made on an irregular basis (GSS, 2010). GSS (2008) indicated that about a third of the remittances are received on monthly and regular basis. In a similar study by Legon's Centre for Migration Studies (2010) in his study in Ghana concluded that the frequency of remittances varies inversely with distance. Thus in the two major regions where towns are found, the Greater Accra and Ashanti, almost two-thirds and over half respectively of the



remittances are received by rural households at least monthly, but the fraction drops to less than one-third in Volta and one-sixth in the North.

IOM (2016) in a household survey conducted in partnership with the Ghana Statistical Services (GSS) in six selected districts of the Ashanti and Brong Ahafo Regions in Ghana, which covered one thousand two hundred (1,200) households established that 26 per cent had received remittances during the 12-month period of the study from four main countries (United States of America, the United Kingdom, Italy and Germany). It was established that the total amount of cash received in the 12-month period was 1,361,678 Ghanaian Cedi (GHS) (approximately USD 300,000), with an average of GHS 4,663 (approximately USD 1,069) per household. Similarly the monetary value of goods received during the same period was GHS 1,042,463 (approximately USD 220,000). Considering that the average annual income in Ghana is approximately USD 1,208, this means a lot for households that receive such remittances.

The financial cultures of male and female circular migrants are different because of the different impediments faced by labour migrants which invariably influence their remittance behaviour. According to the IOM study female migrants work in 'elementary occupations' usually flexible working hours which permits them to do household and care-taking responsibilities limiting their opportunities to get more settled jobs and probably relatively better paying. The study established that although working hours and days are almost equal, female migrants earn less with about USD 1,116 a year, while male migrants make USD 1,656. The study further established that both sexes report higher expenditure in the city than in the countryside, but male migrants spend more than female migrants (IOM, 2010). Similarly in the same study it was



established that both males and females save, on average, more than half their income, but female migrants are more likely to reduce food expenditure and feel less comfortable spending time relaxing.

As a result of the poor paying jobs circular migrants are involved particularly for female migrants; they have lesser time for accessing information. The responsibility to support the family at the destination financially has implicit stress on migrant. The stress on the migrant varies with the socio-demographic characteristics of the migrants. Married migrants experience more pressure than unmarried migrants. Similarly, the pressure also rises with perceived poverty levels, and female migrants always suffer from more pressure than male migrants. Female migrants who perceive their household as poor are twice as likely to experience serious stress as their male counterparts and so have influence in the manner in which they remit (IOM, 2010).

Circular migrants are largely recruited in poor paying jobs and particularly for female migrants. As a result these circular have little time for accessing information. The responsibility to support the family at the destination financially has implicit stress on migrants. The stress on the migrant varies with the socio-demographic characteristics of the migrants. Married migrants experience more pressure than unmarried migrants. Similarly the pressure also rises with perceived poverty levels, and female migrants always suffer from more pressure than male migrants. Female migrants who perceive their household as poor are twice as likely to experience serious stress as their male counterparts and so have influence in the manner in which they remit. The study established that separated or widowed female migrants experience the highest stress levels. Also, female and male migrants remit on average nine and seven times respectively per year. Income





levels at the source and destination communities have influence on the frequency of remittance. The study finally established that the year on year average amount remitted continues to rise which amounted in to USD 613 for year 2009 (IOM, 2010).

## **2.8 Utilization of remittance**

Quarthey and Blankson (2008) in using first round of GLSS reports (1 - 4), established that remittances improve household welfare in Ghana and help lessen effects of economic shocks on household welfare, however, they did not distinguish between local and foreign remittances. It is further observed that remittances from migrant relatives reduce economic shocks by supplementing farm produce and other economic activities at home (CMS, 2010; Addae, 2011; Quarthey, 2006).

In a study in Bangladesh, nine main reasons were established for the utilization of remittance; supplement survival income, consumption smoothing, education, housing, health, debt servicing, social spending and consumer goods (Hugo, 2013). The availability of remittances within a household among other factors was established as a key asset for upward mobility listed in wealth ranking exercises in northern Ghana (World Bank, 2011). Ghosh (2003), in study of 60 return migrants indicated that remittance provides for better house, better access to food, health and education of children and enables faster escape out of poverty. Two thirds of migrant remittances are used for consumption while one third is used for investment purposes (Addison, 2004; Deshingkar & Bird, 2009; Hugo, 2013; Statistics and Informatics Division (SID), Ministry of Planning of Bangladesh, 2013). Econometric efforts at establishing a relationship between migration and household welfare generally found that migration tends to increase the



welfare of sending households (Ackah et.al, 2010; Hall, 2007). Although it is uncommon for some investments in agriculture, major expenditures at the household level also hinder investment in productive sectors (Hugo, 2013).

Mansuri (2006) provides empirical evidence of increased schooling attendance, retention, and accumulated years of schooling, and decreased child labor among migrant households in rural Pakistan. Yang (2008) provides evidence that remittances increase educational expenditures and student statuses and reduce child labour efforts. Valerie & Abusaleh (2009), find a positive correlation between remittances received from internal migrants and the schooling attendance of teens in India. The magnitude of the correlation is greater when focusing on low-caste households, and male schooling attendance in particular becomes more positive and statistically significant.

Migration and remittances generate investments in housing, consumer durables, and land holdings. It also shifts production to more capital-intensive crops and increase time spent in capital-intensive enterprises. Migration and remittances reduce household vulnerability to shocks through off-market access to employment. Migration can also reduce poverty (de Brauw and Giles 2008 cited in Valerie & Abusaleh, 2009).

The Cardio-Thoracic Centre at the Korle Bu Teaching Hospital in Accra by a return migrant and a Germany-based Ghanaian heart surgeon. This Centre has become a centre of excellence in the West African sub-region and beyond (CMS, 2010). Other positive results of the emigration of



health professionals have included donations of medical equipment and drugs to health institutions in Ghana by foreign-based health professions (CMS, 2010).

Financial remittances can be invested in agricultural inputs, which will benefit agricultural practices. Farmers may also invest in areas outside agriculture, for example, by purchasing building materials for houses, or paying for education. In a study of 100 households in Bangladesh, the researcher established that the utilization of remittances has a relationship with socio-demographic characteristics of the recipient (Saddiqui & Abrar, 2003).

Caldwell (1968) indicated a marked difference in the use of remittances between north and south of Ghana. The author indicated that while 2 percent of the remitted money is earmarked specifically for education in the north, compared to 10 – 12 percent in the south. According to the author differentials in these areas is a reflection of the attitudes of the recipients towards education of the societies in general and a commentary on the general lack of school places in the north. Conversely, 18 percent of remittances of money up north is intended for helping to establish a farm, or set a woman up in trading.

Addison (2004) posits that migrants could create negative growth; however this would depend to a large extent on the type of migrant that left home, the state of labour markets and the productivity of the migrant. On the contrary Ackah and Medvedev (2010) migration-induced decline in household labour supply tended to be compensated by the extra effort put forth by the remaining household members such that 52 percent of households interviewed reported no loss in short-run household output and no expected decrease in the long-run output.



There are two main contrasting views, optimist and pessimist views on the development potential of migrant remittances. The optimistic analysts regard migrant remittances as a vast, unitary pool of wealth that is still untapped and that the application of the right policies and incentives, could unleash the potential of these funds to promote local economic development (Hall, 2007). The pessimistic school of thought argues that almost all cash transfers are used to satisfy basic family needs with surplus to boost investment in wider economic activities (Hall, 2007). There is some validity in both of these perspectives, and the true potential of harnessing remittances for development purposes probably lies somewhere along this “optimistic-pessimistic” continuum (Hall, 2007 and CMS, 2010).

In a study in Nigeria by Fonta, et. al. (2015), involving 697 end-users of remittances collected at money-operating facilities in the country between March 2011 and December 2012, the study discovered that the bulk of remittances flowing into Nigeria are primarily used to subsidize households’ consumption, education and health expenditures (74.3 per cent). In further disaggregating the data, the study noted that remittances originating from within Africa are driven by ‘pure altruism’, whereas those originating from the rest of the world are mostly driven by ‘purely selfish’ motives.



IOM (2016) in a household survey conducted in partnership with the Ghana Statistical Services (GSS) in six selected districts of the Ashanti and Brong Ahafo Regions in Ghana, covered 1,200 households established that 26 per cent had received remittances during the 12-month period of focus for the study. Furthermore, the survey showed that the primary use of the remittances

received was to buy basic necessities, such as food, clothing and household goods, with a lower priority given to investments or savings.

## **2.9 Chapter Summary**

In this chapter, the researcher reviewed literature on the migration theories and remittances. Culture of intra-national remittance and its utilization by families of circular migrants in the north, was seen as gap which was chosen as the study topic. International remittances contribute hugely to development of many economies as economic motive remains a major reason for migration.



## CHAPTER THREE

### RESEARCH METHODOLOGY AND DESIGN

#### 3.0 Introduction

This chapter discusses research methodology and design employed to achieve the objective of the thesis. The central objective of the thesis is to explore fiscal culture of circular migrants. The specific objectives include: (1) to investigate common remittances channels of circular migrants and the associated challenges; (2) to assess gender differences in circular migrants' remittances; (3) to assess the value and nature remittances and (4) to assess utilization of remittances of circular migrants by the receiving household in the Northern Region. To achieve these objectives survey design approach was used. This chapter therefore outlines key design strategies used in the study.

#### 3.1 Study Design

Quantitative approach renders itself to the use of post-positivist or positivist approach. Post-positivism seeks for empirical observation and measurement as well as theory verification. Quantitative research is regarded as a science related to numbers and implying precision (Berg, 1998) and therefore can be analyzed with computer programmes. These variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures (Creswell, 2009).

According to American Educational Research Association (AERA) (1998) quantitative approaches require that sampling of both individuals and situations be conducted in order to maximize the generalizability of the findings to the widest possible populations. Quantitative



research focuses on predetermined variables and many cases (Creswell, 2009). Strategies of inquiry under quantitative approach include; experiments, quasi-experiments and survey.

However, Kumar (1999) argues that strategies of enquiry could generally be classified into survey and experimental research. In this study, survey approach was employed. The reason for using such an approach was to allow for a wide coverage of research respondents and variables. Although survey enables researchers to reach out to many research respondents, it does not yield detailed and thick description of research participants' view point on the subject matter. Consequently open-ended questions were created to elicit responses which supported the narrative aspect of the study.

With the quantitative studies the researcher used a cross-sectional survey. In cross-sectional studies, you decide what you want to find out, identify the study population, select a sample, and contact your respondents to find out the required information (Kumar, 1999). Cross-sectional survey is useful in painting an overall picture as it stands. In order to gain an understanding of the fiscal culture among circular migrants' and their respective families back home, the researcher administered questionnaire to returned circular migrants. A circular migrant is someone who undertakes repeat migration and has at least three short bouts of migration and currently back home.

In the study, a survey method was used to gather data. For example, all the research questions were investigated quantitatively and obtained numeric data to inform the culture of intra-national remittances and its utilization by families of circular migrants. The data collection instrument



(questionnaire) was made up of closed ended and open ended questions and administered to circular migrants. Data from the questionnaire were then analyzed using descriptive statistics – means, standard deviation and frequencies.

### **3.2 Description of Study area**

This section presents an analysis of the demographic, social, and economic characteristics of the 26 districts of the region with emphasis on the four study districts. Northern Region shares borders with Upper East and Upper West Regions to the North of the country and Volta, Brong Ahafo and Western regions to the south of Ghana. It shares borders with Cote D'Ivoire to the West and Togo to the East. It has an area of 70,384 square kilometers and is the largest region in Ghana. The land is mostly low lying except the areas of Gambaga escarpment and western corridor of the region. The region is drained by the Black and White Volta Rivers and their tributaries like Nasia and Daka (GSS, 2010).

According to the 2010 PHC, the population of the Northern Region is 2,479,461 with more females (1,249,574) than males (1,229,887) and representing 10.1 percent of the total population of Ghana, the fourth largest region in terms of population. The population of the region increased by 36.1 percent between the years 2000 and 2010 with inter-censal growth rate of 2.9 percent for the period. Tamale Metropolis had the largest share (15.0%) of the population of the region. Each of the other districts accounts for less than 10.0 percent of the total population of the region. The region has less than one-third of its population living in urban areas. Tamale Metropolis is the most urbanized district with 73.8 percent of its population living in the urban areas. The population density of the region increased from 26 persons per square kilometer in





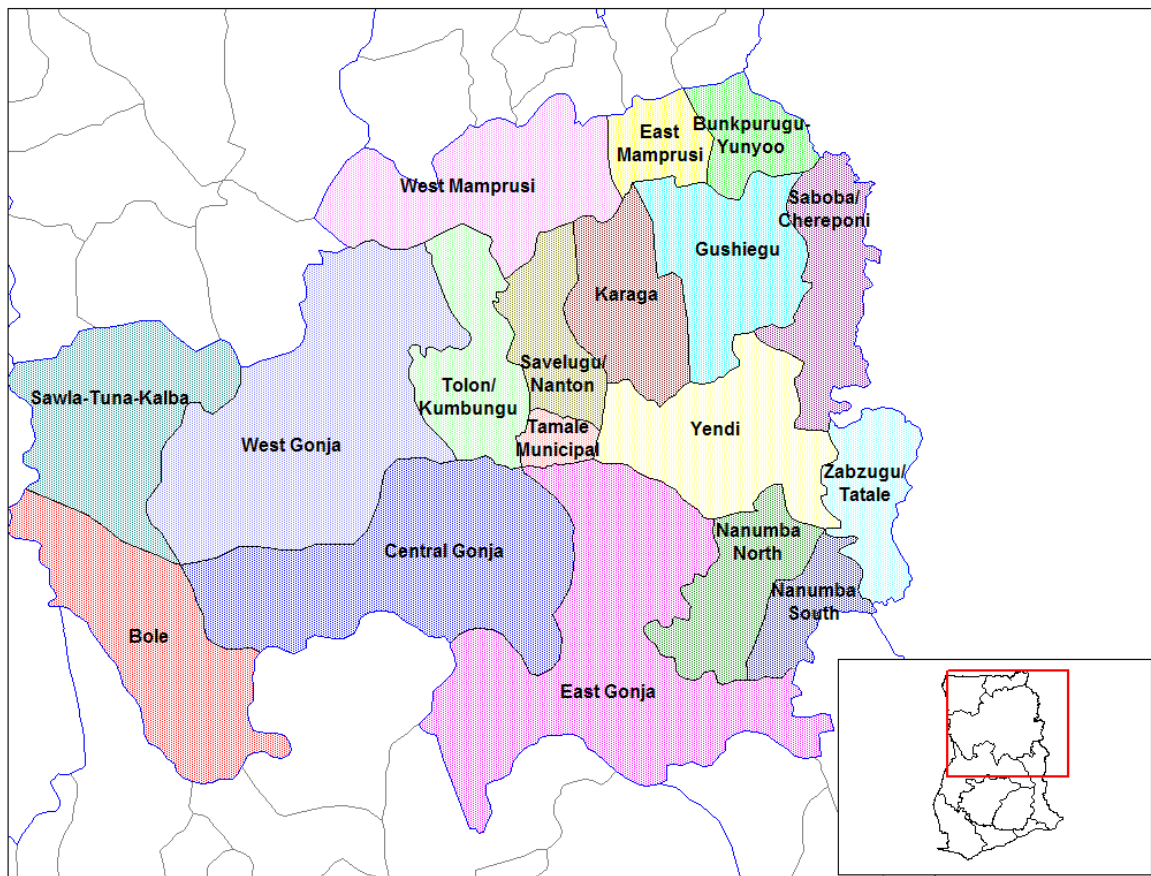
2000 to 35 persons per square kilometer in 2010. The region generally depicts a youthful population with 44.9 percent of the population aged below 15 years. The median age for the region is 18 years. The dependency ratio for the Northern region is 96.8 (GSS, 2010).

Headship of households in the region is predominantly by males. The average household size of the Northern Region is 7.7 persons which is higher than the national average of 4.4. Literacy rate is (37.5%) in the region with variations for females than for males in all districts. In all districts except Tamale Metropolis, more than half of females aged 6 years and older have never been to school. The highest level of education attained for most of the population in all the districts is primary education. As usual, the difference between the male and female proportions increases with higher levels of educational attainment (GSS, 2010).

Tamale Metropolis has the highest proportion (14.3%) of the economically active population in the Northern region. The proportion of the economically active population unemployed is higher in the Tamale Metropolis followed by Chereponi (4.0%) and Nanumba North (3.7%). In 2010, about 74.0 percent of the employed were engaged in skilled agriculture, forestry and fishery whereas those engaged in craft and related works form 8.1 percent. Agriculture, forestry and fishery are the major occupations in all the districts except Tamale Metropolis. The next largest industries of the employed are wholesale, retail and repair of motor vehicles and motorcycles (9.2%). However, the largest industry of the employed in the Tamale Metropolis is wholesale, retail and repairs of motor vehicles and motorcycles employing 30.4 percent of the working population. About 9.3 percent of the employed in the Bole district are engaged in mining and quarrying compared to 1.0 percent each in Sawla-Tuna-Kalba, West Gonja, and Tamale



Metropolis. The proportion of the economically active population in vulnerable employment (contributing family worker and self-employed without employees) is 87.1 percent. Apart from Tamale Metropolis (22.1%), Bole (10.9%), and West Gonja (6.9%), all the districts have the proportion of the economically active population who are employees to be less than the regional average of 6.4 percent (GSS, 2010).



**Figure 3 1: Map of Northern Region**

### **3.3 Development of instrument**

The key instrument that was used to gather data from the field was a questionnaire. The instrument covered five key areas; socio-demographic background of respondents, channels of remittances with its associated challenges, value and nature of remittances and finally utilization

of remittances. In constructing the instrument, maximum care was paid to clarity to ensure every survey question is the one that will be interpreted in precisely the same way by every respondent (Kumar, 1999).

The instrument consisted of four sections: A, B, C and D. Section A was made up of six questions about circular migrants' biographical data. Among questions asked included gender, and marital status of the circular migrants, district and community they came from, their ages and level of education. Section B, talked about channels of remittances and the associated challenges. For example, circular migrants were asked to indicate their level of agreement and disagreement to statement using Likert-type Scale, where 1 meant strongly agree and 5 meant strongly disagree. Section C required circular migrants to indicate their agreement or disagreement to statement about the nature and value of their remittances. Likert Scale type was also used. The final questions were housed in section D, which required circular migrants to respond to statement on circular migrants' utilization of the remittances.

The questions and statements in the survey questionnaire were composed of both close-ended questions and statement aimed at soliciting adequate data for the research questions. The researcher ensured that all close-ended questions contained the possible responses. Also with the monetary values of items and cash remitted, ranges of amount as possible options for selection were provided for respondents to reduce fatigue associated with racking their brains to get the specific amount(s).



Some of the questions were open-ended to allow for in-depth data gathering. On this aspect of this particular question or topic, the questionnaire was used as a guide during interviews. Returned circular migrants had the free will to start with any other research questions or topics in the interview guide. They were not forced to follow the order in which questions or topics were arranged in the guide. Returned circular migrants who swayed the trajectory were not forced to follow it rigidly. They were, however, made to attend to all topics before the end of the interview. The questionnaire was particularly useful and provided the flexibility and space to elicit relevant information. A sample of the full questionnaire is in Appendix 1.

### **3.4 Validity and Reliability of the Instrument**

Various tests of validity and reliability were performed to enhance the quality, dependability and usability of the instruments before they were used for gathering.

#### **3.4.1 Validity of the Instrument**

##### **a. Pilot Study**

The validity and reliability of the instruments were assessed using a pilot study to pre-test the questionnaires and the interview guide. According to Berg (1998) the first step in pre-test of instruments is critically vetting by other technical experts and researchers. This facilitates the identification of poorly worded, or questions revealing the researchers' own biases, personal values or blind spots. The second step involves several practices of interviews to assess how effectively the interview will work and whether the type of information being sought will be obtained. Chadwick et al. (1984) cited in Berg (1998) suggested five questions for considerations; has the researcher included all of the questions necessary to test the research hypothesis; do the questions elicit the types of response that were anticipated; is the language of



the research instrument meaningful to the respondents; are there other problems with the questions, such as double meaning or multiple issues embedded in a single question and finally, does the interview guide, as developed, help to motivate respondents to participate in the study.

The pilot study helped to test the research process in terms of respondents' reaction to the questionnaires, time for the administration of the questionnaire as well as its understanding by the respondents (AERA, 1988). A careful pretest of the research instrument, although time consuming in itself, it usually saves enormous time and cost in the long run (Berg, 1998). The pilot survey was further used to test the various components of the research; time, questionnaire, field procedures and relevance of quality of responses thereby serving as 'dress rehearsal' for the real thing (AERA, 1988). As part of this stage, all the actors (researcher, two research assistants) were tasked to note exactly what went on, the time needed to run through each act, what worked, what did not work and why. The data from the pilot survey was analyzed. This resulted in adjustments of the survey, instructions, instrument, field procedures and budget. After a thorough review of the items, the supervisors recommended the deletion and addition of some items. Few comments and inputs were made into the structure of the instruments to engender and sustain participants' interest to give responses. The instruments were then piloted in Vitting.



### **b. Face Validity**

Although there are many forms of validity including face, content, construct and ecological, face validity was used first adopted as it is the basic and appropriate for this study. Face validity is the logical link between the questions and the objectives of the study (Kumar, 1999). This type of validity was addressed by utilizing experts' knowledge. The experts in this case included

supervisors, colleagues, experienced researchers and the circular migrants themselves. Two groups of experts' committee were formed to scrutinize the questionnaire to find out whether the questionnaire was logically linked with the research objectives. The committee included my supervisor, three educated circular migrants and one university lecturer experienced in research on migration. Result of the committee suggested that some questions in the questionnaire were recommended to be removed while others were suggested to be included. The same procedure applied to some wordings of the questions and jargons were recommended to be reworded or replaced before using it for data collection, thereby enhancing the validity of the instrument.

### **c. Content Validity**

Another key validity issue addressed in the study was content validity. Content validity, according to Kumar (1999), has to do with research instrument including items or questions being able to cover the full range of questions being measured as well as balanced coverage of issues under study by the questions. Thus, the content validity concerns itself with what the instrument contains and seeks to address its relevance to the subject under. Thus each aspect of the issue under study should have its sub-themes adequately covered by questions or items. This was addressed with the support from the six experts with knowledge. The expert committee, which was formed to address the content validity issue, included my supervisor, three educated circular migrants and one university lecturer experienced in research on migration. The experts were tasked to carefully study the items in the instrument for recommendation to be included in the final instrument. The committee was specifically required to study the research instrument as against the five main areas of the research; socio-demographic background of respondents, channels of remittances with its associated challenges, value and nature of remittances and



utilization of remittances. Results of the experts included that some items be included while others be removed from the instrument to increase its content validity.

#### **d. Construct Validity**

Similar to face and content validity, the construct validity was also addressed using the expert's knowledge. According to Kumar (1999), construct validity aimed at "ascertaining the contribution of each construct to the total variance observed in the phenomenon" (p.139). Therefore, the expert ensured that the research instrument had a full coverage of the objectives and research question to ascertain its contributions to the variance of the issue under study.

#### **3.4.2 Reliability of instruments**

After the pilot test and validity were assessed, reliability test was also performed to ensure the constructs in the instrument were consistent and dependable. Reliability is the degree to which a measure of constructs in an instrument is consistent and dependable. Although there are many types of reliability tests including, inter-observer or rater reliability test, split-half and equivalency approaches, test-retest reliability test was used to ensure that the instrument could stand the test of time. Test-rest reliability test was preferred to other reliability test because of its relative importance in terms of application over others. The test-retest reliability method allows that constructs in an instrument are used to be compared with themselves, avoiding the sort of problems that could arise with the use of other instrument.

#### **e. Test/Re-test Reliability Test**

The reliability of the instrument was tested using test-retest reliability procedure. Test-retest reliability is a measure of consistency between two measurements (tests) of the same construct



administered to the same sample at two different points in time. In the case of this study, questionnaire (instrument) was administered to fifteen (15) returned circular migrants in Datoyili 1<sup>st</sup> February 2015 and another fifteen (15) questionnaires were administered to the same respondents on the 1<sup>st</sup> of March, 2015. Results of the two studies were pretty similar if not the same. Since the results of the two observations did not differ substantially, then the instrument was considered reliable.

### **3.5 Population and Sampling Design**

In every piece of research work, it is imperative to locate the population and the appropriate sampling design used to select the sample population. In this section, population of the study, the sampling design and, inclusion and exclusion criteria are discussed.

#### **3.5.1 Study Population**

The population of every research work is the entire group of people, things or objects being studied by the researcher. In this study, the population of the study is the circular returned migrants living in the Northern Region of Ghana. As it was not possible to study the entire population of circular returned migrants in the northern region, a sample of the population was selected for the study. This required a sampling frame. Although it was difficult to obtain sampling frame of the circular returned migrants at the time the research was conducted, Ghana Population and Housing Census (2010) showed that there were 433,121 migrants living in the northern region. The appropriate sample size by Calderon and Gonzales' (2010) sample size determination formula:  $n = \frac{N}{1+N(e)^2}$  obtained 400. Where 'N' is population size, 'n' is sample size and 'e' is margin of error. Due to limited resources in terms of time and money and other





practical challenges, however, 160 sample size was selected. A consolation was taken from the rule of central limit theorem which states that any sample size greater or equal to 30 is enough for any statistical analysis. This argument is also supported by Hyndman and Kostenko (2007) when they said that any sample equal to or above hundred is robust for any statistical analysis (Hyndman & Kostenko, 2007). For these reasons, one hundred and sixty (n=160) sample size was used for the study.

### **3.5.2 Sampling design**

Although it is uncommon to use purposive sampling technique in quantitative study, in this study, however, both probability and non-probability sampling approaches were used. One or a combination of any of the two major sampling designs is often times used in research. In this study, however, purposive and simple random sampling approaches were used. They were used because region, districts and communities with high incidence of out-migration were selected purposively, whereas simple random sampling technique was used to select the circular returned migrants for direct interactions and interviewing.

The study adopted a non-probability sampling technique at various stages of sampling. The selection of the regions as well as the 4 districts for the study was purposefully sampled based on the out-migration figures from the 2010 PHC. This was done by selecting the region with the highest incidence of out-migration in Northern Ghana. The majority of the out-migrants movement is observed in the Northern region with 433,121 migrants representing (43%). This is followed by Upper East with 328,990 representing (32%) and Upper West with 252,841 migrants representing (25%). Northern region consequently became the selected study area.



Subsequently, the districts within Northern region with high incidence of out-migration were selected.

The use of these techniques, in this sense, was appropriate so it allows selection of respondents to be scientific and also for purposes of statistical generalization. In applying the mixed sampling techniques (purposive, cluster and simple random sampling technique), the following steps were considered:

- i. First, districts with high incidence of out-migration in the Northern Region were selected. For example, Bole district recorded the highest rate of migration with 30.5%. Central Gonja district was next with 21.0%. This was followed by Savelugu/Nanton district and Tamale Metropolis with 19.4% and 19.0%, respectively. Therefore, Bole district, Central Gonja district, Savelugu/Nanton district and Tamale Metropolis were identified as the study districts (Ghana Statistical Service, 2010).
- ii. Secondly, after the districts with high incidence out-migration were selected, communities were also selected. The selection of communities at the district level was based on communities with perceived higher rate of out-migration from the knowledge and experiences of the gatekeepers (the planners, staff of departments of community development and social welfare) at that level.
- iii. The communities were classified into two categories; perceived higher rate of out-migration and perceived lower rate of out-migration for each of the four districts. Subsequently, all the communities that fell in the category of higher rate of out-migration



were randomly selected, of which two communities were selected in each district. Therefore, eight communities in all were selected for the study from the four districts.

- iv. At the community level all households with returned migrants were listed with the help of women leaders, unit committee members, opinion leaders, the assembly person(s) and community gatekeeper(s). These households were numbered and the required number of households randomly selected with the simple random method for the interview.
- v. Another stage was the selection of the interviewee from the randomly selected households. The selection of the returned circular migrants (interviewee) per household was done randomly. All members of the household who met the criteria for inclusion were numbered and randomly selected with the lottery method. The randomly selected person served as the respondent representing the household.

It is important to emphasize that one hundred and thirty respondents were recruited by the application of sampling technique. It was fast and useful for reaching out to returned circular migrants in villages. Similarly, following the implementation of the sampling procedures, the study communities that were selected for the studies are indicated in Table 3.1 below. It can be noted two communities were selected from each district putting the total number of study communities to eight.



**Table 3.1: Selected Study Districts and Communities**

<b>District</b>	<b>Communities</b>
Bole district	Chorobang and Bole
Central Gonja	Fufulso and Mankpan
Savelugu/Nanton	Nanton and Diare
Tamale Metropolis	Vitting and Datoyili

**Source: author's own construct**

### 3.5.3 Criteria for selection of household and returned circular migrants

To ensure that the target respondents are the ones interviewed, inclusion exclusion criteria were developed for guiding the selection of household and respondents. Among the inclusion exclusion criteria included the following:

#### 1. Inclusion criteria:

- a) The person should have migrated on a repeat basis for more than three times. The assumption is that such persons and households will have deeper understanding and knowledge of intra-circular migration,
- b) The household and returned migrant(s) willingness to share his or her or their experiences of circular migration,
- c) Willing to spend valuable time (e.g. 45 minutes to 1 hour) with the researcher on the subject matter, and
- d) Any participating household should have received at least three remittances and must have a relative as a return or current migrant.
- e) The researcher also ensured gender equality because migration is undertaken by both men and women and also the population of the country and the region under the study is almost one is to one in terms of gender or sex.

#### 2. Exclusion criteria:

- f) All returned circular migrants who were or under the age of eighteen years (18 years old) were excluded from the study in spite of their deep knowledge of the subject matter,
- g) All returned circular migrant who were unwilling to participate in the study were not forced or coerced in any way to participate in the study.



- h) A participant in the study should not be a returned circular migrant for over twelve months (12 month) because some of them might find it difficult to remember some of pertinent issues on intra-circular migration

### **3.6 Data sources and data collection procedures**

This section discusses the sources and procedures involved in the collection of secondary and primary data.

#### **3.6.1 Secondary data sources**

The secondary sources of data collection involved the use of theoretical and empirical literature reviews. Data were gathered from theoretical literature review, which involved the review of established theories on migration. Specifically, Todaro's theory of migration, which states that there are two distinct reasons for migration were utilized in the study. One reason is the income differentials between the source of migration and the destination (migration place). The second reason is the there is high probability that migrants will get a job(s) at the destination place. This theory provided a framework through which the thesis was built. Similarly, survival theory on migration, which builds on the Todaro's theory of migration, was also reviewed.

Other empirical literature from peer reviewed articles such as Hall (2007), IMO (2002, 2005 and 2010), ILO (2014), IFPRI (2010) and COMPAS (2005) were reviewed and formed the foundation of the thesis. Although one key disadvantage of relying on secondary data sources were their high tendency of being misunderstood and misinterpreted due to ecological and



contextual difference, such sources always exist and researchers have the opportunity of revisiting them when and wherever the need arises.

### **3.7.2 Primary data sources**

The primary sources of data for the thesis were obtained directly from the returned circular migrants in the Northern Region through quantitative data collection methods as discussed in earlier section of this chapter. Before the primary data sources were utilized, procedures such as training of research assistants, obtaining access to the field (communities of the returned circular migrants), gatekeepers and ethical issues were addressed and presented in the subsequent sections.

#### **3.7.2.1 Training of research assistants**

In order to research out to all the 160 returned circular migrants and to facilitate the carrying out of the research activities, two research assistants were recruited and trained. The training concentrated on the content of the research questionnaires, reading out questions for respondents who could not read and write and recording of responses, and the general conduct of a researcher during data collection. After training each of the research assistants, they were given five questionnaires each to pre-test and issues that came up were finally discussed in plenary as feedback to all research assistants. Field procedures were designed by the researcher to ensure the survey was effective. The field procedures included the recruitment, training, deployment and supervision of interviewers, distribution of survey instruments, administering and collection of completed questionnaires (AERA, 1998). The rational was to ensure that the research assistants understood the issues under consideration in the study and provided appropriate guide



for the conduct of the study. Besides, trained research assistants were guided to demonstrate a lot of qualities in behavior and action that was expected to enhance the quality of work.

### **3.7.2.2 Access to the field and data**

Access to communities of the returned circular migrants was obtained from assembly person and chiefs of the communities. At the district assembly and community level, the researcher worked with the District Planning Officers, Department of Community Development, Department of Social Welfare, Assembly Persons/Unit Committees and Traditional Authorities to gain entry into the communities. These people served as gatekeepers to the returned circular migrants. This paved the way for the researcher to carry out the study in those communities by having direct access to the returned circular migrants in their communities. Though access to the communities provided several opportunities for easy entry into the community and subsequent data gathering, the researcher had to renegotiate access with the individual returned circular migrants prior to administering of questionnaire.

### **3.7.2.3 Addressing the ethical issues**

Having had access to the communities and the returned circular migrants, the researcher addressed four main ethical considerations before data were collected. They include issues of debriefing, confidentiality, respecting rights of participants and consent of the returned circular migrants (Appendix 3).



**i. Debriefing**

Prior to the administration of questionnaires, all returned circular migrants in the study were debriefed. The researcher introduced himself as a student and that study was a compulsory part of the study aimed at obtaining a master of philosophy degree. The research assistants were also introduced and the purpose of the research was made clear to the participant. In particular, participants were informed that the study aimed at gathering data on channels of circular migrants' remittances, associated challenges with the channels of remittance and the utilization of remittances. In addition, it was made clear to participants that the study was not a donor funded project, but their contribution to the success of this project could yield positive benefits to the research community and help curbed the problem of North-South circular migration. Subsequently the researcher explained the duration of the exercise and stayed within the time limits. The general goal of the debriefing session was to clear the minds of the returned circular migrants of any doubts and negative thoughts that might be bothering them and could discourage them from participating in the study.

**ii. Confidentiality**

Similar to the debriefing session, returned circular migrants were also informed about the necessary measures put in place to guard against any traces that could lead to their identity. The participants were assured that their personal information will not be made known in the research results. Their names, house numbers/names and the communities they came from would be pseudonymized to ensure anonymity. Anonymity to the interviewees was also made possible because of the aggregation of data collected from individuals. Findings from individual returned circular migrants could be used in the thesis report as part of research evidence.





**iii. Respecting the rights of the participants**

In every piece of research work the rights of the participants must be respected. In respect of this, returned circular migrants were adequately informed about their rights as participants in the study. Respecting the rights of the participants in this context referred to the considerations made with regard to the returned circular migrants' health, psychological wellbeing and complications that were likely to arise in participating in the research study.

**iv. Consenting to participate in the study**

All returned circular migrants who participated in the interviews gave their consent in the form signing or thumb-printing a consent form (Appendix 3). In the consent form, the researcher essentially explained the central objective of the study. Next, it assured returned circular migrants that the study was not going to leave them with any psychological, emotional and physical harm to their wellbeing. In addition, the researcher explained to the interviewees their rights to willingly participate or otherwise. For instance, they had the right to withdraw at any point in the study without any legal consequences.

**3.7 Data collection methods**

In gathering data for this survey study, questionnaires were employed to gather data for the study. Questionnaire was utilized in the collection of data for the study. In doing so, a total of 160 questionnaires were administered to 160 returned circular migrants. The administrations of the questionnaire were done by the researcher and two researches assistant.



One main advantage of using survey questionnaire was that its usage as a data collection strategy made it easy to reach out to many returned circular migrants and provided uniform information, which assured the comparability of the data (Kumar, 1999). In addition, the structured interview required the investigator to ask pre-determined sets of questions, using the same wording and order of questions as specified in the interview schedule. It also provided opportunity for the researcher and the respondent to seek clarifications, thereby, minimizing chances for incomplete questionnaires.

### **3.8 Data management and analysis**

According to American Psychological Association (APA), 2000, one critical phase of demonstrating comprehensiveness of research methodology is the data management. In this section, how the data were managed and analyzed is presented. A total of 160 questionnaires were administered to the respondents. Following the completion of the questionnaire and it was sorted for further processing. The sorting allowed for issues of non-responses, errors in some items, incompleteness and wrongly filled items to be addressed. The aim of this scrutiny and screening were performed to identify and minimize errors, incompleteness, misclassification and gaps in the data obtained. Having thoroughly screened and scrutinized the administered questionnaires, they were then coded and computed in the Statistical Package for Social Scientists (SPSS) software for analysis. Data obtained from the study were analyzed using descriptive statistic with emphasis on frequency distribution tables, percentages, means, standard deviation and t-test.



### **3.9 Chapter summary**

This chapter discussed the research methodology and design used in the study. It delineated the various research traditions, approaches and the design strategies used in the study. In it, survey method was central to the study. Questionnaire with four main sections was also constructed for the study. The chapter then looked at the data collection and how the structured interview techniques were conducted and narrated in the study. The collected data were analyzed using descriptive statistic with emphasis on frequency distribution tables, percentages, means, standard deviation and t-test were employed to analyze the collected data.



## CHAPTER FOUR

### PRESENTATION AND DISCUSSION OF RESEARCH RESULT

#### 4.0 Introduction

In this chapter, findings of this survey method are presented and discussed employing the reviewed literature in chapter two of this study. The discussions are structured according to the objectives of the study. First, it starts with the demographic data of circular migrants, followed by research objective one (channels of remittances and its associated challenges). Section four presents and discusses data on objective two (gender differences in circular migrants' remittances). While section five, presents findings as well as discusses objective three (value and nature of remittances of circular migrants). Section five discusses objective six (utilization of remittances by receiving households). The chapter ends with a summary of the discussion.

#### 4.1 Demographic Data

This section provides details of respondents in terms of age, sex, marital status, educational background of respondents, destination of migrants, motivation for migration, duration of stay, average hours worked per day and number of days worked in a week.

##### 4.1.1 Age of respondents

Table 4.1 shows that the majority of the respondents, 45.0% (72), were aged 35-39, comprising of 43.8% (35) males and 46.3% (37) females. This was followed by 26.3% (42) respondents aged between 25 and 29, made up of 26.3% (21) males and females. Respondents between the age brackets of 20-24 years recorded 13.8% (22) representing the third highest. They consist of 6.3% (10) males and 7.5% (12) females. Whereas the age bracket 30-34 had 11.9% (19), made



up of 11 (13.8%) males and 8 (10.0%) females, the respondents in the age bracket 15-19 recorded 3.1% (5) and made up of 3.8% (3) males and 2.5% (2) females. It is, therefore, envisaged that circular migrants, between the ages of 20 - 29 and those 35 and above from the Northern Region of Ghana mostly travel to seek greener pastures in other districts and regions of Ghana. The age bracket 20 – 29 also marks the period of young persons life when they want to learn a trade, further their education or settle down to marry. It is therefore not surprising that many of these persons travel to make money to in order to realize their dreams. Also, those in this age bracket mostly travel to seek financial resources to marry and settle down. While those aged 35 and above primarily seek financial resources to support their family when they will probably had started a family and has responsibilities weighing on them.

**Table 4.1: Age of Respondents**

Age of respondents	Sex of respondent		Total
	Male	Female	
15-19	3 (3.8%)	2 (2.5%)	5 (3.1%)
20-24	10 (12.5%)	12 (15.0%)	22 (13.8%)
25-29	21 (26.3%)	21 (26.3%)	42 (26.3%)
30-34	11 (13.8%)	8 (10.0%)	19 (11.9%)
35-39	35 (43.8%)	37 (46.3%)	72 (45.0%)
Total	80 (100.0%)	80 (100.0%)	160 (100%)

Source: Field Survey, 2015

#### 4.1.2 Marital Status and Gender of Respondents

From Table 4.2 the majority of respondents, 83.1% (133) are married, comprising of 85.0% (68) males and 81.3% (65) females. While 14.4% (23) respondents composed of 7.5% (12) males and 6.9% (11) females were never married, only 1.3% (1) female respondent was separated and 3.8% (3) of the female respondents were widowed. The result confirms the hunch that persons who are



married and have family responsibilities but have no sustainable livelihood are more likely to travel to look for resources (food and money) to cater for their family at destination sources.

**Table 4. 2: Marital Status and Gender of Respondents**

Marital status	Sex of respondent		Total
	Male	Female	
Never married	12 (15.0%)	11 (13.8%)	23 (14.4%)
Married	68 (85.0%)	65 (81.3%)	133 (83.1%)
Separate	0	1 (1.3%)	1 (0.6%)
Widowed	0	3 (3.8%)	3 (1.9%)
Total	80 (100.0%)	80 (100.0%)	160 (100%)

Source: Field Survey, 2015

#### 4.1.3 Educational Background and Sex of Respondents

The **Error! Reference source not found.**3 below shows that 50.0% (80) of circular migrants have not received any form of formal education. Out of this, females lead with illiteracy record of 57.5% (46) while their male counterparts had 42.5% (34). Similarly, only 16.9% (27) respondents, circular migrants, had education up to the JHS level, comprising of 20.0% (16) males and 13.8% (11) females. Those who had education up to the primary level were 18.1% (29) of the total respondents, comprising of 15.0% (12) males and 21.3% (17) females indicated they had primary level education. At the SHS level however, more males 17.5% (14) received education than females 5.0% (4). Lastly, the post-secondary level recorded 3.8% (6) respondents comprising of 5.0% (4) males and 2.5% (2) females.

The study observed that educational disparity between males and females widens as one moves higher on the educational ladder. The 2010 PHC supports this finding as it ranks Northern Region to be the most illiterate region with 62.8% of its population unable to read and write in



any one language compared to the national average of 25.9%. The study concluded that illiteracy level is still pervasive in the Northern Region of Ghana particularly among females.

**Table 4.3: Educational Background and Sex of Respondents**

Level of education	Sex of respondent		Total
	Male	Female	
None	34 (42.5%)	46 (57.5%)	80 (50.0%)
Primary	12 (15.0%)	17 (21.3%)	29 (18.1%)
JHS	16 (20.0%)	11 (13.8%)	27 (16.9%)
SHS	14 (17.5%)	4 (5.0%)	18 (11.3%)
Post-Secondary	4 (5.0%)	2 (2.5%)	6 (3.8%)
Total	80 (100.0%)	80 (100.0%)	160 (100%)

Source: Field Survey, 2015

#### 4.1.4 Destination of circular internal migrants

The destination of the migrant is depicted in **Error! Reference source not found.**4. The majority of the respondents, 85.6% (137) travelled outside their region of residence. Specifically BDA had 70.0% (28), CGDA 87.5% (35), SNDA 100% (40) and TMA with 100% (40) respondents travelling to other regions. Also, 7.5% (12) respondents travelled to another community within the district with the breakdown as 27.5% (11) and 2.5% (1) for BDA and CGDA respectively. However, BDA and CGDA had 2.5% (1) and 10.0% (4) respondents respectively travelling to other districts within the region. SNDA and TMA had no respondents travelling to other districts within the region.



**Table 4.4: Migrants Destination by District**

Migrant's destination	District				Total
	BDA	CGDA	SNDA	TMA	
Community within the district	11 (27.5%)	1 (2.5%)	0	0	12 (7.5%)
District within the region	1 (2.5%)	4 (10.0%)	0	0	5 (3.1%)
Out of the region	28 (70.0%)	35 (87.5%)	40 (100%)	40 (100%)	143 (89.4%)
Total	40 (100%)	40 (100%)	40 (100%)	40 (100%)	160 (100%)

**Source: Field Survey, 2015**

It can be noted from the same table (Table 4.4) that, the bulk of migrants who travelled to another community within the same district come from the two districts in the Gonja land area, which has relatively good vegetation. It came out strongly most were involved in economic activities at Galamsy sites, fishing on the white and black Volta, trading and other white collar jobs at the bulk oil storage and transportation and also the picking of sheanut. Some of them also indicated they were worked with SAVACEM. It can be inferred that when economic opportunities exist in a locality, there would be low tendency for people to migrate outside. This finding is consistent with the profile data about the Gonja-land area (Central Gonja and Bole District) which has about 1 percent of its population employed in the mining sector (GSS, 2010). On the contrary, it is not the same weather conditions in the other two study districts. The vegetation of the two districts (TMA and SNDA) has relatively harsh weather conditions with limited economic opportunities. This may be responsible for more migrants moving out of the district and region in the TMA and SNDA. In the same vein, it may be reported that as a result of relatively stable weather conditions with moderate economic opportunities (mining) in CGDA and BDA it recorded some migrants traveling within the district and region respectively. In conclusion the study established that when the immediate environment of a potential migrant, s/he is less likely to migrate.





#### 4.1.5 Duration of Stay of Migrants

The duration of migrants' stay is depicted in Table 4.5 below. The majority of the migrants, 75.0% (120) travelled for a period of 6 months and more. It can be noted that more females relative to males travel for longer period with 85.0% (68) and 65.0% (52) respondents respectively. This duration coincides with the slack farming season of the north (duration of six months) where the majority of the people only have minimal economic activities. While 14.4% (23) respondents travel for a period 2 months or less including 18.8% (15) and 10.0% (8) for males and females respectively. Conversely, males tend to travel for shorter periods with 8.8% (7) male and 5.0% (4) female respondents travelling for a period greater than 2 months but less than 4 months. Others also travel for a period greater than 2 months but less than 4 months, and greater than 4 months but less than 6 months with 6.9% (11) and 3.8% (6) respondents respectively. All the respondents that traveled for a period greater than 4 months but less than 6 months were males. It can be observed that females stay for longer periods relative to males. This is attributable to sex disaggregated work that the two genders do. Women circular migrants are economically worse off relative to male migrants (Al-Hassan & Poulton, 2009). As a result female migrants do jobs that are not relatively much earning and so it takes time for them to accumulate money. On the contrary men did jobs that are seasonal and hazardous (World Bank, 2011) yet relatively earned more income, so men mostly work for short periods.

**Table 4. 5: Duration of migrants' stay**

Duration of migrant's travel	Sex of respondent		Total
	Male	Female	
Less than 2 months	15 (18.8%)	8 (10.0%)	23 (14.4%)
Greater than 2 months but less than 4 months	7 (8.8%)	4 (5.0%)	11 (6.9%)
Greater than 4 months but less than 6 months	6 (7.5%)	0	6 (3.8%)
Greater 6 months	52 (65.0%)	68 (85.0%)	120 (75.0%)
Total	80 (100.0%)	80 (100.0%)	160 (100%)

**Source: Field Survey, 2015**



#### 4.1.6 Motivation for Travelling

Motivation for travelling by migrants is depicted in Table 4.6 below. A total of 90.6% (145) of the respondents indicated they travelled purposely to work while 3.1% (5) respondents indicated their primary motive for travelling was to visit relations or friends yet when they have opportunity they worked. However 6.3% (10) travelled to work using network of friends and relations as platform to facilitate movement. All the respondents indicated they had jobs and they worked for income. Economic reasons underpin the migration from the north but as has been indicated it could be an instrument for poverty alleviation or it could worsen poverty situation of the actors depending on how it is managed (Foresight, 2011; World Bank, 2011). Overall, this finding sits well with Todaro's Theory of Migration (1971) and Survival Strategy Approach by Chant (1998). Income differentials motivates these migrants to move from the north of Ghana to the south of the country and as a result many of these circular migrants try to remit home using informal channels confirming they are largely in informal jobs and have low level of education. This further supports survival strategy approach particularly the extension made by Adepoku (1995) about mobility and survival strategies. It was observed student circular migrants migrated largely as a mobility strategy while other categories of migrants (head-porters, labour migrants, etc.) largely embark on migration for survival strategies. It also affirmed the household strategy approach (Chant, 1998) as unit for the decision making, because many of the migrants remitted to their family to increase resilience back home.

**Table 4.6: Motivation for Travelling**

Motivation for travelling	Frequency	Percent
To work	145	90.6
To visit relations or friends	5	3.1
To work & To visit relations or friends	10	6.3
Total	160	100

**Source: Field Survey, 2015**



#### 4.1.7 Time for Securing Job at Destination by Sex

The time for securing job at the place of destination is depicted in Table 4.7. It can be noted from the table that 83.1% (133), thus the majority, got job on arrival. This consists of 83.3% (67) male and 82.5% (66) female respondents. While 5.6% (9) comprising 2.5% (2) males and 8.8% (7) females respondents secured jobs within a period of 2 weeks but less than 4 weeks upon arrival. The remaining 11.3% (18) respondents, made up of 13.8% (11) male and 8.8% (7) female respondents' secured job for a period 4 weeks or more. The disparity in securing jobs between sex is minimal as 67 (41.9%) and 66 (41.3%) respondents for males and females respectively. Judging by this research finding one would think it does not support the contemporary held view that there are no jobs and also unemployment is growing higher. However, it must be clear that the jobs done by these circular migrants are menial and hazardous such as domestic work, washing of dishes at food joints, galamsey and kayaye. The nature of these jobs is not attractive to persons who have received training in higher institutions. The fact that the result of this study shows that the majority of circular migrants find jobs does not counteract the contemporary held view that there is growing unemployment among school leavers. However, it supports the principal reasons alluded to in Todaro's Theory of Migration, that there is a degree of probability that a migrant will be successful in finding a job. This assumption coupled with fact that there are large disparities between urban-rural real wages for different categories of jobs, determine the rate and magnitude of rural-urban migration in tropical Africa (Todaro, 1971). In addition, in case of North-South Migration in Ghana, the rate of movement is further determined by deteriorating environments, conflicts and insecurity. As a result of these push factors migrants are quick to accept any job at all that will keep them from returning to the condition that push them away in the first place.



**Table 4.7: Time for Securing Job at Destination by Sex**

Duration for securing job at destination	Sex of respondent		
	Male	Female	Total
Upon arrival	67 (83.3%)	66 (82.5%)	133(83.1%)
2 weeks but less than 4 weeks	2(2.5%)	7(8.8%)	9 (5.6%)
More than 4 weeks	11(13.8%)	7(8.8%)	18 (11.3%)
Total	80 (100%)	80 (100%)	160 (100%)

Source: Field Survey, 2015

#### 4.1.8 Average Working Hours of Circular Migrants by Sex

The average working hours of the respondents are indicated in Table 4.8. The majority of migrants, 71.3% (114) worked for more than 10 hours in a day. By sex, males worked for longer hours relative to females with 76.3% (61) for males and 66.3% (53) for females. This is remotely followed by 7.5% (12) respondents who worked for more than 8 hours but less than 10 hours with females, 10 (12.5%), working for longer hours than males, 2 (2.5%), at this level. However 34 (21.3%) respondents work for 8 hours or less in a day which has same number of respondents for males and females with 17 (21.3%) each.

**Table 4. 8: Average working Hours per Day by Sex**

Average working hours per day	Sex of respondent		
	Male	Female	Total
8 hours or less	17 (21.3%)	17 (21.3%)	34 (21.3%)
Greater than 8 hours but less than 10 hours	2 (2.5%)	10 (12.5%)	12 (7.5%)
10 hours or greater	61 (76.3%)	53 (66.3%)	114 (71.3%)
Total	80 (100.0%)	80 (100.0%)	160 (100%)

Source: Field Survey, 2015

The data further confirmed that circular migrants did menial jobs as reported earlier. This means circular migrants are exploited by people who offer them jobs as they worked more than 8 hours



as recommended by the Labour Act and ILO conventions. Also in the case of self-employed persons, because of the low earning capacity of what they do, they worked for more than the normal recommended 8 hours. The study established many of these circular migrants expend more hours and energy than what they receive as compensation. The study also confirmed Todaro's claim that many of the rural-urban migrants are involved in menial urban jobs in the informal sector. The study further established that many of these circular migrants work under conditions which are not in line with the labour laws of the country. To some extent the survival strategy approach as indicated by Adepoku (1995) could explain the rationale for their continuous stay in these menial jobs with worse conditions of work. Consequently, it took migrants a long time (averagely about two months ) to accumulate money to remit to the family back home.

As a result of the poor paying jobs the majority of circular migrants worked for longer hours. This leaves circular migrants with lesser time for accessing information (IOM, 2010). The thoughts of circular migrants' responsibility to support the family at the destination financially has implicit stress on migrant and females are twice as likely to experience serious stress as their male counterparts and so have influence in the manner in which they remit (IOM, 2010). The study established that the majority of migrants spent so much of their time working with virtually no time left to access information for other economic opportunities and this further feed into minimal economic opportunities at the destination place.



#### **4.1.9 Number of Days Worked per Week by Sex**

The number of days worked per week by migrants is depicted in Table 4.9 below. The majority of migrants worked for 6 days and closely followed by 7 days in a week. Out of a total of 160

migrants 46.9% (75) worked for 6 days comprising of 37 (46.3%) male and 38 (47.5%) females. While 43.1% (69) respondents worked for 7 days also comprising of 34 (42.5%) males and 35 (43.8%) females. According to the study, a minority of respondents, 3.1% (5) respondents constituting of 5.0% with 4 males and 1.3% with 1 female worked for less than 5 days. While 6.9% (11) constituting of 6.3% (5) males and 7.5% (6) females worked for 5 days.

It can be concluded that slightly more females work for more days than their male counterparts while slightly more males work for longer hours in a day than females. This can be explained by the fact that females by the nature of their work were involved in domestic activities and petty trading which are always engaging and so find little or no time to break away from work but allows them to do some household chores. However to compensate for the loss of time females tend to work for seven days in a week. The males by the nature of their work like truck pushing and driver mates afford them the opportunity to observe weekends after working for extremely longer hours per day.

**Table 4.9: Number of days worked per week by sex**

Number of days worked per week	Sex of respondent		Total
	Male	Female	
Less than 5 days	4 (5.0%)	1 (1.3%)	5 (3.1%)
5 days	5 (6.3%)	6 (7.5%)	11 (6.9%)
6 days	37 (46.3%)	38 (47.5%)	75 (46.9%)
7 days	34 (42.5%)	35 (43.8%)	69 (43.1%)
Total	80 (100.0%)	80 (100.0%)	160 (100%)

**Source: Field Survey, 2015**



## 4.2 Challenges of channels of remittances

In order to assess challenges associated with current channels of remittances, the study had to first assess the current channels of remittances and subsequently assessed the challenges associated with these channels of remittances. Therefore, the first part of this section looks at channels of remittances and while the second sub-section looks at the challenges associated with circular migrants' channels of remittances.

### 4.2.1 Channels of remittances used by circular migrants

The rationale for studying channels of remittance was to understand means by which circular migrants sent remittances (intra-national remittances) to their families in the Northern Region. This variable (Channels of remittance) was investigated using Likert-type scale where "1" represented "Strongly Agree", 2, 3, 4 and 5 represented Agree, Unsure, Disagree; Strongly Disagree respectively. The results are presented in Table 4.10.

The results in Table 4.10 show that item 2 (I remitted through friends and relatives) and 5 (I remitted using self-remitting) had means scores 1.84 (SD=0.64) and 1.15 (SD=0.63) respectively. Since "1" represents "Strongly Agree" on a 5-point Likert Scale, it means that circular migrants strongly agree that they sent their remittances to their families in the north through friends, relatives and by self-remitting. Again, Table 4.11 shows that item 4 (I remitted using Bank Transfers) had a mean scores of 4.06 (SD=0.93), suggesting that circular migrants strongly disagree with the statement in item 4 on a 5-point Likert Scale. Circular migrants were, however, unsure of item 1 (I remitted through Drivers) and 3 (I remitted through mobile money), which had mean scores of 3.37 (SD=0.66) and 3.34 (SD=1.11) respectively. Overall, this result



shows that circular migrants preferred sending their remittances to their families and relatives back home through friends and relatives, and/or self-remitting as compared to the formal means of transfer such as Bank Transfer and the informal means such as sending through drivers.

**Table 4. 10: Channels of remittance**

Item	N	Mini.	Maxi	Mean	STD
1 I remitted through Drivers	160	1	5	3.37	0.66
2 I remitted through friends and relatives	160	1	5	1.84	0.64
3 I remitted through mobile money	160	1	5	3.43	1.11
4 I remitted using Bank Transfers	160	1	5	4.06	0.93
5 I remitted using self-remitting	160	1	5	1.15	0.63
Valid N (list wise)	160				

**Source: Field Survey, 2015**

Additional data from the open ended questions from the study of the circular migrants' channel of remittances is presented in the next section to provide a detailed account of circular migrants' experiences of the formal and informal channels of remittances.

Similarly, two main classifications of channels of remittances emerged from the study of the circular migrants channels of remittances. They included formal and informal channels of remittances. The formal channels of circular migrant remittances included mobile money, bank transfers and postal money order at the post office. It also emerged that the informal channels through which circular migrants sent their remittances included friends and relations, traders, drivers (including driver mates) and self-remitting (circular migrant sending remittances by themselves). In this section, the informal channels of remittances are presented followed by the formal channel of remittances.





#### **4.2.1.1 Informal Channels of Circular Migrants' Remittances**

Four informal channels of remittances were discovered from the data, which are presented below.

##### **i. Friends and relatives as channel of remittance**

Data from interviews from all the four districts indicated that the preferred channels of remittance were friends and relatives, and self-remitting. According to circular migrants it was easy to remit through their friends and relatives since they come from the same community. Also, in a village setting, the relationship that exists among neighbours, friends and people from the same ethnic groups are so strong that they consider themselves as relatives when they find themselves outside their villages. This strong and cordial relationship serves as a security for circular migrants when sending remittances through friends, relatives and neighbours to their families back home. Circular migrants liked using friends and relatives as their preferred channel of remittance because to them it had no direct associated cost to both the sender and the recipient. According to them, they also saved time, using this channel of remittance. As a result circular migrants do not see why they should waste money and time to remit using the other channels.

The majority of circular migrants were not comfortable remitting using formal channels like bank transfers, mobile money and postal order. The reason may be because the majority of them are not functionally literate as the background data shows with over 50% level of illiteracy. It also emerged that the literacy factor aside, the unattractiveness of the formal channels is because the sender spends money at the point for remitting while the receiver has to travel over some distances to collect the money. This makes its usage cumbersome.



The availability and increase in number of kith and kin in the places of destination facilitates use of informal channels of transfer particularly friends and relatives. As a result there is regular flow of relations between home communities and destination places. Consequently it is easy to get a migrant bound for home who will convey the remittances. According to them, 'there is no need to worry yourself to look for a driver or trader who may not get to your hometown'. Or better still to use mobile money, postal order or bank transfer which is not also available in your community. It is easy and efficient to give it to ones friends and relatives, ('m-mabia' as they say in Dagbani) who will certainly deliver it to your family.

**ii. Drivers as a channel of remittance**

Another informal channel of remittance that emerged from the data was drivers. Informed interactions with circular migrants indicated they sparingly remitted through drivers. Some circular migrants revealed that they remitted through drivers only when they were sure that the transport passed through their village or hometown. Therefore, remitting through drivers varied from migrant to migrant depending on their hometown. They indicated they paid some fees for remitting through drivers.

**iii. Traders as a channel of remittance**

Traders also emerged as a major sub-theme of informal channel of remittances. From the data gathered, it became clear that circular migrants sparingly sent their remittances to their families back home through traders. Although others said that they sent remittances through traders only when they trusted that the traders did trading in their hometowns and villages.



**iv. Self-remitting as a channel of transfer**

Another preferred means of remittance that emerged from the data is self-remitting. Circular migrants' remitted money and non-cash items home by sending those items or money by themselves (self-remitting). According to them many reasons account for circular migrants' willingness to send their cash and non-cash remittances by themselves included, among other things, the following. First, self-remitting guaranteed safety of the items being sent as well as ensured confidentiality. Migrants were also assured that there will be timely arrival of remittances. From the study, it was revealed that student circular migrants and circular migrants who provided labour in the hinterland depended heavily on self-remitting. These two categories of migrants (student migrants and labour migrants –farmworkers) were migrants who kept all they got while working until they were returning back home.

**4.2.1.2 Formal channels of remittance**

There were only three formal channels of remittances used by the circular migrants: Bank, Post Office and mobile money transfers.

**v. Bank transfer as a channel of remittance**

Although the result of the study in Table 4.11 suggests that circular migrants disagreed sending remittance using Bank Transfers, the open ended questions revealed that some of them used bank transfers. This was particularly used by educated circular migrants. Among the respondents in this study for instance, only three circular migrants, one from Datoyili and two from Bole, who acknowledged using banks to transfer money to their families. It was observed that circular migrants who were paid through banks tended to remit through banks. Also it was noted both



senders and recipients tended to have some minimal level of education and both parties did not have challenges in sending and receiving respectively. Nonetheless as captured by the data this was not a most preferred channel of remittance.

**vi. Post office as a channel of remittance**

Also, the data indicated that circular migrants who had some level of education tended to remit on a monthly basis and used post office as a means for remitting. Here the strong issues that came up were that educated circular migrants tended to remit through the post office, when it was closer to where they work and same for the recipient. When they use the post office, the senders gave the code(s) to the recipients which they used to collect the money. Here again, the data indicated that there is strong connection between circular migrants educational background the mode of remitting money to their families.

**vii. Mobile money transfer as a channel of remittance**

Circular migrants reported that although they knew of mobile money as a mean of sending and receiving money, they did not use it much as they were skeptical about the use of mobile money for remitting. In addition, they emphasized that there must be a mobile money vender in either the recipients' community or another nearby community to facilitate accessibility, which was not the case for most of the migrants. However, they acknowledged the advantages associated with this channel for remitting cash items to family and relatives. First, they agreed that business can be transacted with mobile money with the utmost confidentiality. Secondly, they confirmed it is an avenue for migrants to save their money to prevent it from being stolen.



The first sub-section of objective one of this study was to find out the most common channels of remittances of circular migrants and assess the challenges associated with the most common channels of remittances. Results show that circular migrants preferred using friends, relatives and self-remitting to other channels of remittances. For example, item 2 (I remitted through friends and relatives) and 5 (I remitted using self-remitting) had means scores 1.84 (SD=0.64) and 1.15 (SD=0.63) respectively. This choice of these channels can also be explained by the findings of Kubo (2015).

This finding is consistent with the research of ILO, (2014); COMPAS, (2005) and GSS, (2008). According to ILO (2014), globally a large percentage of remittances travel through informal channels and this figure is higher for developing and least developed countries. COMPAS in a study on informal remittance systems in ACP countries, discovered and reported in the Ghana Country Study paper that, “financial infrastructure does not extend very effectively into rural areas of Ghana which may encourage informal means of remitting outside the main cities”. Similarly in a GSS (2008) study, they established that “over 50 percent of remittances are received directly from the senders whilst about 40 percent of the transfers are received through someone”. According to Siegel and Lucke (2009) circular migrants use informal channels because of its low transactional cost.

According to COMPAS (2005) the socio-demographics features of migrants coupled with prime reasons and schemes for migration have a strong effect on the channels adopted to send them. Some factors which have encouraged the use of informal channels include no cost of transfer, quick delivery of money and the largely illiterate migrants wanting to avoid paper work



in remitting including transactional difficulties. The bulk of intranational remittances are sent informally because of the inefficiency of formal transfer methods. Using informal channels for remittances denies the country of the potential contributions of remittances to social and economic development (Yang, 2011). Similarly GSS (2010), established that less than five percent of remittances is received through the banking system. Kubo (2015) which cites associated transaction costs, non-accessibility of the payment points in some recipient areas and attributes of migrant workers such as educational attainment and financial literacy influence the type of channel used for remittances, hence the choice of these channels (friends & relatives and self-remitting).

Contrary to earlier studies by Crowder (1968) in Ghana, which indicated that Post Office/postal order was the dominant means of transfer of money by migrants with others remitting through drivers and traders. The data from this research, reveals migrants sparingly remit through traders, drivers and postal order. Remitting through post office, drivers and traders have faded out because of the revolution in transportation and communication systems coupled with large increases in the number of circular migrants involved in circulatory movements. The manner in which postal money order is fading out could be explained by Kosse & Vermeulen (2014) using respondents of 1,680 to investigate the determinants in migrants' choice of payment channel when transferring money to relatives demonstrated that other important drivers exist in determining the choice of payment channels, such as personal characteristics and country-specific factors, (perceived) costs, ease of use and the availability of remittance options. According to IFAD et.al. (2016), in Africa and Ghana the NPO is not evolving much with changes in communication and technology and so it is losing out on its market share on



remittances and this could account for its poor appearance as a channel of remittance in this study.

In Bangladesh, it is established that remittance transmission by means of mobile phone has become popular at a fast pace (ILO, 2014). In the same vein, in Ghana, the telecommunications giant, MTN, has also begun operating money transfer services for its customers (CMS, 2010), of which all the other networks have joined in now but their outlets are not available in adequate numbers at the rural areas of the north. The unavailability of the outlets at the communities has not promoted the use of mobile money outside the regional and district capitals. From conversations with the returned circular migrants, mobile money holds promising opportunity to be largely used for cash remittances for the next decade. Another reason for non-use of mobile is the high illiteracy among senders and recipients of remittances (Kosse & Vermeulen, 2014; Kubo, 2015).

Informal channels for remittance (friends, relatives and self-remitting), for now, remain the dominant means for remitting for several reasons. First, there is increased number of circular migrants as a result circular migrants easily get their colleagues, returning back home, to remit their cash and non-cash items to their family. Secondly, it attracts no cost, no inconvenience at both sending and receiving ends. Thirdly, using these channels make them avoid paper work and transactional difficulties (network failure) associated with formal channels of remittance. Also, certain categories of circular migrants, (i.e. students, farm labourers) largely self-remit because of rationale for migrating and the environment where they work. In broad terms channel(s) used



for remittance is influenced by socio-demographic characteristics of the sender and/or recipient, environmental factors and rationale for migration.

The channel(s) for remitting, formal or informal, will keep changing in tandem with changes in transport and communication systems, financial systems and also the socio-demographic characteristics of both the sender and the recipient. For instance, with the rate at which mobile money is expanding it may be attractive in no time to circular migrants and recipients of remittances irrespective of their background and so will it be used vigorously for cash remittances.

#### **4.2.2 Challenges associated with channels of remittances**

Having identified the key channels of remittances, the study sought to find out the challenges associated with these channels. In their responses, circular migrants reported several challenges they faced when sending their remittances to their families back home. For purposes of consistency, the challenges are discussed under the two main categories; formal and informal channels of remittances. They are explained below.

##### **4.2.2.1 Challenges associated with formal channels of remittances**

Circular migrants reported that they lacked education on processes involved in transfers using the formal channels of remittances. From the data, it was clear that remitting items through banks and post offices were not the most preferred channel of transfer for circular migrants. One key reason for this challenge was high illiteracy rate among circular migrants. Respondents explained





that they did not rely on banks and post offices for remitting to their families because they did not have formal education and so could not read and write.

Also, those who made attempts to remit through formal channels said that customers were in long queues at the banks waiting to perform their transactions. These processes coupled with their lack of education were considered a waste of time to remit through formal channels (banks, post office and mobile money) by circular migrants. It emerged that the long queues coupled with its attendant time exhaustion and paper work was also associated with mobile money and post officers.

Thirdly, unavailability of vendors in receiving communities and the cost of transacting business was reported by circular migrants as a challenge associated with formal channels of remittances. It emerged from the interactions across all the districts that another reason for non-use of formal channels (banks, mobile money and post office) for transfer of remittances is the non-availability of the service closer to the recipient. Consequently, if one transferred money through the banking system for instance it meant that the recipient would have to travel to the nearest branch of that particular bank to collect the money. This made it expensive and inconvenient to remit through the banking system. Similarly, anytime migrants had to save or remit money to their relatives they had to move from the outskirts to the main town to perform the transaction. According to the migrants, there were many times they met long queues at the bank particularly if it coincided with the end of the month, when government workers are paid their salaries. Besides, they paid a fee between 5 and 10 GHS depending on the money to be remitted. This coupled with their transportation or taxi fare raises the cost of remitting.



#### **4.2.2.2 Challenges associated with informal channels of remittances**

Firstly, it was observed that there was disclosure of remittances to public. Not keeping items and cash remitted secret from public knowledge was considered an important challenge to circular migrants. Circular migrants disclosed that remittances sent to the families through friends and relations in particular are usually made public in their hometown. According to the circular migrants, this lack of secret or privacy in terms of the value, amount and nature of remittances sometimes lead to jealousy and envy among community members. Though it is not so common, remittances channel through family and relations becomes open secret. Similar account was related by other circular migrants from other communities. This exposes recipients' home to possible begging for favours and in rare cases to robbery.

Secondly, the informal channels were associated with inconvenience at sending and receiving ends of remittances. In some instances, circular migrant found it challenging to get a trusted person (relative, friend, drivers and their mates) to bring remittances to their families back home. Sometimes, when they even get a trusted person, the benefactor might have to ride a bicycle or motorbike for some kilometers to deliver those items and money because the recipient may stay at a distance from the actual destination of the benefactor. Likewise, the person might have to do several calls before he or she gets in touch with recipients of the items. According to them all these inconveniences, made it difficult to remit home as expected.

In some instances, some migrants are hesitant to remit because they do not get a known person through whom to remit. As a result some circular migrants save money with their employers and when they are ready to return they take their savings or remaining money and self-remit it.



Consequently, some migrants are not able to remit because they do not have any means of remittance at their disposal, and so primarily remit through friends and relatives.

There are other times that circular migrants have to remit hurriedly when they are not ready. This happens when they get information that a migrant is returning to their community. In other situations, remittances delay for some days because when they are ready to remit they do not get someone readily available to take the remittance.

Another challenge which respondents highlighted as associated with informal channels of remittance was loss of items and physical cash. With this challenge circular migrants expressed their displeasure regarding their lost items usually attributable to accidents and breakdown of vehicles. Besides accidents and breakdown of vehicles, remittances were sometimes also lost on account of armed robbery on the road to their hometowns. It emerged from the interactions that there were instances where returning migrants fell victims to armed robbery on the highways or the benefactors carrying their remittances were attacked. One respondent recounted how on one occasion the vehicle on which they were travelling was stopped on a highway and ransacked. They explained that items and cash that are lost in the remittance processes are usually not reclaimable. In this regard, it becomes a big blow to the sender, the carrier and the recipient.

According to the circular migrants, loss of items is largely associated with informal channels.

Furthermore, the study shows that circular migrants had difficulty in getting willing benefactors through whom they could readily remit. Circular migrants said they faced serious challenges getting willing benefactors in their communities. From the various responses, circular migrants



indicated that migrants found it difficult to get willing benefactors (traders, friends, drivers and relatives) to send their remittances through to their communities. In the past, traders use to travel to communities and stayed there for weeks in order to buy and aggregate food commodities. Furthermore, along the line, these benefactors cease to go to those commodities for their activities and migrants lose the remitting services of these familiar benefactors.

According to the circular migrants, in the past the drivers and traders were not many and so they were well known to their destination communities, who had good relationship with them and could send remittances through them. But this time, the drivers and traders are many and they are also not stable and so the personal bond with communities and these benefactors is not as close as before. Therefore, migrants considered it risky to give remittances to these benefactors. According to the migrants, both the sender and recipient are not free when cash and non-cash items are remitted through drivers and traders. Both ends have to constantly make phones calls to ensure they are delivered safely. These benefactors often do not think that they have any responsibility towards the safe delivery of the remittance. Even though in some cases they are paid before they accept to be of help. According to circular migrants the greatest inconvenience for sending remittances through traders and drivers is the transport cost where there are bulk items to be remitted and the safety of those items. So they narrated that when the items get missing it created inconvenience for the sender as well as the driver or trader benefactor. In the case of self-remitting respondents said it interrupted their work and imposed transport cost on them because they had to travel home personally. The up and down travel was seen as risky and time consuming.



The data on the second aspect of objective of this study one presented above was to ascertain the challenges associated with the various channels of remittances used by circular migrants. Results from the study showed that remittances sent to the families through friends and relations are usually made public in their hometown. Secondly, it also emerged that circular migrants had difficulty getting willing benefactors (traders, drivers) to remit through them to their communities. Consequently, items and cash, lost in the processes of remitting are usually not compensated. Thirdly, circular migrants preferred informal channels to formal channels because of their high rate of illiteracy. Circular migrants' inability to read and write made it difficult to remit using formal channels because of the associated paper work. Another serious challenge confronting circular migrants with respect to remittances was arm robbery they face enroute to their hometowns. This challenge affected almost all the informal channels of remittance. This is consistent with studies by CMS (2010), COMPAS (2005) and Hugo (2013). However, it is contrary to findings by ILO (2014).

Also, inadequate transactional facilities in terms of coverage made it difficult to depend on formal channels for remitting by circular migrants. The coverage of mobile banking network for sending remittance in Ghana is still very limited in terms of the number of vending points. As financial infrastructure does not extend very effectively into rural areas of Ghana it encourages informal means of remitting outside the main cities. They added that, besides availability and accessibility, the cost involved in effecting the transfer of money is also key to the flow of domestic remittances. Challenges associated with the informal channels of remittance include; loss of cash/goods, loss of revenue to the state and delay in payment. Informal channels tended to attract no cost and in some cases was very fast (COMPAS, 2005; CMS, 2010; Hugo, 2013)



On the contrary, ILO (2014) study in Bangladesh and the Middle East indicated that, although in general it is cheaper and faster to use the informal system (Hundi) they still prefer to use formal system to the informal system (ILO, 2014) largely because it is reliable. Again, this study by ILO confirmed the formal channels take lengthy time to complete the process. It cited associated difficulties like time consuming activities to meet minimum requirements, poor coverage of receiving points and technology (internet) failure as some challenges associated with the formal channels for remittances in Bangladesh.

Overall, the study found out that the high illiteracy rate among circular migrants at both sending and receiving places is largely responsible for the preference of informal channels for remitting. Besides, inadequate financial infrastructure at the receiving point further promotes the use of informal systems of remittance. On the other side, improvement in transportation and mobile telephony enhances the use of informal channels for remittance by circular migrants though it also makes it possible for formal channels. It is the position of this study that circular migrants seem not perturbed about challenges associated with informal channels as it meets their expectation in remitting to relatives. The result of heavy dependence on informal channels for remittance, however, denies the nation of the plausible revenue opportunities associated with these kinds of transactions.

On the contrary the study established the formal channels of remittances are not used by circular migrants in Ghana because of their socio-demographic characteristics which include high illiteracy at the sending and receiving points. Secondly the formal channels are not used because



of its high transaction cost (Gibson et al. 2006; Yang, 2011; Karafolas & Sariannidis, 2009) and inadequate vendor points at the receiving points. Another challenge for the non-use of the formal channel of remittances is uneasiness and inconvenience in their usage (IFAD, et. al, 2016). There is poor penetration of registered and formal financial institutions in rural areas particularly rural north (Amuedo-Dorantes & Pozo, 2005). Despite the growth in mobile money vendors it has not been able to address the non-availability of financial services in rural north because of vast and sparse nature of the region. (Okello, 2015) in a study on SAGE in Uganda in March 2009 and its subsequent participation in remitting of money under programme (SAGE) reported among other challenges associated with mobile money operations as high levels of illiteracy among SAGE beneficiaries and poor infrastructure which limits MTN operations more so in rural areas. The study confirmed that despite these challenges the study reported that the technology is believed to be the most viable option for achieving financial inclusion and growth for the poor and women. Similarly, in a study by Ernest and Young (2009) established that users of mobile money have fears about the security of the money, the recent emergence of fraud associated with it, lack of harmonization in financial regulations (lack of interoperability between all parties offering services) and user experience (ease of use & reliability). As a result of high levels of illiteracy among circular migrants many of them do not have ease in the use of formal channels of remittances including mobile money. In Ghana, there are recent cases of fraud associated with mobile money operations for both vendors and users (Daily Guide, 2017) alike created some fear among users of mobile money. This fear factor of losing money could discourage illiterate circular migrants in the adoption of these channels as means for remitting to their communities of origin.



Post companies are similarly hampered with operational rigidities in handling cash, inadequate training, and outdated information technology systems (Clotteau & Anson, 2010). As a result of poor connectivity of post offices to national clearing and settlement systems, it hampers the efficiency of these postal agencies. Finally these post companies are regulated by the postal regulator for international money orders and these clumsy financial regulations make it unattractive to illiterate circular migrant or persons with low level of education. Similarly formal channels (banks, post offices, mobile money) of remittances are inaccessible in many parts of the country and migrants are unfamiliar with its use. Again banks and to some extent post offices are concentrated in cities (Mohapatra & Ratha, 2012). In spite of these challenges, disseminating information about remittance channels and the costs of sending money to destination communities would increase transparency and competition in the remittance industry, thus encouraging lower prices and new entrants, while fostering the increased use of formal channels (IFAD, et. al., 2016).

According to WorldRemit (2012) indicated that remitting through the traditional formal channels (bank, money transfers, etc) is time consuming and also involved huge fees. Although there is rapid expansion in money transfer services by mobile phone companies it is associated with some difficulties. Some include inadequate liquidity by vendors, mistrust and unfamiliarity, technical obstacles, varied national regulations and insufficient monitoring mechanisms. In distant rural areas vendors do not have adequate cash on hand to pay out to people receiving remittances. The largely rural inhabitants are not used to banks and MTOs as a result have some mistrust with these systems. Another common challenge associated with mobile money is when they are beset with technical challenges including disruption in network connectivity. Similarly,





with international remittances, it is beset with many and unclear regulations from both sending and receiving areas. The mobile money business is also beset with theft from some unscrupulous individuals, who develop criminal approaches for siphoning money in peoples accounts (McGovern, 2011).

Finally, the banking survey of Ghana for year 2016 which was conducted by PWC, they identified the following as some challenges facing mobile money transactions. The first is network instability. The second is high user fee charges. Third the transactions limits imposed by the regulator. Fourth, there is the lack of transparency in sharing of returns accruing on the floats of mobile money operations. And finally low liquidity of agents in meeting some transactions. (PWC, 2016)

Overall for objective one (channells of remittances and its associated challenges), the study concluded that circular migrants largely remit through informal-channels (friends, relatives and also self-remitting). The study concluded that migrants used informal channels because of the it has no direct cost coupled with ease in its usage. On the contrary, circular migrants avoided the formal channels because of its obvious disadvatages like, high transaction cost, inadequate vendors at sending and receiving points, long qeues at sending andreceiving points, emergence of fraud, associated paper work and network instability. The study established that the key challenges associated with these channells are lack of secrecy at the receiving end, loss of items and physical cash, inconvenience at sending and receiving ends and difficulty in getting a timely as well as willing benefactor to carry remittance to the community of origin.



### 4.3 Remittance by gender

This sub-section of the study was presented and discussed under three sub-headings; value and form of remittance by gender as well as remittance by other categories of circular migrants (students). The value of remittances is presented and discussed first, followed by forms of remittance and finally other forms of remittances by different categories of migrants.

#### 4.3.1 Value remittances by gender

Table 4.11a shows a group statistic of female (80) and male (80) circular migrants' remittances. The Table 4.11a shows that male circular migrants have a higher mean scores of 13.15 (SD=2.39) remittance than that of the female circular migrants ( $M=12.06$ ;  $SD=2.60$ ). An independent sample  $t$  test was performed to assess whether or not there was a gender difference in the means scores of female and male circular migrants. Levene test shows that  $F=1.21$ ,  $p=.27$  as indicated in Table 4.11b. This indicates no significant violation of equality variance assumption. Then the pooled variance of the  $t$  test was used. Result shows that the difference in mean remittances score was found to be statistically significant,  $t(16) = 2.76$ ,  $p = .01$  ( $p < 0.05$ ), two tailed. The 95% CI for the differences between these group means,  $M_1-M_2$ , had a lower bound of 0.31 and an upper bound of 1.87.



**Table 4.11a: Remittance by gender**

		Group Statistics			
	sex of respondent	N	Mean	Std. Deviation	Std. Error Mean
value composite	Male	80	13.15	2.39	.27
	Female	80	12.06	2.60	.29

Source: field survey, 2015

**Table 4.11b: Remittance by gender**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	MD	Std. E D	95% CI L.	U.
value composite	Equal variances assumed	1.21	.27	2.76	16	.01	1.09	.39	.31	1.87
	Equal variances not assumed			2.76	156.90	.01	1.09	.39	.31	1.87

Source: Field Survey, 2015

This study suggests that male circular migrants remitted more than the female circular migrants. This finding is consistent with findings of Amoako & Apusigah (2013). In their study, they established that although men still lead in the migration business, women are becoming a significant part of the crowd and that independent women's migration is on the rise while the women and men who emigrate do so for similar reasons. Guazman, Morrison and Sjoblom (2007) in a study in Ghana and IOM (2004) established that the sex of the remitter can matter for budget allocations, amount and frequency of remittances sent. This is further explained by the findings of Amoako & Apusigah (2013) which indicated women are involved in less paying jobs and are also vulnerable in several areas. OSCE (2009) also explained that in terms of quantum of amount remitted males remit more than females because female labour migrants are frequently



confined to low-skilled jobs in domestic and care work, hotel and catering services, the entertainment and sex industry, agriculture and assembly lines.

Even though the statistic confirmed that male and female circular migrants' remittances differed significantly, additional variations emerged when remittance was investigated qualitatively with some open ended questions. The result of the qualitative differences in gender remittances is presented in the next section.

In this regard, in terms of the value of remittance, male circular migrant remitted more than their female counterparts. For example, male circular migrants disclosed that they did jobs that paid higher than female circular migrants. Male circular migrants were involved in the selling of scraps, livestock, butchering (meat), small scale mining and seasonal farming, while the female migrants were engaged in doing menial jobs, such as head porting, working in restaurants (washing dishes, washing clothes), petty-trading, shop hands and serving as domestic workers. The menial kinds of jobs paid less than the jobs male circular migrants were engaged in. For this reason, the circular migrants claimed that male circular migrants remitted more than their female counterparts. However, in terms of the frequency of remittance, circular migrants believed that the female remitted more frequently than their male counterparts.

The above narration suggests that, in addition to the differences in frequency of remittance, female and male circular migrants' remittances also differed in terms of the value of the remittance. From the data an average amount remitted by female circular migrants was GHS 172.5, whereas their male circular migrants remitted about GHS 200.00 averagely.



Similarly, details of income earned per week by male and female migrants supports the findings explained above. Incomes earned by males and female migrants are presented in **Error! Reference source not found.** A little over half, 82 (51.6%) of the respondents earned GH¢50.00 or less per week. This constituted 57 (71.3%) females and 25 (31.3%) males. At the same time, 34 (21.3%) respondents comprising of 20 (25.0%) males and 14 (17.5%) females earned GH¢100 or less but greater than GH¢50 per week. This was followed by 25 (15.6%) of the respondents who earned GH¢150 or less but greater than GH¢100, including 19 (23.8%) males and 6 (7.5%) females. Subsequently, 7 (8.8%) and 1 (1.3%) males and female respondents, respectively, earned about GH¢200 or less but greater than GH¢150 per week. Finally, 9 (11.3%) males and 2 (2.5%) females respondents, respectively, earned greater than GH¢200 per week. It can be established that there is a direct relationship in the amount earned per week by males and females. Evidently, the numbers are high for both males and females at the lower end of earnings per week (GH¢50 or less), however, the number for females was more than twice the number for males. At the same time, while the number of males and females are decreasing as earnings rise to the higher end (Greater than GH¢200), that of females decreased faster than that of males. More males earned at the higher end of the earnings brackets than females.



**Table 4.12: Amount earned per week by sex**

Sex of respondent	Amount earned per week (GH¢)					Total
	50 or less	100 or less but greater than 50	150 or less but greater than 100	200 or less but greater than 150	Greater than 200	
Male	25(31.3%)	20 (25.0%)	19 (23.8%)	7 (8.8%)	9 (11.3%)	80 (100%)
Female	57 (71.3%)	14 (17.5%)	6 (7.5%)	1 (1.3%)	2 (2.5%)	80 (100%)
Total	82 (51.6%)	34 (21.3%)	25 (15.6%)	8 (5.0%)	11 (6.9%)	160(100%)

**Source: Field Survey, 2014**

#### **4.3.2 Difference in the form of remittance (cash and in-kind)**

In terms of remittances in cash and in-kind, female circular migrants said they remitted more items home than the male circular migrants. From the research data, female circular migrants remitted more non-cash items including cooking ingredients (maggi, fish and palmoil), provisions (milo, lipton), utensils and school materials (uniforms, sandals, balls and books). This was confirmed by the majority of the participants interviewed. Unmarried females said they bought items required for marriage while married women purchased items that were required for keeping the home.

It was also observed from the responses that, in the case of male circular migrants they largely remitted cash. In spite of this finding, some of the male circular migrants also said they remitted non-cash items including building materials, fridges and agricultural inputs (seeds, cassava sticks, insecticides and weedicides).

#### **4.3.3 Differences in students' remittance**

In the case of the student circular migrants, no significant differences were found in their remittances as far as gender was concerned. Male and females' needs, and remittances tended to depend on their educational or class transition. For instance, students circular migrants who were transiting from one level to the other particularly (e.g. JHS to SHS) largely bought and transmitted items such as mattresses, buckets, chop box, schoolbag, books, sandals and most items required to stay in a boarding house at the SHS level. Moreover, they also kept some cash to supplement whatever their parents could raise for them at home to pay school fees to seal their entrance into SHS.



The research objective two sought to assess gender differences in circular migrants' remittances. Results from the study show that male circular migrants have a higher mean scores of 13.15 (SD=2.39) than that of the female circular migrants with mean score of 12.06 (SD=2.60). This study suggests that male circular migrants remitted more than the female circular migrants. From the interactions with both female and male circular migrants, an average amount remitted by female circular migrants was 172.5 Ghana Cedis, whereas their male circular migrants remitted about 200 Ghana Cedis. However, in terms of the frequency of remittance, circular migrants believed that the female remitted more frequently than their male counter parts. However, in terms of cash and in kind, the data revealed that female circular migrants remitted more items home than the male circular migrants. In the case of the students' circular migrants, no qualitative differences were found in their remittances. This is consistent with studies by Sorensen (2012) and Addae (2011). In addition, it is consistent with theories of migration; Todaro (1971), Stark (1984); Chant (1998) and BRAC (2013).

Available literature shows that, migrants generally remit an average of 56% of earned income with higher rate of 72% for females (Addae, 2011 and BRAC, 2013). Sørensen (2012) also established that despite female migrants' lower incomes; it is generally assumed that women by and large send back home a greater share of their earnings in remittances than men and also tend to be better savers. Gender and the position of the migrant within the family are important factors influencing the amount, pattern, function, use and beneficiaries of remittances. Addae (2011) in a study on estimating remittances in the informal section in the labour market in developing economy, concluded that a northern male kayayo migrant remitted about 0.46 Ghana Cedis less than his female counterparts.



From the above, it is a fact that circular migrants remit a large percentage of their earned income back home. This supports Todaro's (1971) theory that income differential is a major reason for migration. Besides, as has already been emphasized by Stark (1984), remittances are meant for entire household benefit as against individual survival, though the individual migrants have their personal lives significantly shaped by portion of their earnings while living as a migrant.

The study discovered that males are involved in jobs that have higher earning capacity than females. The relatively higher earning capacity of males aides them to remit more in terms of the average amount per every remit. However, these jobs (scrap dealers and livestock sales) are so unpredictable which could partly be responsible for irregular nature of remittance of males. Nevertheless, although females do menial jobs (washing of dishes, head-potters, domestic worker), it tends to have relatively regular stream of income (Deshingkar and Bird, 2009). These menial jobs are assured for circular migrants until the employee commits reprehensible or criminal offence to warrant lost of job. This explains the consistent frequency rates of remittance recorded for females. On this basis, the study gave an indication that, on annual basis, female circular migrants may remit more than male circular migrants. This is an area that require further research, particularly in relative value of money earned by male and female internal migrants. It must be emphasized that this study did not address the issue of how the life style of migrants whether male or female affected regularity or quantum of remittances.

Furthermore this finding serves as an extension to the theories used in this study which was silent on gender differences in remittances. They study confirmed Todaro's theory of migration of labour and further added that, there is income differential in remittances of males and females.





The study attributed this differential in remittance to tradition and gender. Gender division of labour had influence on what jobs circular migrants could do. Consequently, male circular migrants tended to do risky urban jobs that give relatively more income than females. The study discovered that per remittance males remit more than females. On the contrary, females remit more non-cash items relative to males while at the same time, they also remit cash. It will be relevant to study the full value of remittances of migrants both and cash items to deepen the literature on gender and remittances.

Finally, on objective two (remittance by gender), the study concluded that there are differences in the amount and form of remittance by both males and females. Thus per each remit, males remitted 200GHC while females remitted 172.5 GHC. While the interviews revealed that in terms of frequency females remitted more per year. It emerged inconclusively that per annual total of remittances, females remitted more, both in absolute and relative terms than males and more so if compared to the amount earned at the place of destination. It was also established that females remit more in-kind items (soap, clothing, school learning materials and equipment, beverages, soup ingredients) than the males. These in-kind remittances are usually not considered by researchers in their estimation of remittances. In the case of students and farmhand circular migrants, no qualitative differences were found.

#### **4.4 Value of remittance flows**

The central goal of research question three was to assess the value and nature of remittances flow of circular migrants from the south to their families in the Northern Region. Result of this study is presented first followed by the discussions and analysis. Also this section is further divided



into two sub-sections. The first sub-section is on the value of remittance and second sub-section is on the nature of remittance. In this study value refers to the amount remitted. While nature of remittance refers to the form in which the remittance took as either cash or non-cash.

#### 4.4.1 Value of Remittances

The estimation of the value or amount of remittances from their migration point to their families in the Northern Region was investigated using Likert-type scale where “1” represented “Strongly Agree”, 2, 3,4 and 5 represented Agree, Unsure, Disagree; Strongly Disagree respectively. The result is presented in Table 4.13 below.

The SPSS output on Table 4.13 shows that circular migrants strongly agree to item 3 (I remit more than 100 Ghana Cedis but less than or equal to 150 Ghana Cedis monthly) and 4 (I remit more than 150 but less than or equal to 200 monthly), which have mean scores of 1.91 (SD=0.43) and 1.99 (SD=0.93) respectively. This result suggests that circular migrants strongly agree that they remit between 100 and 200 Ghana Cedis monthly. Similarly, item 1 (I remit less than or equal to 50 Ghana Cedis monthly); 2 (I remit more than 50 Ghana Cedis but less than or equal to 100 Ghana Cedis monthly); and 5 (I remit whatever I have monthly) with mean scores of 2.86 (SD=1.06); 2.99 (0.80); and 2.86 (SD=1.06) respectively, implying that circular migrants agree that, sparingly, they remit less than or equal to 50 Ghana Cedis and whatever amount of money they have.



**Table 4.13: Descriptive statistics of the value of remittances**

No.	Statement	N	Min.	Max.	M	SD
1	I remit less than or equal to 50 GHS monthly	160	1	5	2.86	1.06
2	I remit more than 50 GHS but less than or equal to 100 GHS monthly	160	1	5	2.99	0.80
3	I remit more than 100 GHS but less than or equal to 150 GHS monthly	160	1	3	1.91	0.43
4	I remit more than 150 but less than or equal to 200 monthly	160	1	5	1.99	0.93
5	I remit whatever I have monthly	160	1	5	2.86	1.06
	Valid N (listwise)	160				

**Source: Field Survey, 2015**

It emerged from the interviews that circular migrants remitted any amount they had ranging from 150 and 300 Ghana Cedis for the first time depending on the kind of job they do. Subsequently, when circular migrants are going back to their villages, they work for an additional amount that could range between 200 and 600 Ghana Cedis. The amount they remit home also depends on the socio-demographic characteristics of the migrant.

Another pattern that came up is that students, and unmarried men and women scarcely remit. However, when these categories of persons have dependents at the place of origin or back home then they tended to remit. This further confirms the finding that the socio-demographic characteristics of migrants have an influence on their pattern of remittance. Similarly, the primary reason for migration also has influence on the nature of remittance.

The quantitative results on value of remittance as presented in Table 4.14 shows that returned circular migrants strongly agree to item 3 (I remit more than 100 Ghana Cedis but less than or equal to 150 Ghana Cedis monthly) and 4 (I remit more than 150 but less than or equal to 200



monthly), which have mean scores of 1.91(0.43) and 1.99 (SD=0.93) respectively. Thus, returned circular migrants strongly agree that they remit between 100 and 200 Ghana Cedis monthly. The qualitative data also confirmed this finding with additional information. For instance, it emerged from the interviews that circular migrants remitted any amount they had ranging from 150 Ghana Cedis and 300 Ghana Cedis for the first time depending on the kind of job they do. It further emerged that circular migrants keep remitting in so long as they stay as migrants until they are prepared to return home. This is the time they stop remitting and rather save so that they can carry whatever money they have raised for the period. Another pattern that came up is that students who migrate, unmarried men and women scarcely remit. However, when these categories of persons have dependents back home, then they remit at certain intervals. This is consistent with studies by GSS (2008), IFPRI (2010) and Addae (2011). This also supports migration theories propounded by Todaro (1971), Stark (1984) and Chant (1998).

GSS (2008), established that within the period of 12 months preceding the survey, cash in-flows from individuals to households ranged from small amounts up to 160 Ghana Cedis, with a median value of the order of about 15 Ghana Cedis. IFPRI (2010) in a study in Northern Ghana concluded that remittances sent back to the household by an internal migrant were about 100 Ghana Cedis on average during the year 2008. Addae (2011) in a study of estimating remittances in the informal labour market in Ashanti region of Ghana using a sample size 313 established that, the majority of Kayayoo migrants are found to retain close links with family ties back home with 72% remitting some amount of money in the 12 months preceding the survey date. It confirms income differentials (Todaro, 1971) as a main reason for migration, and remittance is meant to assist the household (Chant, 1998).



However, the amount or value remitted is influenced by several factors with migrants remitting 56 – 72 per cent of earned income (Puri & Ritzema, 1999; GSS, 2005; ; De Haas, 2007; Addae 2011; BRAC, 2013). Some of the enumerated factors include spatial status of migrant, exchange rate regime, macro-economic policies, marital status of the migrant and economic activity in the host or sending region. DFID and EC-PREP commissioned study, informal remittance systems in Africa, Caribbean and Pacific (ACP) countries, and executed by COMPAS discovered and reported in the Ghana Country Study that, characteristics of migrants and the initial reasons and strategies for migration have a strong influence on the size of remittances.

With the exception of the rural savannah, receipts of remittances appear to be significantly higher across all localities (GSS, 1995). This is consistent with previous literature which indicate northern migrants do not do well as their southern counterparts because they do not have access to high earning jobs (World Bank, 2010; Al-Hassan and Poulton, 2009). The study confirmed that Northern circular migrants have poor earning capacity because they are mostly without formal education, employable skills and poor network to link them to job opportunities that relatively better remunerated.



When circular migrants are returning to various destinations they go with cash and in-kind gifts to family and community members (Ackah & Medvedev, 2010; Al-Hassan & Poulton, 2009). Similarly this study further supports literature which indicates more remittances move from urban areas to the rural areas per year (GSS, 2010). Some of these items include fridges, beverages, clothing and cooking utensils. Although two-thirds of our total remittances are internal (GSS, 2002) they do not pay-off as international remittances, as the former needs a local partner

to manage his/her funds (Sørensen, 2012). Though migrants from developing countries can potentially earn more by migrating abroad, even within countries wage differentials can be huge (Sørensen, 2012). This study also established migrants remit so much of their earned resources back to their places of origin.

Furthermore, the study established that intra-circular migrants remit a huge percentage of their earned income home. Surprisingly, according to literature, in relative terms it still constitutes a small percentage of household income compared to other sources. For instance, according to the GSS (2010), the three main sources of household income in Ghana are income from agricultural activities (35%), wage income from employment (29%) and income from self employment (25%). This same study further established that remittances constitute less than 10 percent of household income. This is further confirmed in study by Ackah & Medvedev (2010), in which they established that when migrants do send remittances, they contribute nearly 11 percent to total household income.

The returned circular migrants strongly agree that they remit between 100 and 200 Ghana Cedis monthly. From the study, it appears that the first time migrants remit the amount is higher. It emerged from the interviews that circular migrants remitted any amount they had ranging from 150 Ghana Cedis and 300 Ghana Cedis for the first time depending on the kind of job they do. Circular migrants keep remitting in so long as they stay as migrants until they are prepared to return home when they rather save so that they can carry whatever money they have raised for the period and in some cases this is potentially bigger amount. Another pattern that came up is that students who migrate, unmarried men and women scarcely remit. The study concluded that



although intra-circular migrants remit a huge percentage of their earned income home yet in relative terms it still constitutes a small percentage of household income sources (agriculture, self-employment and employee income). This is explained by the fact that, the nature of northern migrant and also their socio-demographic characteristics influence their earning capacity. The poor earning capacity of Northern circular migrants could be explained by the fact that they are mostly without formal education, employable skills and poor network to link them to job opportunities. It was concluded that the socio-demographic characteristics of migrants and the initial reasons for migration have a strong influence on the size of remittances.

#### 4.4.2 Nature of Remittances

This item was intended to investigate the nature of the circular migrants' remittances. It was studied using Likert-type scale where "1" was interpreted "Strongly Agree", 2, 3, 4 and 5 was interpreted Agree, Unsure, Disagree; Strongly Disagree respectively. The result is presented in Table 4.14.

Table 4.14 shows that the mean scores of item 4 (I remit cooking ingredients) and 6 (I remit cash) are 1.31(SD=1.12) and 1.80 (SD=0.65) are less than 2 on a 5 point Likert Scale, suggesting that circular migrants strongly agree that they remit cooking ingredients and cash. Also, the

Table shows that the mean scores of item 3 (I remit learning materials to the children) and 5 (I remit provisions) have mean scores of 2.15(SD=0.89) and 2.61 (SD=0.93) respectively. This suggests that since the mean score is less than 3 on a 5 point Likert scale, circular migrants agree that they remit learning material to school children and provisions to their families. However, mean score of item 1 (I remit clothing,  $M=3.08$ ) and 2 (I remit equipment,  $M=3.18$ ), which have a standard deviation of 0.84 and 0.77 respectively, suggest that circular migrants were unsure



whether or not they remitted clothing and equipment. Overall, the study suggests that circular migrants remit cash and noncash items including cooking ingredient, learning materials; provisions but unsure of clothing and equipment.

Quantitative data on nature of remittance as presented in Table 4.14 shows that the mean scores of item 4 (I remit cooking ingredients) and 6 (I remit cash) are 1.31(SD=1.12) and 1.80 (SD=0.65) respectively are less than 2 on a 5 point Likert-type Scale, suggesting that circular migrants strongly agree that they remit cooking ingredients and cash. Overall, the study suggests that circular migrants remit cash and non-cash items including cooking ingredient, learning materials and provisions but unsure of clothing and equipment.

**Table 4.14: Descriptive Statistics of the nature of remittances**

No.	Statement	N	Min.	Max.	M.	SD.
1	I remit clothing	160	1	5	3.08	0.84
2	I remit equipment	160	1	5	3.18	0.77
3	I remit learning materials to the children	160	1	5	2.15	0.89
4	I remit cooking ingredients	160	1	5	1.31	1.12
5	I remit provisions	160	1	5	2.61	0.93
6	I remit cash	160	1	4	1.80	0.65
	Valid N (listwise)	160				

**Source: Field Survey, 2015**

Additional data extracted from the dataset indicated that, female circular migrants remit more in-kind items relative to their male counterpart. This could be explained by the fact that, traditionally females are responsible for household chores and so they buy items which will facilitate their work in their various homes. However, males basically provide cash to meet household needs. The study draws a correlation between perceived roles of males and females in





the home and the nature of their remittances; females for in-kind items and males for cash remittance. This finding is consistent with findings of IOM (2010) in which they concluded that as a result of the poor paying jobs circular migrants are involved particularly for female migrants as they take up responsibility for supporting their family back home. This could explain why circular migrants remit more cooking ingredients and also learning materials to support in the education of their children.

In conclusion for objective three, the study established that circular migrants remitted cash between 100 and 200 Ghana Cedis per every remit, cooking ingredients and learning materials. Female circular migrants remit more in-kind items relative to their male counterpart, who largely remit cash. The study draws a correlation between perceived roles of males and females in the home and the nature of their remittances. Male migrants remit cash for convenience and in fulfillment of their traditional role of providing for the family. Female also remitted in-kind items to complement their traditional role of care and maintenance of the home. The study concluded that the amount both value and nature remitted has a relationship with socio-demographic characteristics of the migrant.



#### **4.5 Utilization of circular migrants' remittance**

The main objective of research question four of this study was to investigate how circular migrants' remittances were utilized by the receiving households in the Northern Region. The result of the investigation is presented below. Utilization of circular migrants' remittances was investigated employing a 5-point Likert-type scale where "1" was interpreted as "Strongly

Agree”, 2, 3, 4 and 5 was interpreted Agree, Unsure, Disagree; Strongly Disagree respectively. The result is presented in Table 4.15.

Result in Table 4.15 shows that item 1 (The remittance was used to improve household food needs,  $M=1.71$ ;  $DS=.65$ ) and 2 (The remittance was used to access education,  $M=1.87$ ,  $SD=.94$ ) were less than 2 on a point rating scale, suggesting that circular migrants’ families in the north strongly agree that their remittances were used for household food needs and education. Also, item 3 (The remittance was used to improve on their housing,  $M=3.57$ ;  $SD=1.01$ ) and 4 (The remittance was used for investment purposes,  $M=3.89$ ;  $SD=2.07$ ) though close to 4 but less than 4 on 5-point rating scale, implying that circular migrants families in the north were unsure that the remittances were used for housing and investment purposes. The mean score of 4 (The remittance was used to access health,  $M=2.91$ ;  $SD=0.78$ ) is less than 3, suggesting that circular migrants’ families in the north agree the remittances of the circular migrants were used to access health services. Overall, families of circular migrants did not strongly disagree with any of the statement in Table 17, implying that most of the remittances were used for household needs education and health. They were, however, unsure of the remittances being used for investment and housing.



**Table 4.15: Descriptive Statistics of utilization of circular migrants’ remittance**

No.	Statement	N	Min.	Max.	Mean	SD
1	The remittance was used to improve household food needs	160	1	5	1.71	0.65
2	The remittance was used to access education	160	1	5	1.87	0.94
3	The remittance was used to improve on their housing	160	1	5	3.57	1.01
4	The remittance was used to access health	160	2	4	2.91	0.78
5	The remittance was used for investment purposes	160	1	5	3.89	2.07
	Valid N (listwise)	160				

**Source: Field Survey, 2015**

The qualitative investigations of these items are presented in the subsequent sections. Responses gathered from the open-ended questions, revealed that household needs is a major factor for remittance. However, differences exist in the manner in which these remittances were utilized for economic purposes. The interviews revealed females largely remit soap, soup ingredients, clothing, provisions (tea) and equipment for making the home (cooking pots, bowls). This was confirmed in all the interviews that were held across the four districts. However, the situation was different for migrants who travelled to communities within the same district. They visited their families either weekly or biweekly and rather provided cash which the recipients used to meet household food needs.

Secondly, the respondents also confirmed they used remittances to finance their education. In an interview with a 20 year old male circular migrant who has six-year experience migrating to different parts of middle and southern areas of Ghana, explained that his entire education has been possible and that of many of his colleagues because of income earned from the regular bouts of migration undertaken during the holidays. He said:

“In my first experience as circular migrant we went in a group of three from the same school and community to the middle belt. Each person had 360 Ghana Cedis before we left Wulensi and returned back to our community. We went there during vacations and since then we have not gone there again. I bought books, footwear and phone when we got to Tamale.” (Verbatim expression of a circular migrant, 2015)



In a similar interview with a female return migrant she indicated she works in Accra and through that she was able to provide the school needs of her children as well as pay associated fees in the school.

According to the circular migrants they are also able to access and pay for health services because they have increased income levels. In an interview with a female migrant from Kasalgu with no formal education and with several years of experience as circular migrant; she said:

“I am able to pay hospital bills because of the money I brought from the trip. When my child was sick I sent him to health centre at the district capital twice. The first time I paid 60 Ghana Cedis and the second time I paid 40 Ghana Cedis. Subsequently when I was told about health insurance I registered myself and the children under the programme. So I no longer pay cash when I visit the hospital. This has been possible because of the money I got when I migrated to work down south.” (Verbatim expression of a circular migrant, 2015)

This was also confirmed by other respondents. This pattern was similar across the different districts and also the various individual interviews.



From the interviews it emerged that remittances were used by women buy food products and stocked it until prices go up. These stored food products are sold when the prices have gone up and the money used for other purposes. Some of the other migrants indicated they pre-finance community members' food production of which they pay them back with food. These circular migrants also invested in their farming activities primarily through the purchase of agricultural

inputs and equipment for farming. Male returned circular migrants primarily purchased agricultural inputs while female returned circular migrants used their money to plough their fields and also hire labour to work on their farm. Female circular migrants said they do not have strength to till and work on their farms like the men do, they therefore used part of remittances to pay for ploughing services and also hire labour to weed their farms.

In a minority of cases some of the young female circular migrants indicated it is the money they raised that was used to purchased sewing machines and basic equipment to go into seamstress trade. Also, part of the money was used to pay the initial money to qualify to be enrolled as seamstress apprentice. This came up strongly at Fufulso, Nanton and Savelugu. A nineteen year old female return migrant from Fufulso said,

“I returned from Techiman with 360 .00 Ghana Cedis. I used part of the money to buy a sewing machine, used part to pay initial fee to enter into sewing apprenticeship, supported my brother to pay school fees and used the remaining money to buy my personal items” (Verbatim expression of a circular migrant, 2015)”.

Also in a minority of cases the participants indicated that, male migrants invested their money into livestock upon return. In an interview with a thirty-six year old man he said “*I now have cattle because for the past three years anytime I travel down to work, upon my return the first thing to do is look for a cow to buy. As a result I now have five of these animals because the first two have delivered*”. (Verbatim expression of a circular migrant, 2015)



From the various individual interviews it came up strongly that only a minority of circular migrants' invests their money into building and renovation of their houses. A male return migrant from Fufulso indicated he bought his building materials in stages from remittances for the past seven years. He showed the researcher and his team the house and explained how he made savings from remittances and subsequently used these savings to put up his house. This did not come up strongly in all the various interviews. In Kasalgu, the participant indicated that the resources he got from migration was used to purchase a residential plot and part of the money used to purchased thatch for roofing the mud structures constructed.

The quantitative data result in Table 4.15 shows that item 1 (The remittance was used to improve household food needs,  $M=1.71$ ;  $DS=.65$ ) and 2 (The remittance was used to access education,  $M=1.87$ ,  $SD=.94$ ) were less than 2 on a 5-point rating scale, suggesting that circular migrants' families in the north strongly agree that their remittances were used for household needs and education. Overall, families of circular migrants did not strongly disagree with any of the statement in Table 11, implying that most of the remittances were used for household needs, education and health but however unsure of remittances being used for investment  $M=3.89$ ;  $SD=2.07$ ) and housing ( $M=3.57$ ;  $SD=1.01$ ).

This is consistent with studies by BRAC (2013), Hugo (2013), IOM (2002) and Awan et. Al. (2013). Two thirds of migrant remittances are used for consumption while one third is used for investment purposes (Addison, 2004; Deshingkar & Bird, 2009; Hugo, 2013; SID, Ministry of Planning, 2013). Ghosh (2003), in study of 60 return migrants indicated that remittance provides for better house, better access to food, health and education of children and enables faster escape



out of poverty. Similarly, World Bank (2011) established that, remittances among other factors was a key asset for upward mobility listed in wealth ranking exercises in northern Ghana. On the contrary in a study on dynamics of remittance utilization in Bangladesh by IOM in 2005, it concluded that, it is difficult to determine the exact impact of remittances flow at the micro level as remittances are merely used to satisfy the consumption needs of the family and so have no multiplier effect.

Mansuri (2006) cited in Valerie & Abusaleh (2009) provides empirical evidence of increased schooling attendance, retention, and accumulated years of schooling, and decreased child labor among migrant households in rural Pakistan. Yang (2008) cited in Valerie & Abusaleh (2009) provides evidence that remittances stimulates educational expenditures and boost student statuses and reduce child labor efforts. Valerie & Abusaleh (2009), find a positive correlation between remittances received from internal migrants and the schooling attendance of teens in India. The study established that remittances boost children school expenditure and as a result keep them in school as well keep young people in skills acquisition enterprises like sewing, carpentry and other artisanal trades.



Similarly, it was established by Hall (2007) and Valerie & Abusaleh (2009) in other studies that migration and remittances generate investments in housing, consumer durables, and landholdings, shift production to more capital-intensive crops and increase time spent in capital-intensive enterprises. In the same vein, this study established that remittances lead to marginal investments in housing and other capital projects that further serves as income generating activities for the migrants and their household.



Caldwell (1968) indicated a marked difference in the use of remittances between north and south of Ghana. He indicated that while 2 percent of the remitted money is earmarked specifically for education in the north, compared to 10 – 12 percent in the south he attributed it a reflection of differentials in the attitudes towards education of the societies in general and a commentary on the general lack of school places in the north. Conversely 18 percent of remittances of money up north is intended for helping to establish a farm, or set a woman up in trading.

In a study in Bangladesh, nine main reasons were established for the utilization of remittance; supplement survival income, consumption smoothing, education, housing, health, debt servicing, social spending and consumer goods. Most of the beneficiaries responded that remittance is spent on housing, followed by education of the family members. Savings was the least of all concerns with only 8% responses (BRAC, 2013; Hugo, 2013). On the contrary in a different study in the same country on remittance inflows and utilization in Bangladesh, it was established that a large chunk of remittances is used for household food consumption and then payment of debt (IOM, 2002). In a study in Pakistan in 2013 to assess utilization patterns of remittances at the household level using questionnaire based surveys complemented by personal observations and interviews established that; work oriented emigration has had highly positive impact on socio-economic condition of the emigrants and their left behind households (Awan et. Al., 2013).

The qualitative data indicated remittances are used for household needs, education, health, housing and investment. Data gathered from the different individual interviews revealed that, economic is a major reason for remittance. However, differences exist in the manner in which these remittances were utilized for economic purposes. The interviews revealed females largely



remit soap, soup ingredients, clothing, groceries (tea) and equipment for making the home (cooking pots, bowls). In the same vein things remitted by men tended to equipment like fridges, hoes, cutlasses and iron sheets.

From the various interviews it came up strongly that only a minority of circular migrants' invests their money into building. In Kasalgu, the participant indicated the resources he got was used to purchase a residential plot and part of the money used to purchased thatch for roofing of buildings constructed. It can be concluded that the immediate use of remittances is to address household food needs.

The study concluded that remittances from migration are largely used for food needs and to meet cost of formal education for both the individual and the household (Todaro, 1971; Stark 1984; Chant, 1998). Furthermore, it also sits well with Adepoju's (1995) extension of Stark (1984) theory (survival strategy theory) by specifying that migration might be for either mobility or survival strategy. In the case of north south migration the bulk of the migrants migrate as a survival strategy while a handful of them, particularly students migrate as a mobility strategy.



#### **4.6 Summary**

This chapter outlined the findings from the research result. The study concluded that the majority of circular migrants, 50% and more have no formal education or low level of education. As a result the most preferred means for remitting by these migrants is informal channels (friends, relatives and self-remitting). Three main challenges associated with these channels include; disclosure of remittances to public, lost of items and physical cash and the challenge of getting

willing benefactors to remit through them to the migrants' communities. It was also discovered that in absolute terms males remit more but in terms of frequency and accumulated transfers per annum females are better remitters more so if you match against the earning capacities of males and females. In addition the majority of migrants remit between 100 and 200 Ghana Cedis per every remit with more males remitting cash only while females remit both in-cash and non-cash items. Finally the dominant reason for remittance is economic and therefore remittances are largely directed towards household basic needs.



## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.0 Introduction

This concluding chapter is divided into three main sections. The first part serves as an introductory section to this chapter. The second part looks at summaries of the various chapters and, conclusions and recommendations for all four objectives of the study: (1) to investigate channels of remittances as well as challenges associated with circular migrants' channels of remittances; (2) to assess gender differences in circular migrants' remittances; (3) to assess the value and nature of remittances of circular migrants and (4) utilization of remittances by household of circular migrants. The chapter ends with summary of the conclusions and recommendations.

#### 5.1 Summary

This section summarizes all chapters discussed in the study. It is a snap shot of the entire work from chapter one to chapter four.

This research sought to understand how intra-national remittances are remitted and utilized by the receiving families in Northern Region of Ghana. Therefore, the main research question of the study was to assess the fiscal culture of circular migrants and how households' of migrants utilize the remittances. To achieve this, appropriate research questions were raised which were translated into research objectives.



As part of this study the researcher reviewed literature on theories of migration and remittances. The literature review was tailored along four sub-objectives: channels of remittance and its associated challenges, gender differences in circular migrants' remittances, value and nature of remittances and utilization of remittances by the receiving household. From the review of literature, it became clear that Todaro's theory, which hypothesizes that there are two principal reasons for migration: 1. Income differential and 2, security of job, was relevant for the study. It was able to explain the two dimensions for which people migrate to other places. The research question fits very well with Todaro's theory of migration as high remittance practices among circular migrants confirmed Todaro's implicit reasons for migration (high probability of securing urban job and income differentials).

Based on the nature of the topic, the research adopted survey approach for the study. The researcher conducted study in four districts and administered on 160 returned circular migrants, 40 respondents from each district consisting 20 males and 20 females. A mixed sampling and non-sampling procedures was adopted for this study (APA, 2000).

Findings from the research result indicate that the majority of the returned circular migrants have no or low level of education and are married. Although informal channels for remitting are associated with some challenges circular migrants still preferred informal channels for remitting both cash and non-cash items. Circular migrants preferred remitting through friends, relatives and self-remitting channels out of convenience. The result also showed that the majority of the migrants remit between 100 and 200 Ghana Cedis at a time. It was established that females remitted more non-cash items relative to males who remitted cash. The qualitative and



quantitative results indicated remittance was used to meet household needs and also access education.

It was also established that the high illiteracy rate among migrants influenced their decision-making processes. This requires the role out of educational programme to address this phenomenon. The high illiteracy rates among circular migrants make them prefer informal channels for remittance relative to formal channels. Circular migrants in most cases remit amounts ranging between 100 and 200 Ghana Cedis. Furthermore, the study established that most circular migrants remit cash but also remit basic household items needed for housekeeping. To a lesser extent, migrants also remitted learning materials and provisions. Remittance send by migrants are utilized by receiving households in diverse ways like household food needs, sponsoring educational and apprenticeship needs, investment in farming activities and in limited cases for renovating existing houses or initiating new buildings.

The study also confirmed household as a key unit in migration decision making (Chant, 1988). Furthermore, it confirmed students undertake migration as a mobility strategy and the large category of other circular migrants undertake migration as a survival strategy (Stark, 1984; Adepoju, 1985). The study further extended Todaro's theory by specifying the gendered manner remittances earned is remitted (whereas males largely remitted cash, females largely remitted both non-cash items and cash).



## 5.2 Conclusions

The first research question explored, circular migrants' common channels of remittances and its associated challenges. The study concluded that there were two dominant means for remitting; formal and informal channels. Formal channels include bank transfer, mobile money and postal order, while the informal channels include friends & relatives, self-remitting, traders and drivers. The researcher concluded that informal channels (family & friends and self-remitting) were the dominant and most preferred means for remitting relative to formal channels of remitting. The formal channels (bank transfer, postal order, mobile money) were not attractive to circular migrants who were largely illiterates or had low level of education. Besides, the formal channels were associated with long queues and cost. Also, there are no adequate financial facilities at the receiving ends and so recipients had to travel long distances to en-cash, thereby increasing the transactional cost. Regarding challenges associated with various channels for remitting. The study established that they key challenges associated with informal channels are lack of secrecy at the receiving end, loss of items and physical cash, inconvenience at sending and receiving ends and difficulty in getting a timely as well as willing benefactor to carry remittance to the community of origin.



With research question two, it assessed gender differences in remittances. The data from the research exposed that there existed differences in the amount and frequency of remittance of both males and females. Thus per each remit, males remitted 200GHC while females remitted 172.5 GHC. It was also noted that females remit more in-kind items (soap, clothing, school learning materials and equipment, beverages, soup ingredients), than the males. Male migrants remitted cash for purposes of convenience and also to maintain their role as the provider for the family.

Females remitted non-cash items which also fit into their traditional role as provider of care and maintenance for the home and family.

The research question three assessed the nature and value of remittance flow between circular migrants and their families in the Northern Region. The data showed that, circular migrants remitted cash (between 100 and 200 Ghana Cedis per every remit), cooking ingredients and learning materials. In spite of this finding that females remitted non-cash items, some of the male circular migrants also said they remitted non-cash items including building materials, fridges and agricultural inputs (seeds, cassava sticks, insecticides and weedicides).

The last research question looked at how circular migrants' remittances are utilized by the receiving household in the Northern Region. The result from the research revealed that, overall, families of circular migrants used remittances for household food needs, education and health but however unsure of remittances being used for investment and housing.

### **5.3 Recommendations**

The researcher recommends that, stakeholders particularly rural banks involved in money transfers should collaborate to educate migrants on the benefits of using the formal channels for saving and remitting their cash. In addition, trusted stakeholders particularly the District Assemblies including rural banks should develop a savings programme to mobilize these savings and remit to any part of the Northern Region or the Country. The programme should also be designed such that it creates financial history for these circular migrants and to ensure these circular migrants can guarantee one another to qualify for a loan facility for agribusiness upon



return to their homes. The researcher recommends the roll out of education programme targeting the different categories of migrants to engage them on benefits of using formal networks for remitting to their families. As part of the programme, these financial facilities and courier agencies should be properly organized and introduced to circular migrants.

In reference to the high illiteracy rates of female circular migrants', the researcher recommends that, female circular migrants should be supported more by rural banks and District Assemblies in terms of education and training to be able to use courier systems to remit to their family or to remit cash using formal channels since their families can purchase those same items in the north. The researcher further recommends that, financial agencies should get closer to these migrants at the destination points to receive this money so that their agents can make it available to families of recipient families at their various points in Northern Region.

It is evident that remittances are used to sustain many homes across the Northern Region of Ghana. In order to make migration a sustainable strategy for enhancing resilience of communities, efforts should be put into planning migration and its associated issues to make it beneficial to the migrant and the source as well as the destination communities.





## REFERENCES

- Ackah, C., & Medvedev, D. (2010). Internal Migration in Ghana: Determinants and Welfare Impacts. Accra: *Institute of Statistical Social Research and Univerity of Ghana, Legon.*
- Addae, I. (2011). Estimating Remittances in the Informal Labour Market in a Developing Economy: A Micro-Level Evidence on Kayayoo Migrants in Kumasi, Ghana. *Medwell Journals*, 313-317.
- Addison, E. K. (2004). Macro-Economic Impact of Remittances. Accra: BOG.
- Adepoju, A. (1995). Migration in Africa. (J. Baker, & T. A. Aina, Eds.) The Migration Experience in Africa, I, pp. 87 - 108.
- Al-Hassan, R., & Poulton, C. (2009). Agriculture and Social Protection in Ghana. Accra: Future Agriculture - Centre for Social Protection.
- Amanor, K. S. (1994). The New Frontier: Farmers' Response to Land Degradation, A West Africa Study. Geneva: Zed Books Ltd.
- Amoako, E. E., & Apusigah, A. A. (2013). Gender, Migration and Remittances in Ghana. *Ghana Journal of Development Studies*, 15-43.
- Asamoah, A. K. (2001). On Social Change in Sub-Saharan Africa - A guide to the study of the process of social transformation. Accra: Woeli Publishing Services.
- Amuedo-Dorantes, C., & Pozo, S. (2005). On the use of differing money transmission methods by Mexican immigrants. Mexico: *International Migration Review*, pp.554- 676.
- Assimeng, M. (1999). Social Structure of Ghana. Tema: Ghana Publishing Cooperation.
- Awan, M. T., Khan, S., & Khan, N. (2013). Assessing utilization pattern of remittances at household level in district Peshawar Khyber Pakhtunkhwa, Pakistan. Karachi: Gomal University.
- Awumbila, M., Manuh, T., Quartey, P., Bosiakoh, T. A., & Tagoe, C. A. (2011). Migration and Mobility in Ghana - Trends, Issues and Emerging Research Gaps. Accra: Woeli Publishing Services.
- Berg, B. L. (1988). *Qualitative Research Method for the Social Sciences*. London: Longman Higher Education.
- Bole District Assembly. (2002). *Bole District Socio-Economic Survey*. Bole.



BRAC. (2013). "Dynamics of Remittance and its Utilization The case of BRAC Bank Limited".  
Bangladesh.

Bryman, A. (2008). *Social Research Methods*. Oxford: Oxford University Press.

Calderon, J. F., & Gonzales, E. C. (2010). *Methods of Research*. Mandaluyong: National Book Store.

Caldwell, J. C. (1968). *African Rural-Urban Migration; The Movement to Ghana's Towns*.  
Australia: C. Hurst and Company.

Centre for Migration Studies, University of Ghana, Legon. (2010). *Impact of migration of Health and Education Professionals from Ghana*. In T. Akabzaa, A. Asiedu, A. Budu, P. Quartey, & S. Akuoni, *Migration and Economic Development in Ghana* (p. 48). Accra: Woeli Publishing Services.

CERDI. (2011). *On The Move; Livelihood Strategies in Northern Ghana*. CLERMONT FERRAND: CERDI.

Chant, S. (1998). *Households, gender and rural-urban migration: reflections on linkages and considerations for policy*. London: Environment and Urbanization.

Clotteau, N. & Jose A. (2010). "Role of Posts in Remittances and Financial Inclusion."  
Background note prepared for the Africa Migration Project, Remittance Markets in Africa Universal Postal Union, Berne, Switzerland

COMPAS. (2005). *Ghana Country Study - Informal remittance systems in ACP countries*.  
Oxford: DFID & EC-PREP.

Creswell, J. W. (2009). *Research Design*. London: Sage.

Crowder, M. (1968). *West Africa under Colonial Rule*. London: The Anchor Press Ltd.



Daily Guide. (2017, April 10). '*Join Fight Against Mobile Money Fraud*'. Retrieved September 2, 2017, from Daily Guide Web site: <http://dailyguideafrica.com/join-fight-mobile-money-fraud/>

De Haas, H. (2007). *Remittances, Migration and Social Development*. Geneva: United Nations Research Institute for Social Development.

Deshingkar, P., & Bird, K. (2009). *Circular Migration in India*. odi.

DFID. (2007). *Moving out of poverty - making migration work better for the poor*. London.

- DFID, FAO & ODI. (2001). Ghana Case Study. Accra: FAO/DFID/ODI.
- Demirguc-Kunt, A., Lopez Cordova E., Martinez P. M. S., and Woodruff C. (2011), 'Remittances and banking sector breadth and depth: evidence from Mexico.' *Journal of Development Economics* 95 (2), pp.229-241
- El-Qorchi, M., S.M. Maimbo, and J.F. Wilson (2003), 'Informal funds transfer systems: an analysis of the informal Hawala system.' IMF Occasional Paper 222. Washington, DC: International Monetary Fund.
- Englama, A. (2009). The Economics for Remittances: Theories and Issues. Regional seminar on international remittances for economic development. Banjul.
- Fonta, W. M., Ayuk, E. T., Chukwu, J. O., Onyukwu, O. E., Agu, C. C., & Umenwa, I. O. (2015). Dynamics of remittance utilization by Nigerian households. *Sage Journals*.
- Foresight, UK Government Office for Science. (2011). Migration and Global Environmental Change: Future Challenges and Opportunities. London.
- Ghana Statistical Service. (1995). Ghana Living Standard Survey - Report on the third round. Accra: GSS.
- Ghana Statistical Service. (2002). 2000 Population and Housing Census; Summary Report of Final Results. Accra: GSS.
- Ghana Statistical Service. (2007). Patterns and Trends of Poverty in Ghana, 1991 - 2006. Accra: Ghana Press.
- Ghana Statistical Service. (2008). GLSS 5. Accra: GSS.
- Ghana Statistical Service. (2010). 2010 Population and Housing Census. Accra: GSS.
- Ghana Statistical Service. (2013). 2010 PHC Regional Analytical Report for Northern Region. Accra: GSS.
- Ghosh, S. (2003). Labour Out-flow and Labour Rights: A Case-Study of West Benga. Bombay.
- Gibson, J., McKenzie D. J., and Rohorua H. (2006). How cost-elastic are remittances? Estimates from Tongan migrants in New Zealand. *Pacific Economic Bulletin*, pp.112-128
- Guazman, J. C., Morrison, A. R., & Sjöblom, M. (2007). The Impact of Remittances and Gender on Household Expenditure Patterns: Evidence from Ghana. *MIGR*, 125-152.



- Hall, A. L. (2007). Moving Away from Poverty: Migrant Remittances, Livelihoods, and Development. In D. Narayan, & P. Petesch, *Moving Out of Poverty; Cross-Disciplinary Perspectives on Mobility* (pp. 307 - 332). Washington DC: Palgrave Macmillan.
- Hugo, G. (2013). What we know about circular migration and enhanced mobility. Migration Policy Institute, 1 - 10.
- Hyndman, J. R., & Kostenko, V. A. (2007). Minimum sample requirement for seasonal forecasting models. London: Foresight.
- IFAD, The World Bank, Universal Postal Union, World Savings and Retail Banking Institute & United Nations Capital Development Fund. (2016). *Remittances at the Post Office in Africa - serving the financial needs of the migrants and their families in rural areas*. Rome: IFAD.
- IFPRI. (2010). Internal Migration and Rural Service Provision in Northern Ghana. IFPRI.
- International Labour Organization. (2014). In the corridors of remittance: cost and use of remittances in Bangladesh. Geneva: ILO.
- International Organization for Migration. (2010). World Migration Report 2010 : The Future of Migration - Building Capacities for change. Geneva: IOM.
- International Organization for Migration. (2013, December 16). Key Migration Terms. Retrieved December 16, 2013, from Migration: <http://www.iom.int/>
- IOM. (2002). A study on remittance inflows and utilization. Dhaka: IOM and UNDP.
- IOM. (2004). *Gender, Migration and Remittances*. Geneva: IOM.
- IOM. (2005). Dynamics of Remittance Utilization in Bangladesh. Geneva: IOM.
- IOM. (2010). *Gender and Remittances from Internal Migrants*. Hanoi: Statistical Publishing House.
- IOM. (2016, November 4). *Migration Research*. Retrieved August 30, 2017, from IOM Web site: <https://www.iom.int/news/iom-study-ghana-finds-remittances-nearly-doubled-household-incomes-2016>
- IOM and UN-INSTRAW 2007 Survey on Remittances 2007: Gender Perspectives, Working Books on Migration 24, <http://www.oim.org.gt/documents/Working%20Notebook%20No.%2024.pdf>



Karafolas, S. and Sariannidis, N. (2009). The banking network as a transmission channel of migrant remittances: the case of Greek and Italian banks in Albania. *Transition Studies Review*, pp.674-684.

Kees, G. (2011). North-South Migration in Ghana: What Role for Environment? *International Migration*, 69-94.

Kosse, A., and R. Vermeulen (2014), 'Migrants' choice of remittance channel: do general payment habits play a role?. *World Development*, pp.213-227

Kubo, K. (2015). Evolving Informal Remittance Methods of Myanmar Migrant Workers in Thailand. *ERIA Discussion Paper Series* , 1-42.

Kumar, R. (1999). *Research Methodology: A Step-By-Step Guide for Beginners*. New Delhi: SAGE Publications Ltd.

Levitt, P. (1998). *Social Remittances: Migration Driven Local-Level Forms of Cultural Diffusion*. New York: *Centre for Migration Studies*, New York.

McGovern, A. (2011, December 1). *Africa Renewal Magazine*. Retrieved August 29, 2017, from Dialing for cash: mobile transfers expand banking: <http://www.un.org/africarenewal/magazine/december-2011/dialing-cash-mobile-transfers-expand-banking>

Mohapatra, S., & Ratha, D. (2012). *Migrant Remittances in Africa: An overview*.

Nabila, J. S. (1986). Rural Migration and its implications for Rural Development in Ghana. In C. K. Brown, *Rural Development in Ghana* (pp. 75 - 89). Accra: Ghana Universities Press.

National Development Planning Commission. (2010). *Ghana Shared Growth and Development Agenda (GSGDA), 2010- 2013*. Accra: GoG.

Okello, J. (2015). *Effectiveness and Challenges of using Mobile Money Service in the Implementation of the Social Assistance Grants for Empowerment Programme in Uganda*. Kampala: African Institute for Strategic Research Governance and Development (AISRGD) .

Orozco, M., B. Lowell and J. Schneider 2006 Gender-Specific Determinants of Remittances: Differences in Structure and Motivation, <http://www>.



remesydesarrollo.org/uploads/media/Gender-Specific\_  
Determinants\_of\_Remittances.pdf

OSCE 2009 Guide on Gender-Sensitive Labour Migration Policies, [http://www.osce.org/publications/eea/2009/05/37689\\_1289\\_en.pdf](http://www.osce.org/publications/eea/2009/05/37689_1289_en.pdf)

Participatory Development Associates. (2010). Participatory Poverty and Vulnerability Analysis (PPVA): Understanding the regional dynamics of poverty with particular focus on Northern Ghana. Accra.

Participatory Development Associates. (2010). EACC. Accra: PDA.

PDA. (2012). Migration and Global Environmental Changes. Accra.

Population Council. (2011). Theories of International Migration: A Review and Appraisal. Population and Development Review, 431-466.

Puri, S., & Ritzema, T. (1999). Migrant worker Remittances, Micro-finance and the Informal economy: Prospects and Issues. Geneva: ILO.

PWC. (2016). *2016 Ghana Banking Survey: How to win in an era of mobile money?* Accra: PWC.

Quarney, P. (2006). The Impact of migrant remittances on welfare in Ghana. AERC Research Paper 158. Nairobi: The African Economic Research Consortium.

Quarney, P., & Blankson, T. (2008). Household Savings in Ghana: Does Policy Matter? In E. Aryeetey, & R. Kanbur, *The Economy of Ghana: Analytical Perspectives on Stability, Growth & Poverty* (pp. 153-172). Accra: Woeli Publishing Press.


Rains, D. (1999). *Eaters of the Dry Season*. Colorado: Westview Press.

Saddiqui, T., & Abrar, C. R. (2003). *Migrant Worker Remittances and Micro-Finance in Bangladesh*. Bangladesh: Social Finance Programme, ILO.

Seigel, M. and M. Lucke (2009), 'What determines the choice of transfer channel for migrant remittances? The case of Moldova.' Kiel working paper No. 1515. Kiel Institute for the World Economy.

SID, Ministry of Planning. (2013). *Survey on the use of remittances*. Bangladesh: Bangladesh Bureau of Statistics.



- Sørensen, N. N. (2012). *The Development Dimension of Migrant Remittances: Towards a gendered typology*. Washington DC: International Forum on Remittances.
- Stark, O. (1984). *The Migration of Labour*. Massachusetts: Basil Blackwell.
- Tamale Metropolitan Assembly. (2010). *TaMA Medium Term Development Plan 2010-13*. Tamale: TaMA.
- The World Bank Group. (2010). *Economics of Adaptation to Climate Change*. Washington DC.
- Todaro, M. P. (1971). *Income Expectations, Rural-Urban Migration and Employment in Africa*. In R. Jolly, E. De Kadt, H. Singer, & F. Wilson, *Third World Employment - Problems and Strategy* (pp. 99-105). London: Cox and Wyman.
- Todaro, M. P., & Smith, S. C. (2009). *Economic Development (Vol. V)*. London, United Kingdom: Peason Education Limited.
- UKaid. (2011). *Constraints in the UK to Ghana Remittances Market*. Accra: Developing Markets Associates Ltd (DMA) and DFID.
- Ullah , A. A. (2012). *Exposure to Remittances: Theoretical and Empirical Implications for Gender*. *Journal of International Migration and Integration*, 475–492.
- UNDP (2009). *Human Development Report : Overcoming Barriers: Human Mobility and Development*, [http://hdr.undp.org/en/media/HDR\\_2009\\_EN\\_Complete.pdf](http://hdr.undp.org/en/media/HDR_2009_EN_Complete.pdf)
- UN-INSTRAW (2005). *Crossing Borders: Remittances, Gender and Development*, <http://www.un-instraw.org/en/publications/conceptual-framework/crossing-borders-gender-remittances-and-development/download.html>
-  Valerie, M., & Abusaleh, S. (2009). *Preliminary Evidence on Internal Migration, Remittances, and Teen Schooling in India*. IFPRI.
- WFP & GOG. (2009). *Comprehensive Food Security and Vulnerability Analysis*. Accra.
- World Bank. (1994). *World Development Report*. World Bank, Washington DC.
- World Bank. (2011). *Tackling Poverty in Ghana*. Ghana: World Bank.
- WorldRemit. (2012, 31 07). *WorldRemit Expands Online Money Transfer Services to Ghana*. Retrieved August 29, 2017, from WorldRemit Website:

[www.udsspace.uds.edu.gh](http://www.udsspace.uds.edu.gh)

<https://www.worldremit.com/en/news/worldremit-expands-online-money-transfer-services-to-ghana>

www.ghanadistricts.com. (n.d.). Northern. Retrieved March 24, 2014, from Ghana Districts:  
[www.ghanadistricts.com](http://www.ghanadistricts.com)

Yang, D. (2011), 'Migrant remittances.' *Journal of Economic Perspectives* 25(3), pp.129-151

UNIVERSITY FOR DEVELOPMENT STUDIES





## APPENDICES

### Appendix 1: Survey questionnaire

#### CULTURE OF INTRANATIONAL REMITTANCES AND ITS UTILIZATION BY FAMILIES OF CIRCULAR MIGRANTS IN THE NORTHERN REGION OF GHANA

This project is to study the culture of intra-national remittances and its utilization by families of circular migrants in Northern Region of Ghana. The questionnaire is grouped into Section A – background information of the respondents, section B – Channels of remittances of remittances and its associated challenges, section C-value and nature of remittance and section D – utilization of remittance. The research is mainly for academic purpose. Therefore, answers given will be treated as confidential. Please, be brief in your answers.

Name of Community.....

Time Start.....

#### Section A: Background Information

1. Gender: a. Male [ ] b. Female [ ]
2. How old are you?
  - 15-19 [ ] b. 20-24 [ ] c. 25-29 [ ] d. 30-34 [ ] e. 35+ [ ]
3. What is your level of education?
  - a. None [ ] b. Primary [ ] c. JHS [ ] d. Secondary [ ] e. Post Sec [ ]
4. What is your marital status?
  - a. Never married [ ] b. married [ ] c. separated [ ] d. widowed [ ]
5. How many children do you have, if ever married? .....



**Section B: Channels of Remittance and its associated challenges**

Please tick the number that corresponds with your level of agreement or disagreement with each of the following statements about the channels you used in remitting.

Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
1	2	3	4	5

UNIVERSITY FOR DEVELOPMENT STUDIES

No.	Statement for returned circular migrant on channels of remittances	scales				
		1	2	3	4	5
1	I remitted through Drivers	1	2	3	4	5
2	I remitted through friends and relatives	1	2	3	4	5
3	I remitted through mobile money	1	2	3	4	5
4	I remitted using Bank Transfers	1	2	3	4	5
5	I remitted using self-sending	1	2	3	4	5

6. Did you ever remit home when you were away? a. Yes [ ] b. No [ ]
7. If yes, what was the nature? a. Cash [ ] b. Goods [ ] c. Both cash and goods [ ]
8. **If remitted in cash**, how much? GH¢.....
9. How did you remit it?
  - a. Drivers [ ] b. Mobile money [ ] c. Banks [ ] d. Traders [ ]
  - e. Friends/relatives [ ] f. Others (specify) .....
10. How many times? .....
11. **If remitted in good**, list them .....
12. What was the total monetary value of the goods remitted? GH¢.....
13. How many times was remittance done?
  - Weekly [ ] b. Monthly [ ] c. Other (specify) .....
14. Did you face challenges when you were remitting home? a. Yes [ ] b. No [ ]
15. What were the challenges?
  - lost of cash/good [ ] b. high service charges
  - c. inconvenience at both sending and receiving ends d. other (specify)
16. What do you think can be done to make it easy for circular migrants to remit to their people?  
.....



17. What are the challenges associated with channels associated with the various channels of remittances? .....

**Section C: Value and Nature of Remittance**

18. Please tick the number that corresponds with your level of agreement or disagreement with each of the following statements about the channels you used in remitting.

No.	Statement for returned circular migrant on value of remittance	scales				
		1	2	3	4	5
1	I remit less than or equal to 50 GHS monthly	1	2	3	4	5
2	I remit more than 50 GHS but less than or equal to 100 GHS monthly	1	2	3	4	5
3	I remit more than 100 GHS but less than or equal to 150 GHS monthly	1	2	3	4	5
4	I remit more than 150 but less than or equal to 200 monthly	1	2	3	4	5
5	I remit whatever I have monthly	1	2	3	4	5

No.	Statement for returned circular migrant on nature of remittance	Scale				
		1	2	3	4	5
1	I remit clothing	1	2	3	4	5
2	I remit equipment	1	2	3	4	5
3	I remit learning materials to the children	1	2	3	4	5
4	I remit cooking ingredients	1	2	3	4	5
5	I remit provisions	1	2	3	4	5
6	I remit cash	1	2	3	4	5



**Section D: Utilization of remittance**

19. Please tick the number that corresponds with your level of agreement or disagreement with each of the following statements about the channels you used in remitting.

No.	Statement for returned circular migrant on utilization of remittance	Scales				
		1	2	3	4	5
1	The remittance was used to improve household food needs	1	2	3	4	5
2	The remittance was used to access education	1	2	3	4	5
3	The remittance was used to improve on their housing	1	2	3	4	5
4	The remittance was used to access health	1	2	3	4	5
5	The remittance was used for investment purposes	1	2	3	4	5

UNIVERSITY FOR DEVELOPMENT STUDIES

20. What was the purpose of the remittance? {Tick and explain as applicable}

21. A (i) Food  (ii) How was it used to support household food consumption?

- (a) Three meals per day                      (b) Increased consumption of quality meals  
 © Increased consumption of varied meals    (d) Other (specify)

22. B (i) Education  (ii) How was it used to support education?

- ( ) More children enrolled in school    ( ) Payment of school fees  
 ( ) Provision of uniform(s)              ( ) Provision of exercise books  
 ( ) Provision of School footwear              ( ) Other (specify) .....

23. C (i) Housing  (ii) How was it used to assist in the shelter of the household?

- ( ) Build more rooms in the house    [ ] renovated the house  
 [ ] improved occupancy rate              [ ] Other (specify) .....

24. D (i) Health  (ii) How was it used to provide of health services to the household?

- [ ] NHIS registration                      [ ] Attending hospital/clinic/pharmacy whenever sick  
 [ ] Improved health status              [ ] Other (specify).....

25. E (i) Investment  (ii) What investment(s) was the remittance used to invest in?

- [ ] Establish a farm/business              [ ] expand a farm/business  
 [ ] learned a trade/skills                      [ ] Other (specify) .....

26. Are you satisfied with the way it was used?    a. Yes                       b. No



27. How do you rate the level of change in the indicators below from the time you sent the remittance till the time you came back/returned?

<b>Issue</b>	1	2	3	4	5
Education	1	2	3	4	5
Food Consumption	1	2	3	4	5
Health	1	2	3	4	5
Housing	1	2	3	4	5
Investment	1	2	3	4	5
Other	1	2	3	4	5

Time for End of research.....

**Thank you very much for sharing your knowledge and experiences with me.**



### Appendix 3: Consent for participation in a research interview<sup>1</sup>

#### Culture of intranational remittances and its utilization by families of circular migrants of northern region of Ghana

I agree to participate in a research project conducted by Usif Wuntuma Osman and supervised by Prof. Sylvester Zakariah Galaa from the University for Development Studies (UDS) in Tamale, Ghana. The purpose of this document is to specify the terms of my participation in the project through being interviewed.

1. I agree to participate in this study that I understand will be submitted in partial fulfillment of the requirements for the degree of Master of Philosophy at UDS.
2. I have been given sufficient information about this research project. The purpose of my participation as an interviewee in this project has been explained to me and is clear.
3. The benefit of my participation is to contribute information to knowledge on intra-circular migration. This may contribute to a better understanding of North-South migration help in addressing that development challenge. There are no risks associated with participating in the study.
4. My participation as an interviewee in this project is voluntary. There is no explicit or implicit coercion whatsoever to participate.
5. Participation involves being interviewed by (a) researcher(s) from the University of Development Studies. The interview will last approximately 60 minutes. I allow the researcher(s) to take written notes during the interview.
6. I have the right not to answer any of the questions. If I feel uncomfortable in any way during the interview session, I have the right to withdraw from the interview.
7. I have been given the explicit guarantees that, if I wish so, the researcher will not identify me by name or function in any reports using information obtained from this interview, and that my confidentiality as a participant in this study will remain secure.
8. I have been given the guarantee that this research project has been reviewed and approved by the University. For research problems or any other question regarding the research project, the researcher may be contacted for clarifications.
9. I have read and understood the points and statements of this form. I have had all my questions answered to my satisfaction, and I voluntarily agree to participate in this study.
10. I have been given a copy of this consent form co-signed by the interviewer.



\_\_\_\_\_  
Participant's Signature Date

\_\_\_\_\_  
Researcher's Signature Date

For further information, please contact: 0205500947

\_\_\_\_\_  
<sup>1</sup> Culled from European University Institute

### Appendix 3: Consent for participation in a research interview<sup>1</sup>

#### Culture of intranational remittances and its utilization by families of circular migrants of northern region of Ghana

I agree to participate in a research project conducted by Usif Wuntuma Osman and supervised by Prof. Sylvester Zakariah Galaa from the University for Development Studies (UDS) in Tamale, Ghana. The purpose of this document is to specify the terms of my participation in the project through being interviewed.

1. I agree to participate in this study that I understand will be submitted in partial fulfillment of the requirements for the degree of Master of Philosophy at UDS.
2. I have been given sufficient information about this research project. The purpose of my participation as an interviewee in this project has been explained to me and is clear.
3. The benefit of my participation is to contribute information to knowledge on intra-circular migration. This may contribute to a better understanding of North-South migration help in addressing that development challenge. There are no risks associated with participating in the study.
4. My participation as an interviewee in this project is voluntary. There is no explicit or implicit coercion whatsoever to participate.
5. Participation involves being interviewed by (a) researcher(s) from the University of Development Studies. The interview will last approximately 60 minutes. I allow the researcher(s) to take written notes during the interview.
6. I have the right not to answer any of the questions. If I feel uncomfortable in any way during the interview session, I have the right to withdraw from the interview.
7. I have been given the explicit guarantees that, if I wish so, the researcher will not identify me by name or function in any reports using information obtained from this interview, and that my confidentiality as a participant in this study will remain secure.
8. I have been given the guarantee that this research project has been reviewed and approved by the University. For research problems or any other question regarding the research project, the researcher may be contacted for clarifications.
9. I have read and understood the points and statements of this form. I have had all my questions answered to my satisfaction, and I voluntarily agree to participate in this study.
10. I have been given a copy of this consent form co-signed by the interviewer.



\_\_\_\_\_  
Participant's Signature Date

\_\_\_\_\_  
Researcher's Signature Date

For further information, please contact: 0205500947

<sup>1</sup> Culled from European University Institute

### Appendix 3: Consent for participation in a research interview<sup>1</sup>

#### Culture of intranational remittances and its utilization by families of circular migrants of northern region of Ghana

I agree to participate in a research project conducted by Usif Wuntuma Osman and supervised by Prof. Sylvester Zakariah Galaa from the University for Development Studies (UDS) in Tamale, Ghana. The purpose of this document is to specify the terms of my participation in the project through being interviewed.

1. I agree to participate in this study that I understand will be submitted in partial fulfillment of the requirements for the degree of Master of Philosophy at UDS.
2. I have been given sufficient information about this research project. The purpose of my participation as an interviewee in this project has been explained to me and is clear.
3. The benefit of my participation is to contribute information to knowledge on intra-circular migration. This may contribute to a better understanding of North-South migration help in addressing that development challenge. There are no risks associated with participating in the study.
4. My participation as an interviewee in this project is voluntary. There is no explicit or implicit coercion whatsoever to participate.
5. Participation involves being interviewed by (a) researcher(s) from the University of Development Studies. The interview will last approximately 60 minutes. I allow the researcher(s) to take written notes during the interview.
6. I have the right not to answer any of the questions. If I feel uncomfortable in any way during the interview session, I have the right to withdraw from the interview.
7. I have been given the explicit guarantees that, if I wish so, the researcher will not identify me by name or function in any reports using information obtained from this interview, and that my confidentiality as a participant in this study will remain secure.
8. I have been given the guarantee that this research project has been reviewed and approved by the University. For research problems or any other question regarding the research project, the researcher may be contacted for clarifications.
9. I have read and understood the points and statements of this form. I have had all my questions answered to my satisfaction, and I voluntarily agree to participate in this study.
10. I have been given a copy of this consent form co-signed by the interviewer.



\_\_\_\_\_  
Participant's Signature Date

\_\_\_\_\_  
Researcher's Signature Date

For further information, please contact: 0205500947

<sup>1</sup> Culled from European University Institute



### Appendix 3: Consent for participation in a research interview<sup>1</sup>

#### Culture of intranational remittances and its utilization by families of circular migrants of northern region of Ghana

I agree to participate in a research project conducted by Usif Wuntuma Osman and supervised by Prof. Sylvester Zakariah Galaa from the University for Development Studies (UDS) in Tamale, Ghana. The purpose of this document is to specify the terms of my participation in the project through being interviewed.

1. I agree to participate in this study that I understand will be submitted in partial fulfillment of the requirements for the degree of Master of Philosophy at UDS.
2. I have been given sufficient information about this research project. The purpose of my participation as an interviewee in this project has been explained to me and is clear.
3. The benefit of my participation is to contribute information to knowledge on intra-circular migration. This may contribute to a better understanding of North-South migration help in addressing that development challenge. There are no risks associated with participating in the study.
4. My participation as an interviewee in this project is voluntary. There is no explicit or implicit coercion whatsoever to participate.
5. Participation involves being interviewed by (a) researcher(s) from the University of Development Studies. The interview will last approximately 60 minutes. I allow the researcher(s) to take written notes during the interview.
6. I have the right not to answer any of the questions. If I feel uncomfortable in any way during the interview session, I have the right to withdraw from the interview.
7. I have been given the explicit guarantees that, if I wish so, the researcher will not identify me by name or function in any reports using information obtained from this interview, and that my confidentiality as a participant in this study will remain secure.
8. I have been given the guarantee that this research project has been reviewed and approved by the University. For research problems or any other question regarding the research project, the researcher may be contacted for clarifications.
9. I have read and understood the points and statements of this form. I have had all my questions answered to my satisfaction, and I voluntarily agree to participate in this study.
10. I have been given a copy of this consent form co-signed by the interviewer.



\_\_\_\_\_  
Participant's Signature Date

\_\_\_\_\_  
Researcher's Signature Date

For further information, please contact: 0205500947

\_\_\_\_\_  
<sup>1</sup> Culled from European University Institute