

**THE IMPACT OF MIGRATION AND REMITTANCES
ON HOME COMMUNITIES IN ETHIOPIA**

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ABSTRACT

The money that migrants send, both individually and collectively, and other transnational engagements have become an area of increasing research and policy interest, although little studied in Ethiopia. This thesis investigates the social and economic impacts of migration and remittances on families and communities left behind in Ethiopia. A mixed methods approach is adopted involving the collection of both quantitative and qualitative information including a survey of 544 migrant households in Gondar, a northern Ethiopian city which has been an important source of emigrants since the late 1970s. For comparison, the study also examines the pattern of migration and remittances in the Hadiya and Kembata villages in South Ethiopia, an emerging emigrant community that sends migrants predominantly to South Africa.

In Ethiopia, large scale cross-border migration has increased, especially in the last decade, and become more complex. Migrant families maintain strong family ties through diverse communication media, and by visiting both in Ethiopia and overseas. The frequency and intensity of remittance flows is high, and are increasingly sent beyond the immediate family circle. The findings suggest that remittances need to be seen not only as a consequence of migration, but also as a main driver of the movement.

Both continuity and change are observed in the use and impact of remittances over time. The balance of remittance utilisation has changed from a focus on daily subsistence and social events to more investment in housing, business, education and family migration over the past decade. The emergence of a private sector, expansion of infrastructure, and diaspora incentive packages have helped encourage investment. However, incentive packages that have political rather than economic purposes, incur costs in the community of origin and are increasingly subject to abuse and corruption. Migration has not only transformed household livelihoods, but also boosted their social standing. Remittances also trigger rural-urban migration and reduce people's aspirations to work and study, increase unemployment and school dropout rates, and can lead to family disputes. The study provides insights into why some households transform themselves from a 'consuming' to an 'investing' entity, while others continue to depend on remittances for subsistence. Transnational families support local inhabitants to emigrate abroad through providing money and information and by arranging loans and transnational marriages. Inter-household resource transfers, especially in the form of loans increasingly help local

inhabitants to meet daily subsistence; cope with crises; set up businesses, and send children to school. They can make finance available for community projects. The thesis also explores the different ways remittances are tied to the local economy. The diaspora has forged cooperative linkages between host cities and hometowns through which monetary and non-monetary resources are channelled from the former to the latter. The role of origin communities in constructing and reconstructing this transnational network, which is often ignored in the theorization of transnationalism, is emphasised.

DECLARATION

I certify that this work contains no material which has been accepted for the award of any other degree in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. In addition, I certify that no part of this work will, in the future, be used in a submission in my name, for any other degree or diploma in any university without the prior approval of the University of Adelaide.

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Girmachew Adugna Zewdu

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DEDICATION

This thesis is dedicated to the memory of my late beloved father, Adugna Zewdu, who has been my source of inspiration, and to my beloved mother for her unconditional love and prayers. Father - you are forever remembered.

I would also like to take this opportunity to dedicate this work to Ethiopian migrants who drowned in the sea, died in a desert from thirst and in the back of a truck from asphyxiation, trying to reach other countries that they think would offer them better opportunities.

ABBREVIATIONS

ABS	Australian Bureau of Statistics
AfDB	Africa Development Bank
CBE	Commercial Bank of Ethiopia
COMESA	Common Market for Eastern and Southern Africa
CSA	Central Statistical Authority
DIMIA	Department of Immigration, Multicultural and Indigenous Affairs
DV	Diversity Visa
ECOWAS	Economic Community of West African States
EMS	Express Mail Service
ENA	Ethiopian News Agency
ENAHPA	Ethiopian North American Health Professional Association
EPRDF	Ethiopian People Revolutionary Democratic Front
EU	European Union
FDI	Foreign Direct Investment
FSCB	Food Security Coordination Bureau, Addis Ababa
GDCO	Gondar Development Cooperation Organisation s
GDP	Gross Domestic produce
GRRDA	Gondar Relief Rehabilitation and Development Association
GTP	Growth and Transformation Plan
HAPCO	HIV/AIDS Prevention and Control Office, Addis Ababa
HTA	Hometown Associations
ICMPD	International Centre for Migration Policy Development
ICT	Information and Communication technology
IELTS	International English Language Testing System
IMF	International Monetary Fund
IOM	International Organisation for Migration
MFI	Ministry of Foreign Affairs
MoA	Ministry of Agriculture
MoFED	Ministry of Finance and Economic Development
MoLSA	Ministry of Labour and Social Affairs
MTO	Money Transfer Organisations
NBE	National Bank of Ethiopia
NER	Net Enrolment Rate

NPP	National population Policy
OECD	Organisation for Economic Cooperation and Development
PRB	Population Reference Bureau
RSP	Remittance Service providers
SADC	Southern African Development Community
SSA	Sub-Saharan Africa
SPSS	Statistical Package for the Social Sciences
UNICEF	United Nations Children’s Fund
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
USA	United States of America
TFR	Total Fertility Rate
TOEFL	Test of English as a Foreign Language
WFP	World Food Programme

In Amharic

<i>Ahiwa girf</i>	House constructed from a mix of mud and cement
<i>ETB</i>	Ethiopian Birr (Currency 1US\$=17.5 Birr in early 2012)
<i>Got</i>	A particular locality in a given rural village
<i>Iddir</i>	Neighbourhood based social institutions that are organised mainly for funeral purposes
<i>Iqub</i>	Traditional saving associations
<i>Meskel</i>	A holiday celebrated to commemorate the ‘Finding of The True Cross’
Qey shibir	Red terror campaign carried out in Ethiopia in the late 1970s
<i>Sefer</i>	Neighbourhood
<i>Wetat turetegna</i>	‘Youth pensioner’
<i>Timket</i>	Epiphany

TABLE OF CONTENTS

ABSTRACT	I
DECLARATION	III
ACKNOWLEDGEMENTS	IV
DEDICATION	V
ABBREVIATIONS	VI
TABLE OF CONTENTS	VIII
LIST OF TABLES	XIII
LIST OF FIGURES	XV
CHAPTER 1	1
Introduction	1
1.1. Introduction	1
1.2. Aims and Objectives of the Study	3
1.3 Research Questions.....	4
1.4. Remittances: Linking migration and development?.....	4
1.5. Remittances in Ethiopia	8
1.6. Migration and remittance studies in Ethiopia	11
1.6.1. Internal and international migration.....	11
1.6.2. Remittances and diaspora engagement.	13
1.7. The geography and demographic characteristics of Ethiopia.....	14
1.8. Socio-Economic and political landscape	18
1.9. The Place of migration in Ethiopian development policies	22
1.10. Organisation of the thesis	25
CHAPTER 2	27
Theoretical framework	27
2.1. Introduction	27
2.2. Neo-classical theory	28
2.3. Historical structuralist approach.....	31
2.4.The New economics of labour migration	32
2.5. Harmonizing Agency and structure in migration theories.....	35
2.6. Migration and Development: From pessimism to triple win scenario.....	36
2.6.1 Conceptualising the link.....	36
2.6.2 Why a new interest?.....	37

2.7. Remittances	38
2.7.1 Theoretical base and empirical evidence	38
2.8. Transnational perspective of migration	42
2.8.1. Migrant networks and social capital	42
2.8.2. Diaspora's and transnational communities' as (co) development actors	44
2.9. Hometown Associations and Home Community Development	47
2.10. Conclusion	48
CHAPTER 3	49
Research Methodology	49
3.1. Introduction	49
3.2. Research Paradigm: Ontological, epistemological and methodological contours	49
3.2.1. The positivist and constructivist divide	50
3.2.2. A 'third' paradigm: Pragmatism and Mixed Methods Research	52
3.2.3. Justifying a mixed research design for the present study	53
3.3. Theoretical framework of the study	55
3.4. Data collection tools and approaches	57
3.4.1. Household Survey	57
3.4.2. Sampling Methods	59
3.4.2.1. Selecting Survey participants	59
3.5. Questionnaire	63
3.6. Groundwork before field entry	64
3.6.1. Ethical consideration	65
3.7. Fieldwork	65
3.8. Qualitative data collection	66
3.8.1. In depth Interviews	66
3.8.2. Key informant interview	67
3.8.3. Focus group discussions (FGDs)	68
3.8.4. Observation	69
3.9. Secondary data	70
3.10. Data Analysis	70
3.11. Field Experience: Opportunities and challenges	72
3.11. Conclusion	73

CHAPTER 4	74
Patterns of internal and international migration in Ethiopia	74
4.1. Introduction	74
4.2. Internal migration and Villagization programme.....	74
4.3. International Migration in Ethiopia: An historical perspective.....	76
4.3.1. Emigration in pre-revolution Ethiopia (Pre-1974).....	77
4.3.2. Emigration in post-revolution Ethiopia (the Derg era 1974-1991).....	77
4.3.3. Emigration in the post Derg period (1991 to Date).....	79
4.4. Refugee flows in Ethiopia and the Horn of Africa	79
4.5. The Current landscape of migration.....	82
4.5.1. Southward migration to South Africa.....	83
4.5.2. Domestic Labour migration to the Gulf and Middle East.....	87
4.6. Conclusion.....	91
CHAPTER 5	92
5.1. Migration, migrant characteristics and transnational family network.....	93
5.1. Introduction	92
5.2. The Decision making process	92
5.3. Reasons for migration	94
5.4. Gender in Migration.....	99
5.5. Migrants' demographic characteristics	100
5.5.1. Age and Gender.....	100
5.5.2. Education	101
5.5.3. Immigrants marital status and family size.....	103
5.6. Patterns of migration	105
5.6.1. Year of departure, and geographic distribution	105
5.6.2. Legal status at destination	107
5.7. The dynamics of transit and return migration	108
5.8. The dynamics of transnational family links and communication Media.....	110
5.8.1. Discussion Points: What is the Agenda?	114
5.8.2. Ownership of communication devices	115
5.8.3. Transnational Family Visit.....	117
5.9. Conclusion.....	119

CHAPTER 6	120
Remittance inflows, remitting behaviour and utilisation patterns	120
6.1. Introduction	120
6.2. Characteristics of remittance receiving households.....	120
6.2.1. Age and gender of migrant household heads.....	120
6.2.2. Religion.....	121
6.2.3. Marital Status	122
6.2.4. Education	123
6.2.5. Employment.....	124
6.2.6. Family Size	124
6.2.7. Family and Dynamics of Remittance Transfer	125
6.3. Trends and patterns of remittance inflow.....	130
6.3.1. Origin and amount of remittances	132
6.3.2. Remittance inflow and recipient households' socio-demographic dynamics	135
6.3.3. Remittance transfer channels	138
6.3.4. Informal Remittances in Hadiya and Kembata	140
6.3.5. In- Kind Remittances to and from Ethiopia	142
6.3.6. Domestic Remittances.....	144
6.4. Patterns of remittance utilisation.....	145
6.5. Saving and the social construction of remittances	147
6.6. Conclusion.....	149
 CHAPTER 7	 151
Impact of remittances on families left behind	151
7.1. Introduction	151
7.2. Economic Impacts	153
7.2.1. Source of Income and Family Livelihoods	153
7.2.2. Setting up or expanding business	160
7.3. Social Impact.....	164
7.3.1. Housing, housing facilities and consumer durables.....	164
7.3.2. Access to education and health services	171
7.3.3. Social status.....	174
7.4. Negative impacts	175
7.5. Conclusion.....	178

CHAPTER 8	181
The community-wide impact of migration and remittances	181
8.1. Introduction	180
8. 2. Inter-household resource transfer and community engagement	182
8.3. Increased chain migration opportunities	185
8.4. Job opportunity, market linkages and city landscape.....	188
8.5 Sister Cities: Migrants role in forging people to people partnership	193
8.6. Hometown Association: Gondar Development and Cooperation Organisation	195
8.6.1 Introduction.....	195
8.6.2 Impact.....	195
8. 7. Negative impacts on home communities	199
8.7.1. Rising living cost and local inflation.....	199
8.7.2. Socio-economic divide.....	199
8.7.3. Political implications.....	201
8.7.4. Conclusion	201
CHAPTER 9	204
Implication and conclusions	203
9.1. Introduction	203
9.2. The trend, pattern and determinants of international migration.....	203
9.3 Dynamics of transnational ties and communication	205
9.4. Trends and patterns of remittance flow and characteristics of recipients	207
9.5. Impact of migration on families left behind.....	208
9.5.1. Economic Impact	208
9.5.2. Social Impact.....	210
9.6. Collective remittances, diaspora engagement, and multiplier effects.....	211
9.7. Implications for theory	214
9.8. Implications for policy	219
9.9. Limitation of the study	223
9.10. Recommendations for future research	224
9.11. Conclusion.....	226
Appendix 1	230
Appendix 2	231
Appendix 3	232
References	245

LIST OF TABLES

Table 1.1 Number of Ethiopian immigrants by destination country	2
Table 1.2 Official, informal and in-kind remittances to Ethiopia 1996-2012.....	10
Table 1.3 Ethiopia : Official remittances compared to total export and coffee export.....	10
Table 1.4 Population growth rate and proportion of females, 1900 to 2010	16
Table 1.5 TFR, IMR, and Child Mortality in Ethiopia	17
Table 1.6 Population by broad age group, Ethiopia: 1984-2007	18
Table 3.1 Paradigms: the quest for knowledge and reality	50
Table 3.2 Gondar city population, 1994-2007	59
Table 3.3 Summary of total number of survey participants	63
Table 4.1 Refugee flows from Ethiopia in 1972- 1992	78
Table 4.2 Refugee flows to Ethiopia from neighbouring countries, 2000-2012	81
Table 4.3 Number of Ethiopian Refugee population and Asylum applicants	83
Table 4.4 Average migration cost on regular and irregular routes	87
Table 5.1 Respondents by number of reunified family members abroad	91
Table 5.2 Number of Ethiopian DV winners and total online applicants, 2003-2014.....	98
Table 5.3 Age distribution of emigrants in this study and Gondar city residents.....	104
Table 5.4 Educational attainment of emigrants and the urban population of Amhara region aged 5 years and above	105
Table 5.5 Distribution of emigrants by number of children	109
Table 5.6 Percentage distribution of migrants' by year of departure	110
Table 5.7 Migrants by duration of stay in neighbouring countries	111
Table 5.8 Number of communication modes used by migrants to maintain links with families left behind.....	115
Table 5.9 Communication modes for migrant respondents	117
Table 5.10 Households by issues of discussion when communicating with diaspora members	118
Table 6.1 Employment status of migrant household heads	125
Table 6.2 Relationship of remitters to household heads	126
Table 6.3 Remittance flows to people other than immediate family.....	127
Table 6.4 Distribution of migrant families by beneficiary level	130
Table 6.5 Households by remittance flow, length of time, frequency, and when last received.....	133
Table 6.6 Banks operating in Gondar city.....	142

Table 6.7 The flow of in- kind remittances to and from Ethiopia	143
Table 6.8 Reverse remittances by frequency and means of transfer	144
Table 6.9 Summary of remittance inflow and outflow to and from Gondar	144
Table 6.10 The distribution of annual domestic and foreign remittances in \$US	145
Table 6.11 Respondents by reason for not receiving domestic remittance	146
Table 6.12 Migrant families' remittance usage (multiple responses).....	147
Table 7.1 Main income source for migrant households	154
Table 7.2 Household opinions on level of importance of remittances to their livelihood	155
Table 7.3 Items that could not be attained without remittance receipt	157
Table 7.4 Reasons for increasing household expenditure over the years	159
Table 7.5 Type of business activities (multiple responses)	162
Table 7.6 Household opinion of the importance of remittances on housing	167
Table 7.7 Emigrants who own property in Ethiopia.....	167
Table 7.8 Reasons for unemployment among young family members	177
Table 8.1 Purpose of use of loan fund (multiple responses)	184
Table 8.2 Major crises of households in Gondar	185
Table 8.3 Education support for housemaid	186
Table 8.4 The type of support migrant households provided to other people.....	187
Table 8.5 Distribution of businesses by number of employees	189
Table 8.6 Households whose diaspora members engaged in investment	188
Table 8.7 Diaspora Investment Projects in North Gondar Zone, 1993 to 2012	189
Table 8.8 Migrants in Gondar city by length of residence	190
Table 8.9 Scholarship support by number of recipient students, schools, and annual budget.....	193

LIST OF FIGURES

Figure 1.1 Remittances, ODA and FDI inflow to developing countries, 1995-2013.....	5
Figure 1.2 Top remittance receiving countries in the global South, in \$US billion, 2013	6
Figure 1.3 Remittances, ODA and FDI, Ethiopia 1994-2011	11
Figure 1.4 The study area: Ethiopia and the Horn of Africa	15
Figure 1.5 Annual rate of population growth in urban and rural Ethiopia, 1880-2010, and projected 2010-2020.....	17
Figure 1.6 Age-sex structure, Ethiopia 2007.....	18
Figure 1.7 Males and Females aged 6 and above by level of education.....	19
Figure 1.8 Unemployed male and female population aged 10 and above.....	19
Figure 1.9 Population below poverty line in rural, urban areas and nationally, 1995-2011..	21
Figure 1.10 Ethiopia: Number of food insecure people (in millions), 1996-2012	22
Figure 2.1 Migration- development nexus in the eye of migration theories.....	22
Figure 3.1 Theoretical and conceptual framework of the study	56
Figure 3.2 Map of Gondar City, the study area	58
Figure 4.1 Refugee flow to and from Ethiopia, 1994-2011	82
Figure 5.1 The Decision making process.....	93
Figure 5.2 Reasons for migration	94
Figure 5.3 Educational attainment of Migrants by Sex	104
Figure 5.4 Marital status of emigrants urban population of Amhara.....	105
Figure 5.5 Destination countries for emigrants in this study and the total Ethiopian Diaspora.....	107
Figure 5.6 Percentage of emigrants by legal status	104
Figure 5.7 Legal Status of Emigrants by Destination Country.....	106
Figure 5.8 Frequency of communication of migrant households with diaspora	107
Figure 5.9 Frequency of contact of migrants by length of time since departure	108
Figure 5.10 Percentage of migrants using the Internet by country of residence	112
Figure 5.11 Telephone possession of migrant households compared to other households	115
Figure 5.12 Mobile telephone subscriptions per 100 inhabitants, East Africa, 2000-2012	116
Figure 5.13 Households visited by diaspora members by year of last visit.....	118
Figure 5.14 Migrants purpose of home visit and duration of stay in Ethiopia.....	119
Figure 6.1 Age Structure of migrant household heads compared to Gondar city residents	122

Figure 6.2 Religion of migrant household heads, Gondar city residents and the total population.	121
Figure 6.3 Survey respondents, diaspora members and people aged 15 and above in Ethiopia by marital status	122
Figure 6.4 Migrant family heads, migrants abroad and people aged 15 and above in Ethiopia by education status	123
Figure 6.5 Number of people per migrant household compared to average city size...	125
Figure 6.6 Remittance recipients by beneficiary groups.....	128
Figure 6.7 H Origin of Remittances for Ethiopia and the Study area (Gondar)	134
Figure 6.8 Households by the amount of remittances received in a single transaction	133
Figure 6.9 Households by frequency of remittance receipt and number of senders.....	138
Figure 6.10 Remittances Transfer patterns in the study area	137
Figure 6.11 The amount and means of remittance transfers to migrant families	138
Figure 6.12 Patterns of remittance usage by amount of annual remittance receipt	140
Figure 6.13 Distribution of households by reasons for not saving, percentage.....	147
Figure 7.1 Impact of remittances on families left behind.....	152
Figure 7.2 Primary income source for households by gender	154
Figure 7.3 Remittance dependent households by head of the family employment status .	155
Figure 7.4 Household opinion on whether they can attain their standard of living without receiving remittances by pattern of remittance usage.....	157
Figure 7.5 Household opinion on whether they can attain their current standard of living without accessing remittances by household heads' employment status.....	158
Figure 7.6 Comparison of migrant households and other residents by food status.....	160
Figure 7.7 The extent to which remittances support business activities by household heads gender	161
Figure 7.8 Type of business activities by level of remittance support	164
Figure 7.9 Home ownership among migrant households, Gondar and other major cities	165
Figure 7.10 Migrant family houses and the city of Gondar by construction materials ...	168
Figure 7.11 Type of house by year of construction	169
Figure 7.12 Distribution of households by house facilities	170
Figure 7.13 Distribution of migrant families by household durables.....	171
Figure 7.14 Male and female migrant household members and city residents aged 5 and over by education status.....	172
Figure 7.15 Households' further expectations of remittances by length of remittance receipt	177

Figure 8.1 Community-wide multiplier effects of migration and remittances 181

Figure 8.2 Transnational families that provide donation to community projects in Ethiopia
by type of project supported187