

**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

May 2014

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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

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CHAPTER 1

INTRODUCTION

1.1. Introduction

Over the past four decades Ethiopia has been experiencing inter-related socio-economic and political crises that have led to a massive exodus of people, both internally and cross border. Large scale emigration began in the mid-1970s, when the monarchy was overthrown by a military dictatorship. The *qey shibir* (Red Terror) campaign that the military regime carried out between 1976 and 1978 has caused massive population displacement, mainly from across urban Ethiopia to neighbouring countries and beyond (Getahun 2007). Before the 1974 revolution, some people left for Western countries in pursuit of education and the rate of return was reportedly high (Terrazas 2007). However, international migration has subsequently increased, especially in the last decade. The pattern of this movement has become more complex not only in terms of the magnitude of outflows and drivers of that movement, but also in terms of the diversity of the movers, their place of origin and their country of destination. The landscape of migration has changed from migration born out of conflict to irregular migration, mainly driven by economic reasons. While females have been departing predominantly to the Gulf and Middle Eastern countries as domestic workers, uneducated rural youth (males) from South Ethiopia are increasingly migrating southward to South Africa. The departure of skilled migrants to Western countries and other emerging economies in Africa is also on the rise.

When it comes to the size and distribution of the Ethiopian diaspora, it is difficult to be precise. For many years, the estimation has been over a million (Aredo 2005). In 2012, the Ethiopian Ministry of Foreign Affairs put the estimate of Ethiopian diaspora at over two million. However, there is no evidence to support this claim. For example, while the latest Australian Census counted only 8,452 Ethiopian born people in Australia (ABS 2011), the Ethiopian Ministry of Foreign Affairs estimate suggests 30,000 (Table 1.1). World Bank data on the other hand show that around 620,000 Ethiopians (0.7 percent of the total population) lived outside the country in 2010, mainly concentrated in the US, Middle East and Europe. Despite the increasing migration out-flows since the mid-1970s, data and systematic research on migration has been largely absent in Ethiopia. The absence is pronounced in all issues: the determinants, patterns and processes of the movement, return and circular migration, diaspora engagement, individual and collective remittances.

Table 1.1: Number of Ethiopian immigrants by Destination country

Destination	Number
US	500,000
Arab (Saudi Arabia, UAE, Yemen, Lebanon)	270,862
Israel	131,500
Africa (South Africa, Sudan, Kenya, Egypt)	113,011
Europe (UK, Germany, Netherland, Sweden, Italy, Belgium, Greece)	100,578
Canada	39,907
Australia	30,000
Total	1,181,280

Source: Ethiopian Ministry of Foreign Affairs, 2012 (unpublished document)

Despite uncertainty regarding the size of the Ethiopian diaspora there can be no doubt about its influence on development through remittances, investment, as well as skills and knowledge acquired abroad. The money that Ethiopian migrants send home are now comparable to the revenues earned from the export sector, and foreign direct investment (FDI) inflows. The Ethiopian government has shown renewed interest in the diaspora since the early 2000s, taking different legislative measures and forming new institutions culminating with the development of a comprehensive diaspora policy in 2013. Despite this, little is known how migration, remittances and other diaspora activities impact upon the country and community of origin, and to what extent these policy initiatives have helped mobilise diaspora resources. The focus of this study is to examine the trends, patterns and determinants of international migration in Ethiopia and its impact on migrant origin areas. The thesis will primarily investigate the impact of remittances on families left behind and examine its implications for local development. Migrants' transnational engagement and its effect on communities of origin, and the role of social networks and policy initiatives in mobilising these resources, are also examined.

The study focuses on Gondar, a Northern Ethiopian city that has been an important source of emigrants since the late 1970s, when the country's first large wave of emigration occurred. The USA and Israel have been the main destinations for migrants originating from this province. The study also examines the pattern of migration and remittances in the Hadiya and Kembata region in Southern Ethiopia, an emerging emigrant community that sends migrants predominantly to South Africa, largely on an irregular basis. By contrasting the Gondar region where migration is more established, with the Hadiya and Kembata villages that have experienced high levels of emigration more recently, the study examines how emigration patterns shape remittance channels and how the use and role of

remittances varies in diverse socio-cultural settings. Of particular note, in this study the villages of Hadiya and Kembata are regarded as two parts of one region- that is referred to as the Hadiya and Kembata region.

It also reflects on factors that enable or inhibit the development potential of migration for migrant origin areas and suggests strategies that help maximise the benefits beyond the family. It is hoped that the findings of the study will provide useful insights for policy makers to build on existing diaspora policy initiatives and practices in Ethiopia, and contribute to the ongoing theoretical and methodological debate in this area.

The remainder of the chapter is organised as follows. The first section presents the aims and objectives of the study, along with research questions and the second reflects on the ongoing debate on migration and development, with particular emphasis on remittances. The third section outlines the state of the study of migration and remittances in Ethiopia, and the fourth reviews the country's geographic, demographic, social, and political dynamics to demonstrate how the Ethiopian diaspora emerged and developed, and to provide the context in which remittances and the transnational activities of the diasporas operate in the country. The fifth section examines the place of migration in Ethiopian development policies.

1.2. Aims and Objectives of the Study

The overarching aim of the study is to investigate the social and economic impact of migration and remittances on migrant sending families and communities in Ethiopia. The money that migrants sent, individually and collectively, and other forms of diaspora engagement, will be investigated to show how migration impacts on the origin communities. In order to achieve this aim, the study addresses the following specific objectives:

1. To examine the trends, patterns and processes of cross-border mobility and the drivers of the movement
2. To examine the demographic and socio-economic characteristics of migrant families and their diaspora members.
3. To explore the nature and role of transnational social networks in connecting people, institutions and mobilising resources across national borders
4. To explore the trends, patterns and determinants of remittance flows and their impacts on the living conditions of families left behind

5. To investigate the beneficial and adverse effects of migration and remittances on migrant origin areas and communities, especially in respect to local development
6. To identify factors that limit the development potential of migration and build on the existing diaspora policy initiatives and practices.

1.3 Research Questions

- What are the trends, patterns and determinants of cross-border mobility in Ethiopia?
- What are the demographic and socioeconomic characteristics of remittance receiving families, and their diaspora members?
- How do transnational family ties function and what are their roles in mobilising resources across national borders?
- What are the trends, scale, and determinants of remittance flows?
- How are remittances used once they arrive in Ethiopia?
- Does the use of remittances change over time and what factors enable this change?
- What are the impacts of remittances on families and communities left behind in Ethiopia?
- Do the diaspora and their organisations contribute to community development in Ethiopia?
- How best can the benefits of migration and remittances be maximised and their social and economic costs minimised?
- What are the policy, methodological and theoretical implications of the study?

1.4. Remittances: Linking migration and development?

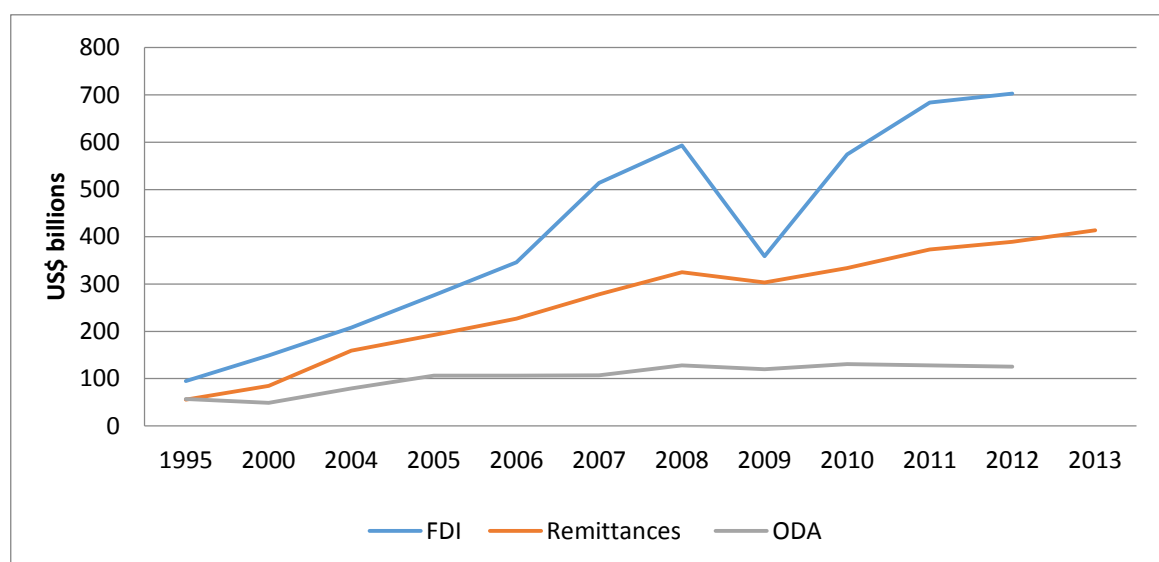
In the past few years international migration has been perceived positively and its increasing importance has been recognized as indicated by the IOM (2010, p.9) as:

an integral and essential feature of modern life and of an increasingly integrated global economy, holding tremendous development potential for individuals as well as societies of origin and destination.

Most importantly, due to its growing significance to developing countries over recent years, remittances have been an area of increasing research and policy interest. Figure 1.1 shows that remittances sent to developing countries have grown from \$US31 billion in 1990 to US\$414 billion in 2013, and are expected to reach US\$540 billion by 2016 (World Bank 2013, p.1). Families, friends and relatives who remain behind are the main recipients of these transfers, and remittances have become an integral feature of the livelihoods of

millions of people in the developing world. Remittance flows have not only far exceeded foreign development aid, but they are found to be more stable and resilient (Ratha *et al.* 2010), as illustrated in Figure 1.1. Of particular note, the flows of official development assistance stayed very much same compared to foreign direct investment and migrant remittances.

Figure 1.1 Remittances, ODA and FDI inflow to developing countries, 1995-2013

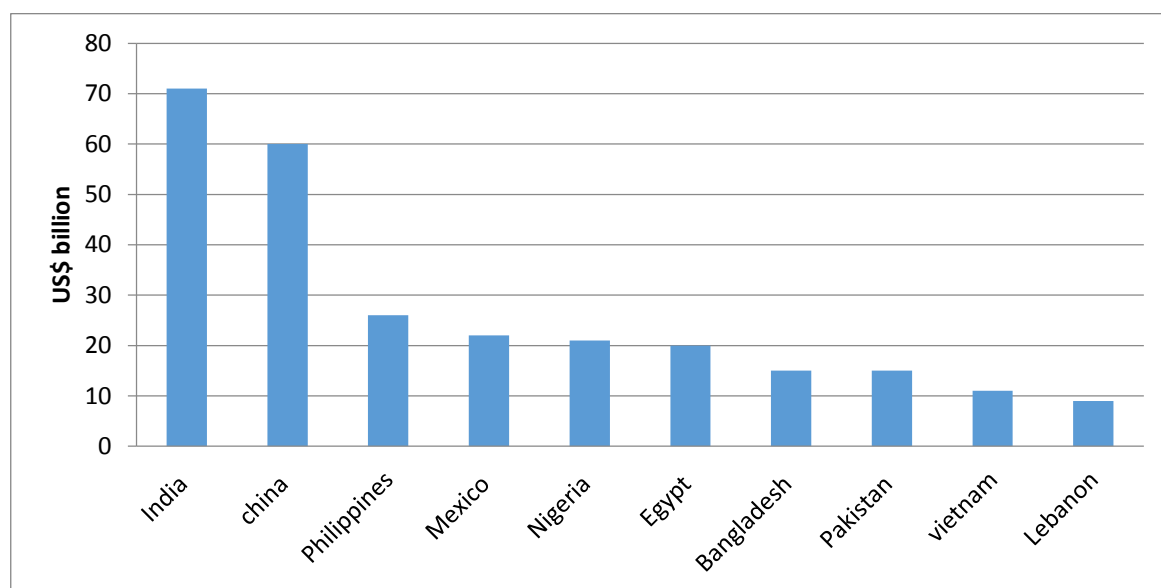


Source: World Development Indicators database; World Bank 2013

Although the bulk of remittances flow toward developing countries, its distribution is skewed toward a few countries that have a large migrant stock residing abroad. Figure 1.2 shows that ten countries receive two-thirds of the total remittances sent to the global South in 2013 (World Bank 2013). India and China alone received nearly a third of the total remittances, while about a quarter (21.4 percent) go to the Philippines, Mexico, Nigeria and Egypt. Although Sub-Saharan Africa (SSA) receives a lower share of global remittances; they nevertheless grew from US\$4.6 billion in 2000 to US\$32 billion in 2013 (World Bank 2013, p.1). In 2012, for the first time, money sent home by migrants has become the largest source of foreign finance for the continent, leaving FDI and foreign aid behind (AfDB 2012). Moreover, the actual amount is much larger as informal remittance in-flows are not captured in official data, and are believed to be higher in Africa than in any other developing region (Freund and Spatafora 2005). Mohapatra and Ratha (2011) argue that the high costs involved in sending remittance to Africa both from outside and within the continent, and the prevalence of irregular migrants can partly explain this trend. Ethiopians who irregularly emigrate to South Africa adopted innovative informal money

transfer mechanisms as they and their families left behind lack access to any formal banking systems. This phenomenon will be discussed in Chapter 6.

Figure 1.2 Top remittance receiving countries in the global South in \$US billion, 2013



Source: World Bank 2013; Migration and Development brief 21, p. 5

The motives for sending remittances and its effects on recipient families are increasingly being studied, especially in Latin America (e.g., Orozco 2002a) and in the Asian context (Hugo 2005). SSA has received little attention in this regard (Balde 2009). After examining the motives behind remitting in SSA, Singh *et al.* (2011) found that family insurance is one of the underlying causes for sending remittances, while others argued that self-interest is the main determinant (Kemegue and Owusu-Sekyere 2010). Several studies corroborate the risk sharing hypothesis that remittances safeguard farmers, for example, from rainfall deficits in the Philippines (Yang and Choi 2007), food scarcity in Ethiopia (Mohapatra *et al.* 2009), crop failures in Ghana (Quartey 2006) and in Mali (Gubert 2002). It is apparent, however, that the motives of remitting rarely involve a single driver and appears to be a mix of personal and family considerations. This will also be discussed in Chapter 6.

Remittances are having an impact in reducing poverty in many developing countries (World Bank 2006). Plaza *et al.* (2011) in their studies of remittances in Kenya, Nigeria, Burkina Faso, Uganda and Senegal have found that remittances sent from migrants residing outside the continent are increasingly invested in real estate, land, farm equipment and family businesses, while remittances sent from within the continent are often used for consumption. In the household studies of remittances, remittance expenditure tends to be

classified either into consumption or investment (Yang 2011). Moreover, often the role of remittances is associated with investment, not with consumption (UNDP 2009). However, the consumption sector is by no means unproductive. Family wellbeing, for example, rises with improved consumption (Magrabi et al. 1991). This in turn, will help the family to engage in productive investment in the future (Carling 2007; Stalker 2000). Studies (Hugo 2005; Taylor 1999) show that remittances stimulate migrant origin areas through second and third level multiplier effects. Of particular note, the pattern of remittance usage can change over time, depending on the demographic and socio-economic characteristics of households, the volume of resource transfers and government policies, among other factors, which is discussed in Chapter 7. Another overlooked issue is the inter-household resource transfer in origin communities and the role in development of remittance receiving families, especially through making donations to community projects that are often constrained by limited budgets. The social structure in respect to community norms and values that bind levels of cooperation between communities and among its members, is important in this regard.

The other transnational activities of migrants are also important, notably their engagement in sending collective remittances otherwise known as hometown associations (Orozco 2000), and through their skills and knowledge transfers (Turner *et al.* 2009; Meyer and Brown 1999; Levitt 1998). Interestingly, this study found a new form of diaspora engagement that holds tremendous development potential for migrant origin areas. Migrants, both individually or collectively, engaged in forging cooperative linkages between home and host country institutions – that increasingly help channel resources from the former to the latter. This people-to- people linkage is likely to thrive for an extended period, and is discussed in Chapter 8.

Despite the enthusiasm, there is a great deal of scepticism whether or not migration and remittances advance development in migrant sending societies (Chami *et al.* 2005). In the developing world where skilled human and financial resources are limited, remittances are often seen as compensation for the negative effects of brain drain. However, globally empirical evidence shows that this is not generally true (Niimi *et al.* 2008; Faini 2007). This is mainly because skilled migrants usually come from well-to-do families and are not obliged to remit. They are also likely to move their families to a host country through family reunification schemes (Faini 2007). Migrant remittances might not be a net benefit if outflows consist mainly of those with high education attainment, and the level of

knowledge and skill transfer is minimal. Moreover, the departure of emigrants and the subsequent remittance flows can negatively affect the economic and social fabric of communities of origin, as indicated by Vertovec (2004, p.985):

...increased levels of consumption spending (often on foreign imports), displace local jobs and incomes, inflate local prices of land, housing and food; create disparity between recipients and non-recipients; and create a culture of economic dependency.

In Zimbabwe, Bracking (2003, p.642) found that remittances ‘contribute to the underwriting of pre-existing class locations, and the formation of new social hierarchies’. At a macro-level, as Castles and Wise (2007, p.10) argue, there is a concern that remittances might introduce another form of ‘structural dependence on further emigration and remittances: a vicious circle of decline, rather than a virtuous circle of growth’. The experience of the Philippines (Asis 2007) and Mexico (Wise and Guarnizo 2007) are notable in this regard. So far, there is no country that witnesses development through migration and remittances (Ports 2007; Asis 2007). Nevertheless, migration and remittances ‘can neither be blamed for a lack of development nor be expected to trigger take-off development in generally unattractive investment environments’ (De Haas 2007, p.27). Ill-conceived diaspora policies can also cause negative results, as is the case in Ethiopia where politically motivated policy measures and practices, fail to recognize diaspora diversity, and impose an unnecessary burden on the country’s scarce resources. Researchers (Hugo 2012; De Haas 2011; Munck 2010) argue that the link between migration and development is far from established and needs further investigation to be able to reinforce and sustain the links through appropriate policy measures.

1.5. Remittances in Ethiopia

The flow of official remittances to Ethiopia is low compared to its neighbouring countries, such as Kenya and Sudan. However, World Bank (2013) data show that remittances grew from \$US18 million in 2001 to US\$624.3 million in 2012. Aredo (2005, p.3) pointed out that the current flows of remittances are estimated at only one-sixth of remittances that could be mobilized potentially. Data obtained from the National Bank of Ethiopia (NBE) show that official remittances to Ethiopia reached \$US1.5 billion in 2010/11, from only 93.4 million ten years ago. The actual amount is estimated to be much larger as informal remittances are not captured in official data. If unofficial channels are included, the volume of migrant funds exceeds \$US2.2 billion (Table 1.2) and is anywhere between US\$2 billion and 4 billion annually (Geda *et al.* 2011, p1). Remittance data in Ethiopia are not consistent, however, table 1.2 shows that remittance flows have grown twenty fold from \$US71.3

million in 1998/99 to \$US1.5 billion in 2010/11. The latter is three times higher than that reported by the World Bank (2011), which is US\$524 million. Mohapatra & Ratha (2011) argue that the remittance figure reported by the IMF is usually low compared to the reports of central banks of many Africa countries. The variation is reported to be due to ‘African financial institutions do not consistently keep records of remittances nor clearly distinguish remittances from other types of transfers’ (Mohapatra and Ratha 2011, p.10). However, this claim may be less important in Ethiopia, as the National Bank does distinguish remittances from other flows. The amount of money sent through the informal sector is growing faster than the amount sent through official channels. The Table shows, official remittance transfers almost doubled in 2010/11 compared to the previous year, while the money sent through informal channels has declined. The explanation might be the devaluation of Birr by 16.7 percent in 2010 (NBE 2010), and associated inflation, which tended to encourage migrants to send money back home. The reduction of the difference of the value of selling foreign currency in the banks and black market is also important in this regard (Geda and Irving 2011).

**Table 1.2 Official, Unofficial and In-kind remittances to Ethiopia, in \$US millions
1996-2013**

Year	Official remittances	Unofficial remittances	In kind remittances	Total	Year- to- year percentage annual growth
1996/97	261.2	-	--	-	-
1997/98	104.3	-	-	-	-
1998/99	71.3	-	-	-	-
1999/00	105.9	-	-	-	-
2000/01	104.2	66.0	7.4	177.6	-
2001/02	93.3	97.0	9.1	199.4	12.2
2002/03	140.6	69.0	23.9	233.5	17.1
2003/04	211.0	100.0	22.4	333.4	42.8
2004/05	350.8	212.0	20.0	582.7	74.8
2005/06	354.9	365.1	16.8	736.7	26.4
2006/07	632.6	516.4	58.6	1,207.6	63.9
2007/08	800.0	814.6	165.1	1,779.7	47.3
2008/09	723.2	893.5	195.5	1,812.2	1.8
2009/10	790.3	960.3	96.7	1,847.3	1.9
2010/11	1,066.4	756.0	63.9	1,886.3	2.1
2011/12	1,347.5	527.6	70.8	1,945.9	3.2
2012/13	1,8221.9	638.5	30.9	2,491.3	28.0

Source: compiled from National Bank of Ethiopia Annual report, various years

In Ethiopia, the ratio of official remittances to GDP is low, but grew from 0.04 percent in 1990 to 2.0 percent in 2011 (World Bank 2011) or from 1.3 percent in 2000/01 to 2.3 percent in 2008/09 (Alemu 2010, p.12; NBE 2009). Table 1.3 compares remittances against export revenue, and shows that recorded remittance flow is equivalent to more than half of the revenue earned from the export sector and has surpassed Ethiopia's largest single export item (i.e. coffee) since the mid-2000s. The money that migrants sent in 2010/11 was equivalent to coffee export revenues for the last three years combined. If unrecorded flows are included, remittances would have been larger than the total revenue that the country received from the export sector.

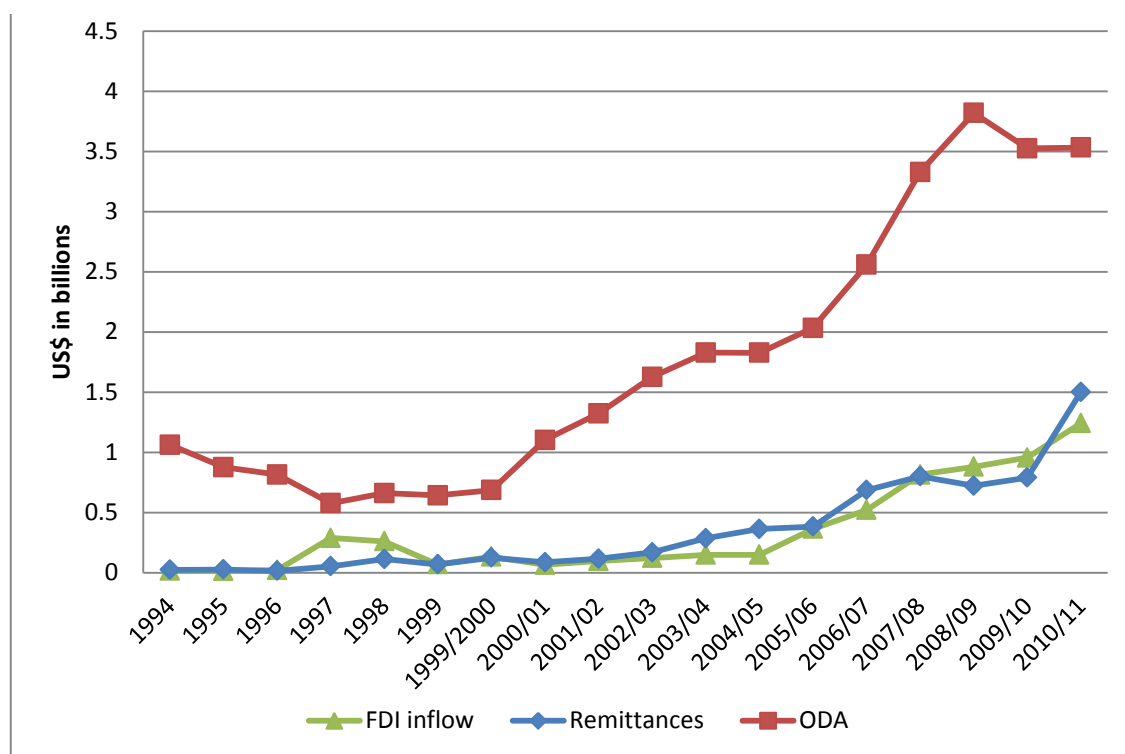
Table 1.3 Ethiopia: Official remittances compared to total export and coffee export, 2002/03-2010/11

Year	Total exports	Coffee exports	Official Remittances
2002/03	482.8	165.3	140.6
2003/04	600.5	223.5	211.0
2004/05	847.2	335.2	350.8
2005/06	1000.3	354.3	354.9
2006/07	1185.1	424.2	633.0
2007/08	1465.7	524.5	800.3
2008/09	1447.9	375.9	723.2
2009/10	2003.1	538.3	790.3
2010/11	2,747.1	841.8	1481.2

Source: compiled from National Bank of Ethiopia Annual report, various years

Remittances are also comparable to foreign direct investment flows, but low compared to development assistance, as Ethiopia is one of the largest aid recipients in Africa, an average of \$US3 billion a year as shown in Figure 1.3. Remittances have dropped from 800 million in 2007/08 to 723 million in 2008/09, a 9.6 percent decline, despite the fact that they are more stable and countercyclical (Ratha *et al.* 2010), while foreign aid flows have not dropped, but increased during the Global Financial Crisis. Remittances as a share of GDP have dropped from 3.0 percent in 2007/08 to 2.6 percent in 2008/09, while FDI declined from 1.5 percent to 0.92 percent during the same period (NBE 2010, p.65). This has caused serious foreign currency shortages in Ethiopia (Alemu 2010). The financial flows shown in Figure 1.4 have different purposes and beneficiary groups once they arrive in Ethiopia, suggesting that migrant funds should not be regarded as a substitute for other financial sources (Guillaumont 2011). However, all these financial sources are meant to have complementary, rather than contradictory roles, which is discussed in Chapter 8.

Figure 1.3 Ethiopia: Remittances flows compared to Official Development Assistance (ODA) and Foreign Direct Investment (FDI) flows, 1994-2011



Source: National Bank of Ethiopia 2011

1.6. Migration and remittance studies in Ethiopia

1.6.1. Internal and international migration

Despite its significance, migration has been little studied in Ethiopia. The available literature tends to emphasise internal migration, especially that caused by drought and famine (Mberu 2006; Ezra 2001, Berhanu and White 2000), as well as resettlement and villagization programmes (Hammond 2011; Gebre 2003; Kloos 1990; Pankhurst 1992; Keller 1988). This is not surprising as these phenomena have been an integral part of the successive regimes since the second half of the 20th century. Internal migration is largely characterised by the flow of people from rural to urban centres and this movement is often a ‘consequence of environmental degradation and poverty which are structural and institutional in origin’ (Ezra 2001, p.3). It is also driven by peoples’ choice. Urban-urban migration is also considerable and often associated with education and employment. Another study (Berhanu and White 2000) that examined the pattern of women’s internal migration since the early 1960s, reported that their migration corresponded to the occurrence of famine, war, or political instability. Labour migration to cash crop growing regions has been significant among subsistence farmers in central and northern Ethiopia

and this movement has helped to diversify household income and reduce poverty (Zelege *et al.* 2010). Brauw *et al.* (2011) also argue that domestic remittances insure Ethiopian villagers against crises, notably food price rises and also solves liquidity problems, especially among those who have livestock.

Studies on international migration in Ethiopia tend to focus on refugees (e.g., Getahun 2007, Bariagaber 1997; Bulcha, 1988), female domestic labour migration to Arab countries (Fernandez 2010; De Regt 2007; Kebede 2002), and the *Beta-Israels (Ethiopian Jewish)* migration to Israel (e.g. Levy and Weingrod 2005; Offer 2004). The latter is the most studied pattern of mobility in Ethiopia but the focus has been on their integration into the host society (Kaplan 2005). Other studies that focus on integration: include Ethiopians in South Africa (Gebere *et al.* 2011), Austria (Teshome *et al.* 2006), and Netherlands (Lindenberg 2008). Studies on female labour migration to Arab countries shed some light on the plight of domestic workers and their vulnerability to various forms of abuse and exploitation during and after migration. While the focus of research is on the susceptibility of migrants and their integration into the respective host societies, the development aspect of migration has tended to be ignored in Ethiopia.

Migration studies in Ethiopia have tended to overemphasise structural problems and overlook migrants' agency- their ability or freedom to control the movement. A focus on universal explanations - structural problems – tends to hide the agency of migrants and their diverse motives, per se. The role of social networks which are important in the Ethiopian context is also largely ignored. Those who have studied refugee movement tend to use conflict as a sole factor to explain the mass exodus of people and as a result, migrants and refugees are portrayed as passive victims of conflict. Bariagaber (1997, p.33) argued that 'patterns of refugee flows from Ethiopia are best explained by considering political-violence variables only'. However, if conflict tells the full story, some questions need to be answered: Why do some people flee, while others stay behind? Why have those who fled conflict not returned after peace was restored? Why didn't they stay in the first country of refuge? There is no study that disentangles the insights and perspectives of Ethiopian migrants, which can provide convincing answers for the questions raised above. In time of conflict the responses of migrants differ over time and space depending on their level of financial, human and social capital assets, which is discussed in Chapter 4.

1.6.2. Remittances and diaspora engagement

As noted above, the literature on remittances and other diaspora activities is scant. Few studies on diaspora investment (Chacko and Gebre 2013) and other transnational activities (Lyons 2006; Terazzas 2007; Smith 2007; Levin 2004), show that the Ethiopian diaspora are enthusiastic to give back to the country and community of origin. However, this potential remains untapped for several reasons, ranging from political and administrative problems, to poor infrastructure and implementation capacity. Besides sending money, the Ethiopian diaspora is increasingly shaping the country's politics through funding opposition parties, lobbying politicians, carrying out demonstrations and establishing media outlets (Lyons 2007).

Geda and Irving (2011) examined the remittance market in Ethiopia and found that almost all local banks are engaged in the money transfer business in partnership with global remittance companies, notably Western Union, Money Gram and Dahabshiil, but commonly the services they are providing is inadequate. They also reported that mobile banking, which is popular in neighbouring Kenya, does not exist in Ethiopia and Post Office and Micro-Finance Institutions that have huge potential in money transfers, are absent in the remittance market. A study by the World Bank (2010) indicated that 14 percent of adults in Ethiopia receive remittances regularly (US\$600 annually, in five instalments). Based on this, the annual remittance flow to Ethiopia was estimated to be \$US3.2 billion, of this 86 percent was channelled through the banking system. However, this does not equate with the World Bank's migration and remittance data, of some \$US524 million in 2011. Families increasingly use remittances to sustain subsistence and to finance college education.

Other studies (Mohapatra *et al.* 2009, p.19) have found that remittance receiving households in Ethiopia were 'less likely than other households to sell their productive assets, such as livestock, to cope with food shortages'. Asaminew *et al.* (2009, p.141) also reported that:

the probability of a household being poor decreases by 25 percent when a household receives remittances and the marginal effect of receiving remittances is relatively large, next to higher education attainment, on poverty incidence in Ethiopian urban households.

In rural Ethiopia remittances significantly improve the subjective wellbeing of recipient families, but its effect on asset building is less consistent as many of them have experienced migration only recently (Andersson 2014). However, it is not known whether this is the experience of all or just some members. Notably, rural families are less likely to

use remittances to build assets in villages. The present study shows that remittances fund rural families to leave villages for cities and build assets there, invest in children's education and small businesses in the new destinations, which is discussed in Chapter 7.

A study that uses urban socio-economic data collected from seven cities between 1994 and 2000, observed that 16.5 percent of households received remittances and the flow increasingly improved family welfare and spread risks (Aredo 2005, p.20). Using the same panel data, Beyene (2012) reported that remittances significantly reduced poverty at the household level, while its impact on inequality between households was insignificant. However, this panel data excluded major remittance receiving towns, such as Gambella and Gondar. Despite the growing remittance flows, there is no comprehensive study that examines the family and community impacts of remittances in Ethiopia. Other forms of diaspora engagement, including investment, collective remittances, skills and knowledge transfers, are also absent. In order to gain a broader insight on migration and development, it is vital to examine the many ways that transnational resource flows can influence migrant sending areas and the contribution of this study is significant in this regard.

1.7. The geography and demographic characteristics of Ethiopia

Ethiopia, a country situated in the Horn of Africa, shares a border with Kenya on the south, Djibouti on the east, Somalia on the south east, Eritrea on the north and northeast, and the Sudan, including South Sudan on the west (Figure 1.4). Cross-border population flows between these countries have been significant for many decades. With an estimated physical size of 1.2 million square kilometres, Ethiopia is one of the largest countries in Africa. As a result of its tropical location and a great variation in topographic features, Ethiopia is endowed with ecological diversity. The highlands of Ethiopia are densely populated by small holding subsistence farmers, while the lowlands, situated in peripheries of the country, are sparsely inhabited by pastoral and agro-pastoral communities (MoA 2010). Because of the rapidly growing population, shortage of farmland and low agricultural productivity, farmers in Ethiopia are forced to cultivate steep and marginalised lands, putting the highlands under severe environmental and natural resources degradation (Adugna 2007). As a result, out-migration has been an important livelihood strategy for many people inhabiting the highlands of Ethiopia.

Figure 1.4 The study Area: Ethiopia and the Horn of Africa



Ethiopia, with an estimated population of over 85.9 million (CSA 2013), is the second most populous country in Africa. The population grew from 39.9 million in 1984 (first census) to 79.3 million in the latest 2007 census. Table 1.4 shows that the population doubling time has significantly shortened, from 60 years, between 1900 and 1960 to 26 years, between 1984 and 2010. However, the figures mentioned before the 1960s are primarily based on mere estimates. It is only after the mid-1960s that the country has carried out some surveys (Bekele and Hailemariam 2010). The population growth rate has declined from 2.9 percent in 1984 to 2.6 percent in 2007 and as Figure 1.6 shows, the urban growth rate is much higher than in rural areas. The proportion of the urban population grew from 11 percent in 1984 to 16 percent in 2007, and about a fifth of the population is expected to be living in urban areas by 2017. Despite this, Ethiopia is one of the least urbanized by the global and continent standards, and its level of urbanization is much lower compared to SSA. In Ethiopia, the movement of people from villages to urban

areas has been the key driving factor for rapid urban growth since the second half of the 20th century (Hailemariam and Adugna 2011). In 1970s, this movement was responsible for the increase in the size of urban dwellers by 50 percent (Getachew 1982).

Table 1.4 Population growth rate and Proportion of females, 1900 to 2012

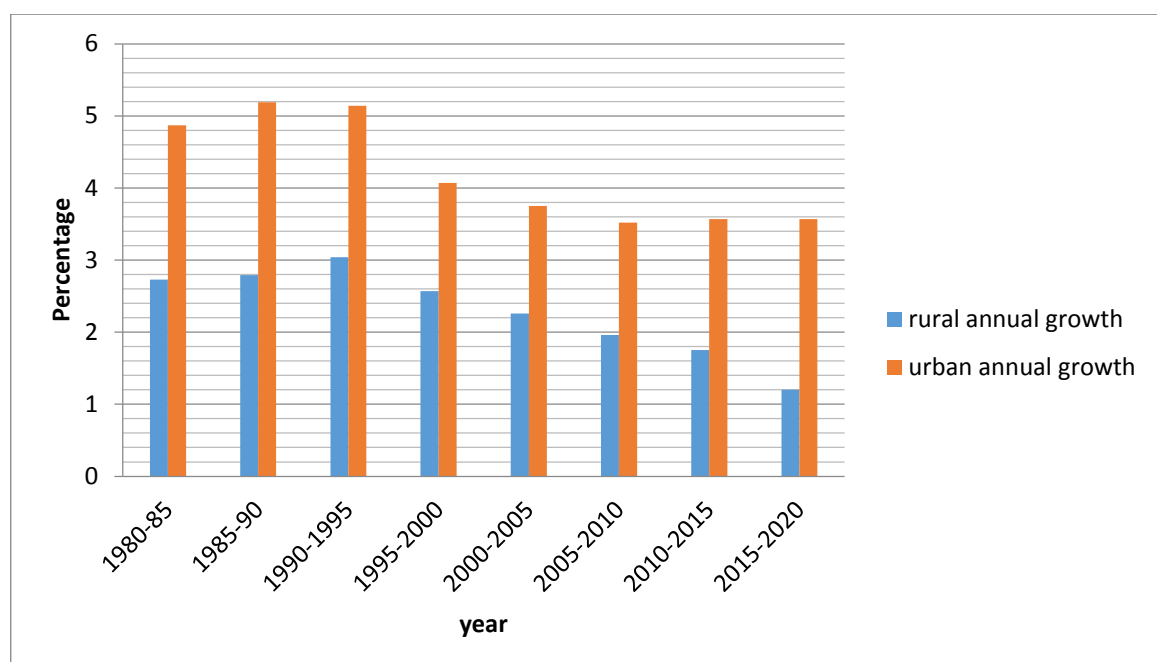
Year	Population Size (in 000)	Average annual growth rate	Proportion of females
1900	11,754	0.2	-
1910	12,121	0.5	-
1920	12,934	1.0	50.3
1930	14,368	1.2	-
1940	16,281	1.5	50.2
1950	19,183	2.0	50.2
1960	23,550	2.2	50.2
1970	29,488	2.3	50.3
1975	33,056	2.6	50.2
1984 (census)	39, 869	2.8	49.7
1985	40,777	2.8	
1990	48,043	-	50.1
1994 (census)	53, 477	2.9	49.7
1995	57,024	3.0	50.1
2000	66,024	2.8	50.1
2005	71,066	2.7	49.9
2007 (census)	73, 919	2.6	49.5
2011	82,411	2.6	49.5
2012	84,321	2.6	49.8

Source: Data compiled from World Bank 2012; CSA 2007

Given the current population growth rate (2.6 percent), the population of Ethiopia is projected to more than double to 183 million by 2050 (MoFED 2010). Table 1.5 shows that natural increase, the difference between birth and death, is the main cause of high population growth. The gap between high fertility and declining mortality rates is high enough to add 2.1 million people annually, with an estimated 3 million new births and 1 million deaths annually (Ringheim et al 2010). Gebreselassie (2011, p.38) claims that Ethiopia is experiencing ‘well advanced fertility transition in urban areas but incipient (early transition) fertility level in rural areas.’ Table 1.5 shows the decline in the rate of infant and under 5 mortality, and UNICEF (2013) data show that child mortality has fallen to 68 per 1000 in 2012 from 200 in 1990. Overall, the early 1990s marks the beginning of the demographic transition in Ethiopia with a substantial reduction in mortality, especially

among children under five years of age and a steady decline in fertility in towns and cities (Teller *et al.* 2011). If more effort is exerted in both development and demographic arenas, the demographic transition could be realised in reasonable time (Seifu *et al.* 2011).

Figure 1.5 Annual rate of population growth in urban and rural Ethiopia, 1880-2010, and projected 2010-2020



Source: United Nations, World Urbanization Prospect 2011 revision

Table 1.5 TFR, IMR and Under Five Mortality, Ethiopia, 1975-2010, and projected 2015-2020

Year	1975-80	2000-2005	2005-2010	2010-2015	2015-2020
TFR	7.18	6.13	5.26	4.59	4.00
IMR	78.2	60.2	49.7	42.5	36.3
Under 5 mortality	122.8	91.6	73.6	60.7	50.3

Source: United Nations, World Population Prospect, 2012 revision

Another feature of a rapidly growing population is reflected in its age structure. Figure 1.6 shows an extremely young population structure, with more than half of the population in the working age group (15-64), and 45 percent below 15 years of age with those aged 65 and above accounting only for 3.2 percent of the total population. The youthful age structure generated by high fertility levels guarantees a continuing rapid population growth, characterising Ethiopia as a country of surplus labour. This process partly explains the current massive outflows of youthful population to South Africa, the Gulf and Middle

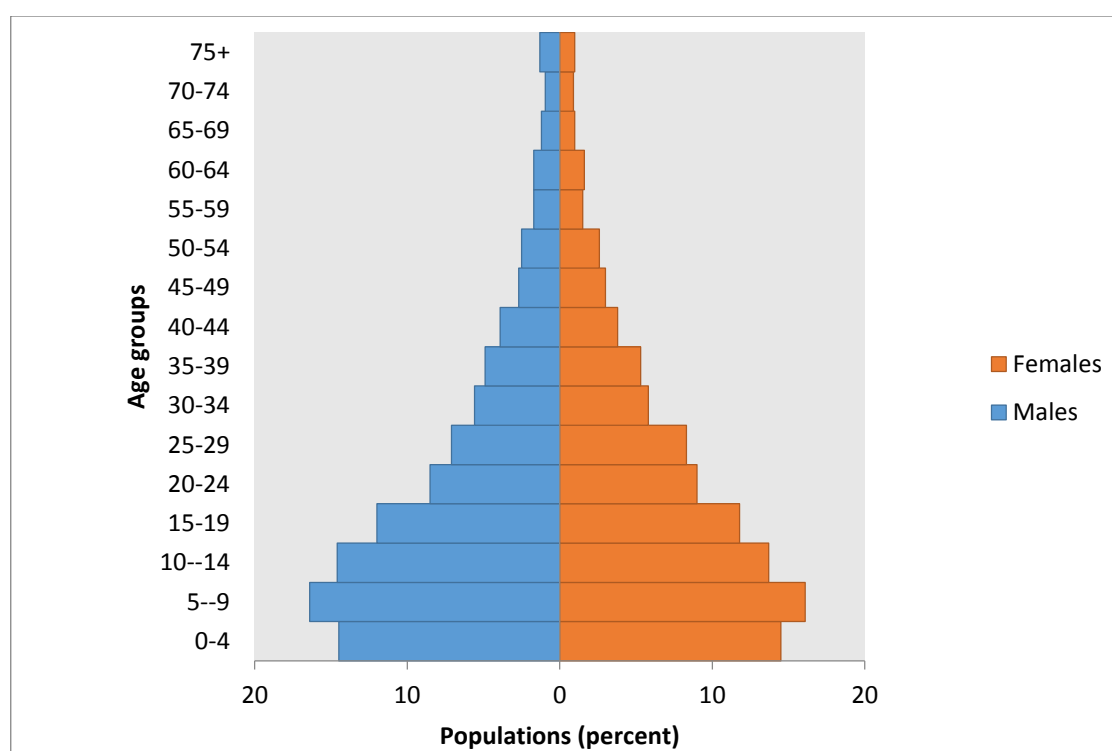
Eastern countries. However, the share of the youth population slightly declined from 49.8 percent in 1984 to 45 percent in 2007, and is expected to decline further to 26 percent by 2050 (Table 1.6).

Table 1.6 Population by broad age group, 1984-2007 and projected 2013-2100

Census year	0-14 years	15-64	65+
1984	49.8	50.2	3.4
1994	45.4	51.4	3.2
2007	45.0	51.9	3.2
Estimated projections			
	0-14 years	15-59 years	65+
2013	42.7	52.1	5.2
2050	26.0	63.7	11.4
2100	16.5	54.7	29.0

Source: CSA 2007; UN 2013

Figure 1.6 Age-sex structure, Ethiopia 2007



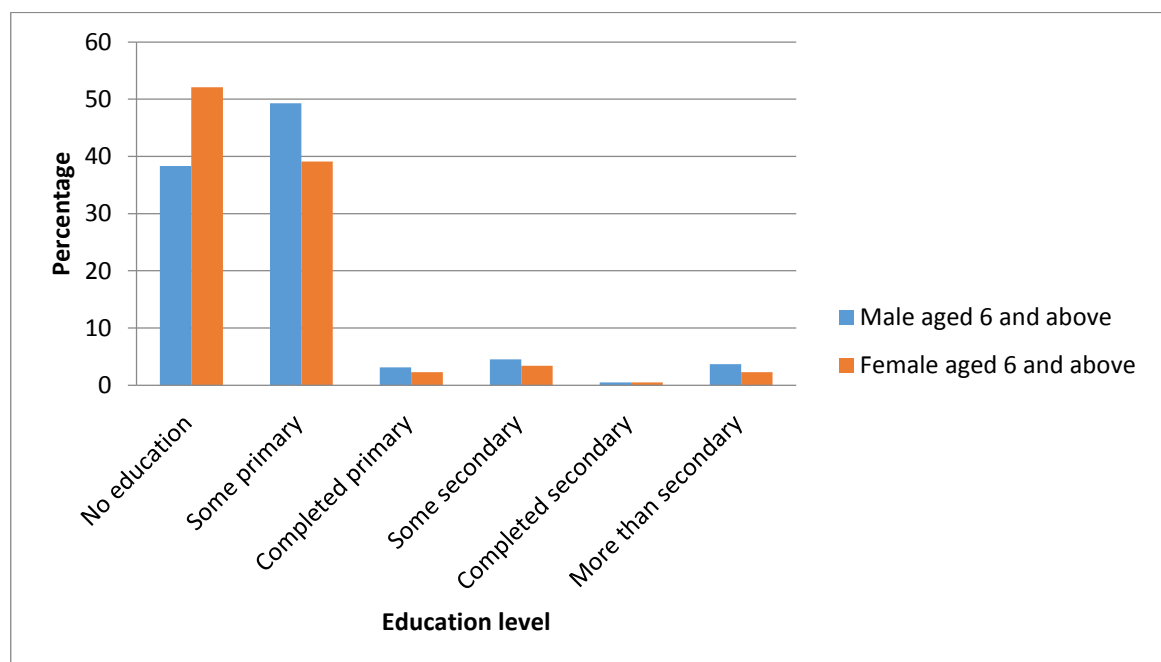
Source: CSA 2007: Population and Housing Census 2007

1.8. Socio-Economic and political landscape

Ethiopia has ‘over one hundred years of modern education and yet it has one of the least educated population in the world’ (Teshome 2008, p. 80). Figure 1.7 shows that substantial proportion (45.3 percent) of Ethiopians aged 6 and above have never been in school, with a highest percentage (52 percent) of females not attending school compared to males (38 percent). The mobile nature of pastoral and semi-pastoral communities coupled with food

scarcity, are the main obstacles to providing education for all school aged children in Ethiopia (MoE 2010). However, from the viewpoint of communities, government is not providing education in a sufficiently mobile and flexible way (Mohammed 2011). On the whole, the Figure demonstrates low levels of education in Ethiopia, especially for females, with only 4.2 percent of the males and 2.8 percent of females completing secondary or higher education. The discussion on ‘brain drain’ should take into account these poor levels of educational attainment which account for some of the rampant poverty in Ethiopia.

Figure 1.7 Males and Females aged 6 and above by level of education

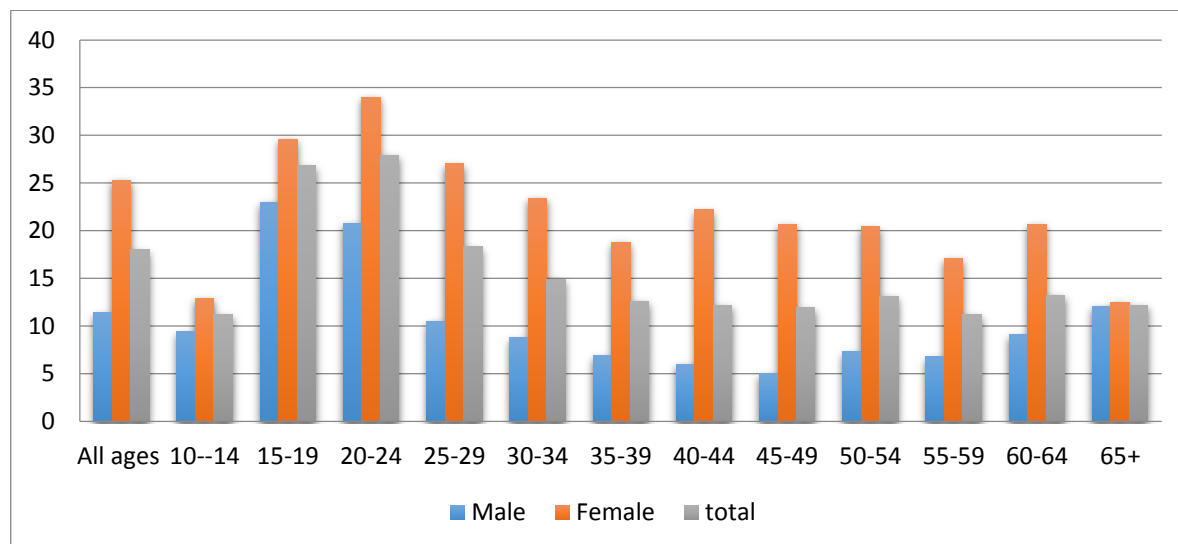


Source: CSA 2011; Demographic Health Survey, p.7

Figure 1.8 shows the rate of unemployment in Ethiopia. Although it has declined from 26 percent in 2002 to 18 percent in 2012, it is generally higher among women, young adults, and urban dwellers. In 2011, nearly 18 percent of the urban population (10 and above) was jobless and higher for females (25.3 percent) compared to males (11.4 percent). Between 2003 and 2009, the rate of unemployment among women was at least 30 percent higher than their male counterparts (Teller and Hailemariam 2011). Given the fact that women are less empowered economically, politically, and socially, ‘the only viable source of income outside the household for most Ethiopian women is in the informal labour market’ (Kebede 2001, p.2). This often results in the migration of rural women to the Gulf and Arab countries. The disparity is also prominent along the rural-urban divide. The unemployment was higher in urban areas (17.5 percent in 2012) compared to an estimated 2.6 percent in

rural areas. While unemployment is a principal problem in towns, underemployment tends to be the main challenge in rural areas, with most rural youth employed in unpaid family work (Teller and Hailemariam 2011).

Figure 1.8 Unemployed male and female population aged 10 and above, 2011



Source: Urban unemployment survey, CSA 2011, p.208

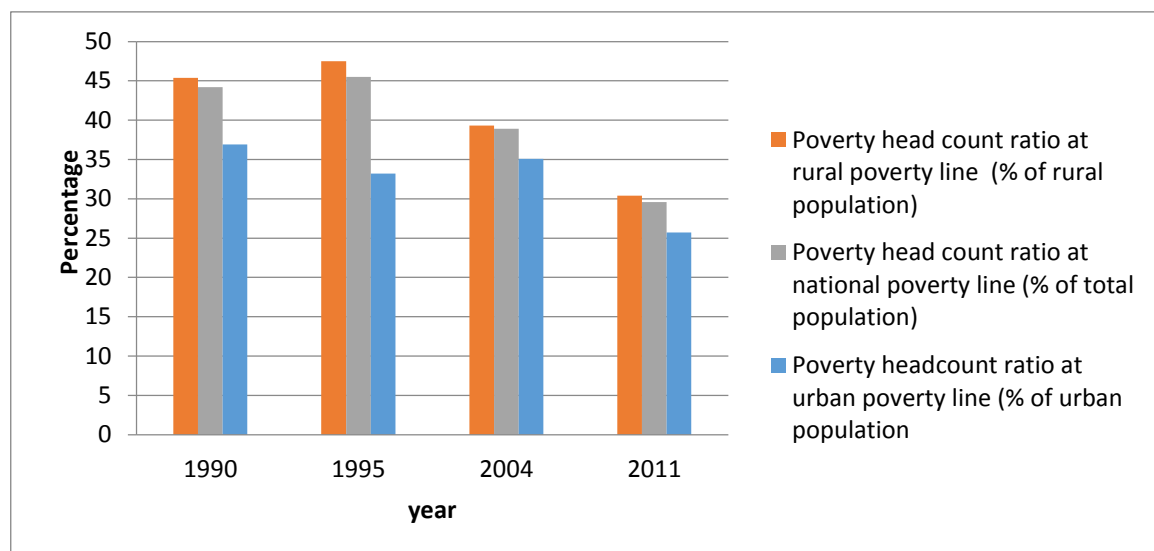
Despite this drastic situation, the country’s economy has shown steady improvement over the last few years. The World Bank (2011) reported that Ethiopia’s economy had become the second fastest growing in SSA and government investment in infrastructure, large scale commercial agriculture ventures, modest growth of export commodities, the increasing flow of remittances and depreciation of Birr (the local currency), were some of the reasons given for this ‘robust’ economic growth. However, Ethiopia ranked 173 out of 187 countries in the Human Development Index (HDI). However, the value of HDI¹, shows a slight improvement over the years, from 0.275 in 2000 to 0.396 in 2012 (UNDP 2013, p.2).

Although Ethiopia is one of the poorest countries in the world, the proportion of people below the poverty line (US\$1.25 a day) has declined overtime, from 45.5 percent in 1995 to 38.9 percent in 2004 and 29.6 percent in 2011 (Figure 1.9). However, the prevalence of poverty was higher in rural areas compared to urban areas. A substantial decline in poverty in rural areas in the mid-2000s, and the progress observed in the urban areas in the late 2000s, helped reduce poverty at the national level. Agriculture, which accounts for 43 percent of GDP, 90 percent of employment and total exports, remains the backbone of Ethiopia’s economy (MoARD 2010, p.3). It was found that small holder subsistence

¹ HDI value 0-1 where 0 is low and 1 is high

farmers that rely on less than one hectare of land were not producing surplus food for the family and market, and only about a quarter of rural households earned some income from off-farm activities, while less than 3 percent made a living from such enterprises (MoARD 2010).

Figure 1.9 Population below poverty line in Rural, Urban areas and Nationally, 1995-2011

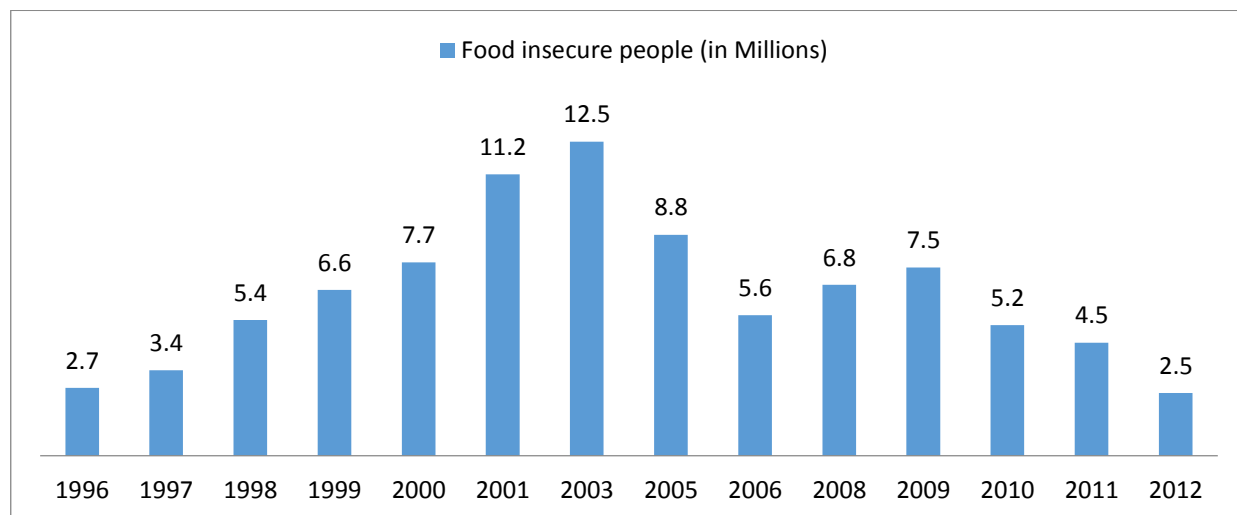


Source: World Bank 2012; MoFED 2012, p.10

Despite tremendous potential for agricultural development, Ethiopia remains insecure in food supplies after several decades, especially after the 1973/74 famine (WFP 2012; Assefa and Zegeye 2003). Due to this, as also reported earlier, Ethiopia has long been relying on foreign aid, and is presently one of the leading food aid recipient countries in the continent (WFP 2012). Paradoxically, in good harvesting seasons farmers are substantially constrained by a lack of access to market. Figure 1.10 shows that the number of food insecure people has continuously risen from the mid-1990s and reached its peak in the early 2000s which has declined since 2009. Vulnerability to drought is greatest in the densely populated highlands and pastoral lowlands and food insecurity remains the main challenge, as food aid and labour migration, both seasonal and permanent, have been an integral part of the livelihoods of most rural households situated in the northern highlands (Zelege *et al.* 2010; Adugna 2009). Using panel data collected between 1994 and 2009, Gray and Mueller (2012) have examined the mobility pattern of Ethiopian villagers. They reported that the number of adult men who left their villages to find jobs elsewhere had increased by half during severe drought. However, women's mobility, which is often associated with marriage, had declined by half in the face of moderate drought, indicating

the negative impact of drought on family formation. At the macro level, resettling the drought prone population to relatively fertile lowlands has been an integral part of government policies, which is discussed in Chapter 4.

Figure 1.10 Ethiopia: Number of food insecure people (in millions), 1996-2012



Source: compiled from WFP 2012; Schmidt & Dorosh 2009; Gebreselassie 2006

Besides natural disasters, Ethiopia's economy has been seriously affected by political instability and policy-related problems. In much of its modern history, Ethiopia has been ravaged by armed struggle, either civil war or against neighbouring countries, such as Somalia in the late 1960s, and Eritrea in the late 1990s. Since the early 1990s, Ethiopia has made fundamental political and economic shifts, notably from a Marxist command economy to a market economy, and from an unitary state to a federal state. The federal structure, which is formed based on ethnic lines, tends to discourage inter-regional mobility, and triggers migration towards Addis Ababa, the capital city, and other major regional towns (Ezra 2001). A shift from command to market economy on the other hand, has relaxed border restrictions and encouraged the movement of people, goods and money to and from Ethiopia.

1.9. The Place of migration in Ethiopian development policies

Although the Ethiopian government has been focusing on agriculture, the sector has never been able to reduce poverty and achieve food security. Population dynamics have not been considered as a key element in the country's development policy during the period of Derg and Haileselassie (Hailemariam *et al.* 2011). The current government adopted its first National Population Policy (NPP) in 1993. The policy aimed to decrease the 'rate of rural-

urban migration’ and to ‘ensure a spatially balanced population distribution pattern’ (NPP 1993, p.14). However, none of these have been realized (Ezra 2001). Moreover, the policy has not been revised since its adoption. Migration is not explicitly entertained in the policy document but when it is it is portrayed negatively. The tendency is to discourage rural to urban population flows. Some reported (Hailemariam *et al.* 2011) that the NPP has brought considerable changes, but has not achieved the objectives. Whatever has been accomplished so far is by no means attributed to the NPP alone (Minas 2008).

The issue of cross-border migration did not capture the attention of policy makers until the early 2000s. Unlike the previous policies, Ethiopians living abroad were regarded as development partners in the ongoing Five Year (2011-2015) Growth and Transformation Plan. Although the issue of remittances and diaspora engagement is not included as part of the GTPs long listed strategies, the diaspora is depicted as an ‘opportunity’ to attain the five year development goals:

...the potential positive impact of the diaspora, which is increasingly engaging in, or returning to Ethiopia, and providing a cross-fertilization of ideas, skills, and injections of capital and remittances that can help accelerate development’ (MoFED 2010, p.81).

Ethiopian higher government delegates have recently been discussing the policy document with the diaspora both in Addis Ababa and overseas. In order to harness diaspora resources, the government of Ethiopia has adopted new legislative measures and formed new institutions in 2002: the Ethiopian Expatriate Affairs, currently replaced by the Diaspora Engagement Affairs General Directorate, under the Ministry of Foreign Affairs (MFA), to work hand in hand with the diaspora and ensure that their issues are well integrated in all development and nation building processes. The General Directorate are meant to serve as a:

...liaison between different federal Ministries, regional diaspora coordinating offices and Ethiopians in diaspora; encourage the active involvement of the Ethiopians in diaspora in socio-economic activities of the country and mobilize the Ethiopian community abroad for a sustained and organized image building’ (MFA 2011, p.6).

Accordingly, the Directorate is mandated to communicate with the diaspora, reveal relevant information, and conduct policy oriented research to maximize the role of the diaspora in development. Moreover, in order to exchange information and coordinate all these activities, a committee has been established at the national level. A mechanism was also put in place to link the federal and regional cooperation on the same issue. The intention of institutional arrangements and all the legislative measures taken so far is to create a conducive environment and mobilising the resources of the diaspora: to increase

the flow of remittances; to attract diaspora investment; to advance skills and knowledge transfer; and to promote temporary and long-term return to Ethiopia (MFA 2011).

As part of the diaspora engagement, the government has been offering different incentives to them since the early 2000s, including tax and custom incentives, opening foreign currency bank accounts, and providing urban plots of land to build their private houses (Kuschminder and Siegel 2011). It also provided Identity Cards (ID), which are called ‘Yellow’ Cards, for Ethiopian diaspora who have changed their nationalities, as a substitute for a dual passport. The Yellow Card entitles them to enjoy all privileges offered to Ethiopian national diaspora, including entering the country without a visa. The government has also taken some initiatives to increase remittance flows in particular. The aim of the initiative, according to MFA (2011, p.32), is to:

improve the operations of the formal remittance service, reduce the costs of remittance transfer, to increase access to the international remittance service for the diaspora and make the service reliable, fast and safe.

The regulation also provides detailed information about the rates and remittance service providers in Ethiopia.

In collaboration with IOM, some efforts have been made to harness diaspora knowledge and skills through short-term return. The purpose is to strengthen the health and education sectors that tend to lose skilled professionals to foreign countries. Between 2007 and 2010, over 119 Ethiopian health professionals from North America were mobilized by IOM’s ‘migration for development in Ethiopia’ programme to provide health treatment, and share their experiences to local health professionals (IOM 2010). Given the number of qualified Ethiopians living abroad, the potential is largely untapped. A diaspora bond was another attempt that the government launched to finance development projects to fill its budget deficit. The first diaspora bond was issued in 2008 and the second in 2011 to finance the ‘Grand Ethiopian Renaissance Dam’ that Ethiopia is building over the Nile River. However, it remains unsuccessful ‘allegedly because of a high perception of political risk’ (Ratha and Piazza 2011, p.50). It is also reported that until the end of April 2014, the Ethiopian diaspora has contributed an estimated US\$251.1 million for the dam construction (Yohannis 2014).

The Ministry of Foreign Affairs in Addis Ababa reported that 2,947 diaspora members (out of an estimated 2 million) have invested in Ethiopia over the last two decades. They altogether invested an estimated Birr 22 billion, and created jobs for 123,000 people

(Anberbir 2014). This is very small given the large diaspora concentrated in advanced countries, as noted above. It is important to note that most of the policy initiatives and legislative measures launched over the past decade have changed frequently and are far from being comprehensive. They are also mainly targeting political objectives, rather than development. Lyons (2007, p.598) argues that Ethiopian politicians, both the government and the opposition, perceive the diaspora as a key source of resources, ideas, and leadership and they both seek to build support within the diaspora. However, there has been political distrust between the government and the diaspora. The Ethiopian diaspora tend to support opposition parties as opposed to the ruling party, which was clearly evident during the 2005 election (Smith 2007). As a result, the government implicitly see the diaspora as opposition party funders or as potential threats, and the diaspora, on the other hand, remain sceptical to invest their savings, skills and knowledge acquired abroad (Smith 2007). Therefore, government policy tends to have a conflict of interest while dealing with its diaspora. On the one hand, it is keen to mobilise diaspora resources, but on the other remains suspicious or reluctant to enthusiastically open the door for the diaspora to extensively engage in the country's democratisation and overall nation building process. Similarly, Chacko and Gebre (2009) reported that the political activism of diasporas, rather than investment, is a major concern of the Ethiopian government after the contested 2005 election. However, in June 2013, Ethiopia launched a new diaspora policy, which, for the first time, grants voting rights for nationals living abroad. Besides voting, the diaspora representatives will be involved as observers when the country holds elections. This, however, needs fundamental reform in governance, including overcoming the political distrust between the government and the diaspora, especially those residing in Western countries.

1.10. Organization of the thesis

The thesis is organised into nine chapters, including this initial chapter that provides introductory background to the thesis. The initial chapter outlines the aims and objectives of the study and reflects on the characteristics of the study setting. It also presents the current discussions on the field of study and the state of migration and remittance studies and policies in Ethiopia to show gaps and establish a niche for the present study. Chapter two provides a review on theories that have been proposed to explain the process, causes and consequences of migration over the past century or so. Chapter 3 outlines the research methodology by outlining the theoretical framework, contextual background about the study area and discusses the data gathering tools and approaches used.

The study results are presented in four chapters. Chapter 4 provides a comprehensive overview of the political history of migration in Ethiopia and outlines the current unprecedented outflow. It focuses on how the migration landscape has changed over time, in terms of the direction, volume, and motivation of the movement and characteristics of the movers. Chapter five begins with discussing the patterns and processes of cross-border mobility and the drivers of the movement along with the social context in which the decision making process is made. It also discusses the different strategies families employ to maintain transnational ties. The characteristics of migrant origin households and the magnitude, frequency and patterns of cash and in-kind remittance flows and utilisation patterns are examined in Chapter 6. An attempt is also made to outline the decision making process in remittance usage, how remittance is perceived, and how this social construction affects its usage.

Chapter 7 examines the economic and social effects of migration and remittances on families left behind, and Chapter 8 explores the community effect of migration, and the various ways that migration and diasporas transnational activities, including collective remittances, skills and knowledge transfer affect migrant origin areas. This chapter also discusses the public diplomatic role of the Ethiopian diaspora and their impact on community development. It also discusses the negative economic effects and social costs that migration and remittances have caused in communities of origin. The major findings of the study and its policy implications are presented in Chapter 9. This final chapter also suggests limitations of the study and areas for further research.

CHAPTER 2

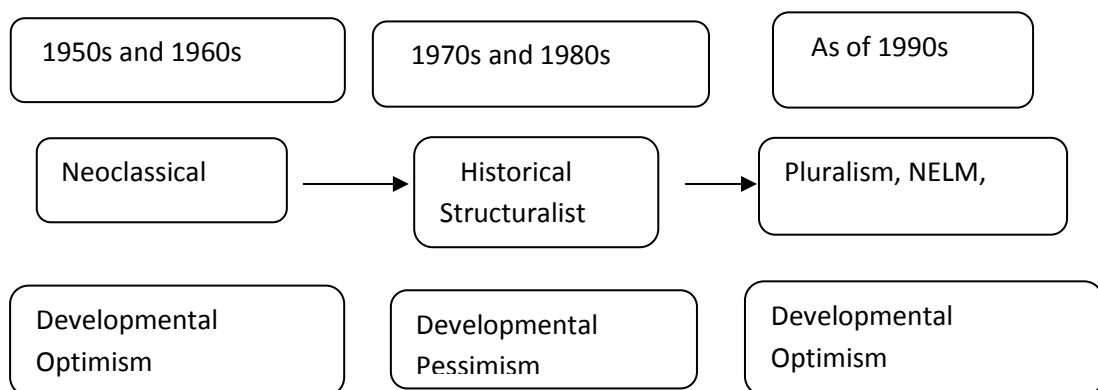
THEORETICAL FRAMEWORK

2.1 Introduction

For over fifty years scholars have been proposing a wide range of theoretical and conceptual frameworks to explain the causes, processes and consequences of internal and international migration (Massey *et al.* 1998). These theories are often inspired by and are a reflection of their political and ideological hegemony and they can be categorised into groups based on their explanatory framework. Instead of presenting every single theory, this chapter presents the theories based on Hugo’s categorization, namely: neo-classical equilibrium theory, the historical structuralist approach and migrations systems theory (Hugo 1993, p.7-12). The major theories of migration have been critically reviewed, and challenged by different scholars (Abreu 2012; de Haas 2010; Castles 2009; Portes 2006; Schuerkens 2005; Volger and Rotte 2000; Arango 2000; Massey *et al.* 1993; Zolberg 1989). While the basic assumptions and analysis of the causes and impacts of migration vary, all migration theories somehow highlight the implications of migration to development though they do not provide sufficient explanation as to how migration advances development in migrant source regions (Skeldon 2008). The nexus between migration and development has been perceived differently, positively at one point in time and negatively in another, as shown in Figure 2.1.

Figure 2.1 Migration-development nexus in the eye of migration theories

1950s to present



Source: author’s interpretation of the ‘migration and development pendulum’ concept (De Haas 2012; Massey *et al.* 1998)

Arango (2000) argues that all migration theories are not new paradigms, as they are either adopted from their predecessors or developed from other theoretical frameworks that are

meant to address different purposes. As De Haas (2010, p.3) notes this shows how the 'general paradigm shifts in social and development theories' can change the perception on the nexus between migration and development. This chapter is organised in three major sections. The first presents the evolution of migration theories, with particular emphasis on the neoclassical, historical structuralist and the New Economics of Labour Migration. It also discusses how the concept of agency and structure are incorporated in migration theories. The second section reflects on the contemporary thinking and state of knowledge on the interaction between migration and development. It discusses the reasons why migrants send money back home and how this transfer benefits migrant origin areas, and what factors advance or hinder this potential. The third section reflects on the emergence and development of the diaspora as a transnational community and explains the role of social networks in mobilising resources across national borders and (re)structuring migration patterns. The role of migrant organisations in home community development is also outlined.

2.2. Neo-classical theory

Rooted in Ravenstein's nineteenth century 'laws of migration', neoclassical theory explains migration under the classic push-pull tradition framework (Massey *et al.* 1998; Kearney 1986). As Arango (2000, p.285) notes, the neoclassical theory is the 'first theory in migration and probably the most influential'. The works of Lewis (1954); Lee (1966), Ranis and Fei (1961), Sjaastad (1962), Todaro (1969) and Haris and Todaro (1970) on migration from the perspective of the developing world, have set the foundation for the typical neoclassical theory (Abreu 2010). In the neo-classical tradition where labour abundance (or scarcity) is assumed to be the sole determinant of wage differentials, migration occurs in response to uneven income and population distribution across places/countries. The idea is that when the cost benefit calculation turns 'green', people opt to migrate to places/countries that offer them higher or better wages. If neoclassical theory is correct migration ends when its causes (wage differentials) disappear overtime (Castles 2010).

The micro-level neoclassical theory, at best, paid attention to migrants' agency that migration is voluntary, self-initiated and self-controlled. This is to mean that migration occurs only when migrants are convinced that they would benefit from their destination, mainly in economic terms (Castles and Miller 1998; Shields and Shields 1989). In Sjaastad's (1962) human capital approach, migration is interpreted as 'a kind of investment by which individuals employ their knowledge and abilities more profitably abroad than the home country' (Volger and Rotte 2000, p.486). In the neoclassical model the implications of

migration to origin countries is positive in the sense that these countries can export their surplus labour and benefit from capital, knowledge and skills transfer in return (Massey *et al.* 1998; Skeldon 1997). However, De Haas (2008, p.7) argues that the assumption lies in the ‘eurocentric’ modernisation theory.

Broadly speaking, the neoclassical tradition sees migration as an instrument to advance development at both ends and can be categorized under the ‘developmental optimists’ group (Castles 2008). Nevertheless, neoclassical theory reduces the determinants of migration into economic horizons, and thereby ignores the political, demographic and social dimensions, and their interrelationships (Nikolinakos 1975). Moreover, since the characteristics of migrants and the context in which they live differs, the decision to migrate is influenced by a variety of factors such as political, social, historical and the migration policies of both origin and destination countries (Castles and Miller 1998; Massey *et al.* 1993).

Neoclassical theory, as Abreu (2010, p.10) notes, was ‘poor in explaining or predicting when and where migration occurred, but even more unsatisfactory in explaining where, when and why it did not occur’. Moreover, it is severely criticised for assuming that transnational mobility is free and non-restrictive, while migrants, in practical terms, have to meet the rules and regulations of immigration policies and laws (Van hear and Sorensen 2003). While neoclassical theory assumes international migration to be a free ride, it could be ‘successfully applied to the past, when entry barriers were less prominent than in the present’ (Arango 2000, p.286). However, one could provide ample evidence to suggest that neoclassical theory should not be harshly criticized for its assumptions.

Should neoclassical theory be severely criticised?

In order to broadly understand contemporary migration, it is important to consider the following key principles: the importance of migrant agency, the self-sustaining nature of migratory processes, and the emergence of structural dependence of both emigration and immigration countries (Castles 2004, p.870). It is important to note that people will continue to move despite restrictive policies and being unwelcomed at destination (Portes 2004). The idea is that policies become opportunity structures to be compared and negotiated with the current reality of migrants and their expected gains from migration. Another important point is that the imbalance in the distribution of labour at the global level encourages people to move and both migrant sending and receiving societies can become structurally dependent on migration overtime (IOM 2010). While classical immigration countries are competing to

attract skilled and non-skilled migrant labour, many less-developed countries like that of Philippines and Mexico encourage labour exports (Castles 2004). For example, classical immigration countries like Australia now find that new arrivals consist predominantly of temporary migrants, not permanent settlers (Phillips *et al.* 2010; Portes 2004).

Taking all these points into account, it can be argued that borders are not totally free, nor are they completely closed which invites severe criticism over the neoclassical free mobility assumption. To illustrate this point it is worth noting the following:

i) The number of migrants that live in a country other than their own is generally increasing, not decreasing – 232 million in 2013 compared to 154 million in 1990 (IOM 2013).

ii) Besides traditional immigration countries, various types of immigrants and new migrant receiving countries have been evident (Bakewell 2007). Migration within the Global South is large; and movement towards advanced countries is growing significantly (Ratha and Shaw 2007). The Republic of South Africa and the Gulf states are good examples in this regard. However, it is not only new destination countries, but also many new countries have recently become an important source of migrants. Border restrictions should not only be viewed from receiving countries perspectives but also from origin countries. For example, Ethiopia during the Marxist military regime (1974-1991) discouraged emigration and had strict policies, but since the early 1990s migration barriers were removed and citizens could more easily obtain passports and emigrate.

iii) Countries are grouped into different regional based organisations in a way that facilitates or smooth intra-regional mobility. For example, citizens of member states of the Economic Community of West African States (ECOWAS) can nominally travel freely (Adepoju 2006). This is also true in the Sahel region (Hamood 2006), the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA) (Hughes *et al.* 2007; Crush 2005).

iv) It is true that all migrants who cross recognized national borders do not abide by immigration laws and policies. Migration through irregular channels is an alternative for migrants when they are desperate to leave their country and going through official channels has become more restrictive or very costly. According to the IOM (2010, p.29), ‘10 to 15 per cent of today’s 214 million international migrants are in an irregular situation’. This is widely evident along the US-Mexico border (Wise and Covarrubias 2008; Martin 2003); the East and central Africa to Southern Africa; and the Middle East (IOM 2009). Studies (De Haas

and Vezzoli 2010) show that strict migration policies and border closures imposed over the Mexico-US border in the mid-1960s and the Morocco-Europe border in mid-1970s, do not serve the intended purpose.

v). The role of the migration industry, which includes ‘travel agents, lawyers, bankers, labour recruiters, brokers, interpreters and housing agents’ are increasingly playing an important role in facilitating migratory flows both in official and unofficial channels (Castles 2004, p.109). Studies such as Hernandez-Leon (2005) and Salt and Clarke (2000) show that if states do not welcome immigrants, there are ways to circumvent policies and facilitate cross-border mobility through the activities of the highly profitable migration industry. As institutional theory suggests, once migration becomes institutionalised it is difficult to regulate cross-border flows (Massey et al 1993).

If we consider all the above five points and relate it to contemporary cross-border mobility, one could observe that the neoclassical tradition should not be sharply criticised for its free mobility assumption. In line with this argument, Arango (2000, p.286) concluded that ‘the neo-classical explanation floats between the obvious and the unrealistic’. However, this is not to deny the fact that migration is selective, and is biased to highly skilled and educated groups. The motivation behind migration is not only economic, as neoclassical theory assumes, but also includes non-economic reasons.

2.3. Historical structuralist approach

Conversely, in the 1970s and 1980s the neoclassical theory was seriously challenged and overshadowed by the dependency school of thought, which was largely inspired by the structural and Marxist political orientation (Massey *et al.* 1998). While interpreting the interactions of countries, the world system theory identifies three ‘concentric spheres—core-states, semi-periphery and peripheral areas’ (Wallerstein 1974 cited in Arango 2000, p.290). The idea is that core states develop at the expense of the peripheral countries, while migration is seen both as a means and product of the exploitative relationship between the core and peripheral countries. The main tenet of the determinist approach rests on the loss of skilled and unskilled labour and the penetration of capitalist markets into peripheral areas (Gross and Lindquist 1995; Zolberg 1989; Nikolinakos 1975). Migration, through channelling cheap labour from the periphery to the core, broadens the base of wealth accumulation in the core and deepens the existing inequality between these regions (Schuerkens 2005; Portes and Walton 1981). These were the decades where the relationship between migration and development was perceived more negatively (De Haas 2010; Kearney 1986).

The world system theory suggests that the main cause of emigration is globalisation. Although it shares the idea that capitalist nations demand cheap labour from the periphery, its explanation of the causes of international migration is the other way round: dislocations brought about by capitalist penetration in less developed countries (Arango 2000, p.290). In the past colonial ties and presently, neo-colonialism, multinational corporations, and foreign direct investment, serve as an instrument to penetrate the poor hinterlands (Massey *et al.*1998). More generally, the interaction between migration and development is conceptualized as a *vicious circle*:

Core periphery division and dependency → Migration → Increased dependency of poor countries → Impoverishment and income gap get worse → Third world labour freely available for capital in core economies (Castles 2008, p.6).

Similarly, Reichert (1981 cited in de Haas, 2010, p.10) constructs the vicious circle of the ‘migrant syndrome’ to describe the same:

Migration → more underdevelopment → more migration, and so on

However, in an historical structuralist approach, migrants are increasingly regarded as ‘passive victims and products of the wider global structure’ (Papadimitriou and Martin 1991, p.10). Although the flows of cash and materials to labour origin countries became clear from studies of return migration and remittances, historical structuralists reject that there are benefits of migration at all (Carling 2007; Kearney 1986). While remittances are recognised, the argument is contradictory in the sense that they are merely used for subsistence and blamed for creating inequality between migrant and non-migrant families (Tomei 2011; Carling 2007). As Abreu (2010) argues, an historical structuralist approach is powerful to explain contemporary migration patterns, if they address human agency and structural factors in a more satisfactory way.

2.4. The New Economics of Labour Migration

The new economics of labour migration (NELM) is another important theory that constructs the interaction between migration and remittances at the household level. NELM is ‘probably the most migration-specific of all theories’ (Arango 2000, p.287) and ‘the most optimistic prognosis about the developmental effect of labour flows’ (Portes 2006, p.21). Lucas and Stark’s (1985) earlier work on the determinants of remittances, is the foundation for NELM theory. Many claim that NELM is merely an extension to neoclassical theory:

- An ‘inside criticism of the micro version of neo-classical theory, or as a variant of it that refines and enriches it with of amendments and additions’ (Arango 2000, p.287)

- Households behave as individuals (Folber 1986, p.264).
- It was ‘essentially a theoretical development within the neoclassical paradigm and it arose out of a generalised lack of satisfaction with simpler models like that of Todaro’s (Abrue 2010, p.9).

Although Neoclassical and NELM explain the causes and processes of migration differently, both theories are principally based on rational choice (Arango 2000) and micro-level decision models (Massey *et al.* 1998). However, their explanation varies when it comes to who makes the decision to migrate and the extent to which they recognize or disregard the socio-economic settings in which migration decisions are made. While neoclassical theory regards individuals as champions, NELM recognizes the household as an important migration decision maker, and the decisions would be made in favour of the entire family. However, it is likely that members within a household negotiate (or sometimes impose) decisions. Therefore, it is important to ask who decides in favour of the entire family, as members within the household do not always have similar interests. This shows that NELM tends to use the utility maximising household in the place of utility maximising individual to explain the fact that migration is a process that requires an agreed decision by all household members, not just simply by an individual’s aspirations (Folber 1986). The portrayal of decision-making as a rational linear process is often questioned as it is a complex processing of many factors, such as social, economic, and political (Haug 2008; Vertovec 2007). On the other hand, the dual labour market theory argues that international migration ‘stems from the intrinsic labour demands of modern industrial societies’ (Massey *et al.* 1993, p.440).

Nevertheless, in the NELM model, the decision to migrate is not only made by analysing the household’s internal situation but also by comparing its reality in reference to other households which have migrant members abroad, not to mention the notion of ‘relative deprivation’ or ‘relative satisfaction’. A community characterised by high inequality is more likely to migrate, as the former advances more relative deprivation (Stark and Bloom 1985). In this regard, NELM, unlike neoclassical theory, sees migration in a broader community lens because the decision to migrate is related to local income distribution (Massey *et al.* 1998).

In NELM, migration serves as a household strategy to raise or diversify income, obtain funds to invest in new activities, and to pool or spread risks that emerge from market failures that are a constraint to local production (Massey *et al.* 1998). This is exemplified by the fact that the family often pay for migration expenses expecting remittances in exchange (Van hear and Sorensen 2003). Migrants usually go to places where they can earn higher wages. However,

this depends on their skills and the situation of the labour market (Hugo 1993). That means households examine its comparative advantage by analysing its human capital in terms of age, gender, migration experience, education, health, physical (dis)ability, etc. (De Haas 2008).

It is important to note that NELM theory takes into account the behaviour of migrants in respect to remittances; they cannot judge market imperfections, and they do not have equal access to information and the risks involved (Massey *et al.* 1998) as these variables significantly influence households' decisions to migrate. The sending of remittances demonstrates the characteristic feature of African migration as fundamentally a family, not an individual activity (Adepoju 1995, p.100). In the household strategy model, remittances are not only an important reason for migration but also a viable means of insurance for the migrant and those who remain behind. NELM recognizes the role of remittances in opening up educational opportunities and thereby rejects the 'brain drain' argument (Abella and Duncan 2007).

Like that of neoclassical theory, NELM also suffers from criticisms, for example, assuming free choice and full access to information (de Haas 2008, p.5), and concerning itself only with the causes of migration from the origin (Arango 2000). NELM explained migration in terms of relative rather than absolute deprivation, yet under certain circumstances migration is rather a survival or coping strategy (De Haas 2010; Hugo 1996). Furthermore, given the complexity and fluidity of categorizing migrants into different groups and to include other types of migratory flows, De Haas (2010) suggests eliminating "L" from "NELM". On the other hand, some researchers doubt whether NELM is to be entitled as a 'coherent theory' - no more than a critical, sophisticated variant of neo-classical theory (Arango 2000, p.287). Others (Aberu (2010) argue that NELM is an inadequate theoretical framework, even if it addressed issues that the neoclassical tradition has ignored.

NELM is important to the present study not only because it adopts a household level analysis and shows why migrants send money, but also because it shows how this money impacts on families left behind and the local economy. However, conceptualising households and to posit them as a unit of analysis is not an easy task. Households for example compose members that have diverse interests and motives, which in turn impact on micro-level production, consumption and allocation of resources (Evans 1991). Of particular note, all these theories so far are somewhat economically deterministic, ignoring the social dimensions of migration (Brettel 2013). People migrate for all kinds of reasons – for social status, to find modernity, to

escape abuse, etc. (Crewe and Kothari 1998). Migrants often explain why they moved using a number of reasons, some to rationalise and justify the move, others to make sure they meet regulations and policies of transit and destination countries, which is discussed in Chapter 4.

2.5. Harmonizing agency and structure on migration theories

Before advancing the discussion on how agency and structure are included in migration theories, it is important to highlight what is meant by agency and structure. Agency refers to individual and group action, which helps people to survive and cope in specific situations of change or crisis (Castles 2007, p.365). Structure, on the other hand could be identified at three levels - macro, meso and micro:

Structure would include macro-social structures (states, corporations, international agencies), micro-social structures (families, groups, social networks, local communities), and meso-social structures (intermediate networks or collectivities like the migration industry, or transnational communities) (Castles 2007, p.365).

As reported above, the neoclassical tradition recognizes human agency, while structuralists tend to underline the role of structural problems. Those who take a more determinist position pay scant attention to a persons capacity to act or react, while those who appreciate human agency overlook the broader structure in which individual make decisions, and how they are negotiated or mediated. In so doing, both approaches are unable to fully explain the complex human mobility patterns (Castles and Miller 1998).The idea is that taking a multitude of factors into consideration is relevant while analysing migration practices, instead of focusing only on an individuals agency or structural constraints. The increasing role of institutions in sustaining migration flows at one level suggests a departure from ‘micro-level decision models’ (Massey et al 1993, p 451).

However, as of mid-1980s structuration theory and post-modernist thinking, complemented these two opposing views (de Haas 2010), and subsequently migration scholars suggested to employ the agency-structure approach in migration studies to articulate how social, economic and cultural schemes affect migration practices (Tomei 2011). There is a need to look at ‘macro-social contextual issues, micro-level strategies and decision-making, and the meso-level relational structure within which individuals operate’ (Brettel 2003, p.9; Vertovec 2007). Adopting these also has helped to make distinctions between different types of migration, like that of voluntary and forced, and to explain the complex relationship between migration and development (Bakewell 2010).

Despite acknowledging the relevance of engaging both agency and structure in the migration debate, little has been said about how to accomplish this. Bakewell *et al.* (2010) suggest the work of ‘critical realists’ to better understand the relationship between migration and social change on the one hand, and employing agency-structure in migration theories. On the other hand, Tomei (2011) discusses in length how employing agency and structure advances the migration debate. The study reflects how migrant behaviour and social practices are influenced by cultural (structural) frames and in turn, how these are interpreted by migrants’ past experiences, personal biographies, motives, and memories what he calls - ‘subjective agency’. It must not be forgotten, however, that it is not only the migrant that demonstrates agency, but also families and communities of origin, an issue which is discussed in Chapters 7 and 8.

2.6. Migration and development: From pessimism to triple win scenario

2.6.1. Conceptualising the link

Despite the boom in migration and development research, there is a clear dissociation between theories of development and theories of migration (Wise and Marquez 2008, p.87). It can be argued that migration should be seen as an integral part of the broader development process, with insightful reflections on the complicated issues of globalisation (Munck 2010; Schiller 2009) and with past historical and political contexts (Tomei 2011). There is growing recognition that the interaction between migration and development is a two way and complex process (Hugo 2005). Migration is not only an element that is constituted in the process of change, but also as an ‘engine’ that brings further change. Having a two-way and an ongoing interaction, migration and development are inseparably tied actions. However, it is not in a sense that one is the product or the by-product of the other, rather one is entrenched with the other (Skeldon 2008; Castles 2004)

Following the neoclassical tradition, a range of theories have been developed to explain migration practices, often showing disagreement with their predecessors. Explaining migration from different perspectives is crucial yet combining these pieces of work into one theoretical framework is overlooked and has not been attempted so far (Massey *et al.* 1998). To begin with, since the word ‘development’ is illusive, it ‘needs to be disaggregated into specific components before any role of migration in the process can meaningfully be assessed’ (Skeldon 2008, p.1). Understanding the migration-development nexus needs to go beyond the orthodoxy, as Tomei (2011, p.4) pointed out:

- Development should be seen more broadly and as a process empowering people's capability to achieve personal and collective wellbeing, freedom and social inclusion (Sen 1999)
- Migration cannot continue to be considered as an independent and autonomous variable of development.

While the complexity of the relationship between migration and development is underlined in the literature, Skeldon (2008, p.1) argues that the debates are 'plagued by conceptual difficulties and misunderstandings', and Bakewell (2007, p.11) argues more generally that they are inclined to be negative. However, in recent years, this perception has significantly changed. Remittances, the issue of brain circulation, diaspora engagement and transnationalism are fundamental in the migration-development debate. If the link between migration and development is better managed with salient policies; it holds significant benefit for both migrant origin and destination countries (IOM 2010). The following section discusses why there is new interest in the migration development nexus and how the equation shifted to be positive rather than negative.

2.6.2. Why a new interest?

The last decade has seen a growing literature on the potential of migration for the development of migrants' origin societies. The money that migrants sent home tends to be the main reason for the renewed interest in migration. More emphasis has been placed on migration when remittances exceeded the volume of money developing countries received in the form of foreign direct investment and development assistance (World Bank 2003). When migration was discussed the concern tended to be about the flight of educated people to wealthy countries - that the term 'brain drain' embodied, which changed into 'brain gain' and more recently modified to 'brain circulation' (Castles and Wise 2007, p.8). However, the key question remains as Castles and Wise (2007, p.7) argue: whether the gains from remittances would outweigh potential losses from the departure of active workers, given that emigration meant a loss of human resources, which could be a barrier to economic growth and modernization. Similarly, Hugo (2003, p. 5) pointed out that:

...such net positive outcomes are by no means assured and the overall developmental impacts are influenced by a range of factors, including the nature and scale of the migration, the strength of networks, cultural and social contexts and policies in sending and receiving areas.

This paradigm shift is celebrated by a wide range of stakeholders which among others include scholars, policy makers, multinational organisations and states of the North and South. The European Union, for example, has proposed that facilitating temporary or circular migration

benefits both origin and host countries, in a way that the former ‘not being hit through the ‘brain drain’ and the latter ‘having a more flexible labour supply at its disposal (Munck 2010, p. 1236). Migrants’ origin countries have put renewed hopes on migrants abroad as potential investors and partners of development and in the ‘new round of global bargaining they might complement the slogan ‘trade not aid’ with ‘migration not aid’ (Kapur 2004, p.29). Generally, in a highly globalise world, immigrants, who are an important source of individual and collective remittances, skills and knowledge, are increasingly seen as a new, ‘bottom up’ ‘development resource’ for origin countries (Abella and Duncan 2007). This feature of migration has inspired migration theories to involve ‘transnationalism and civil society’ as an important variable (Tomei 2011, p.9). Different development paradigms have been implemented over the past several decades to reduce poverty and advance people’s welfare in developing countries, but their impact remains unsatisfactory. This is especially the case in Africa (Bakewell et al. 2009), and a new solution is being sought in remittance-led development and diaspora engagement. If the money migrants earn is considered as a key to redistribute resources from high to low income countries, advanced countries need to open their borders to immigrants (Kapur 2004).

However, there is scepticism about the new interest in migration and development (Chami *et al* 2005). This debate has never been free from political influence, and some scholars argue that the new interest is a ‘reaction to the previous failed development mantra’ (Kapur 2004, p.10), which ‘in particular fits very well into the (neo) liberal political philosophies’ (De Haas 2010, p.31). This new interest is used to demonstrate that globalisation is benefiting the global South, while in reality it fails to meet its wealth redistribution promises (Castles and Wise 2007). While most wealthy nations set their migration agenda from their own standpoint, often the needs and interests of migrants from many of the origin countries are not addressed. Since most of migration research is done by scholars and research institutes situated in these wealthy countries, they do not give sufficient attention to the interests of developing countries (Wise and Marquez 2008). In other words, ‘migration scholars have adopted the perspective of their respective nation-states’ (Schiller 2009, p.15). As a result, the focus of migration is mainly narrowed to issues of safety, protection, and integration in line with the concerns and interests of migrant receiving countries. The money sent by migrants is perhaps viewed as the main engine of development. This suggests that measures should be taken to maximise the benefit of migration to all parties involved, with the utmost effort to maximise the benefits of migrant source regions.

2.7. Remittances

2.7.1 Theoretical base and empirical evidence

The sending of remittances by migrants is one of the strongest and most pervasive phenomena in Africa's migration system (Adepoju 1995, p.100). The literature on remittances often explains the reasons why migrants send money back home and it is strongly influenced by Lucas and Stark's (1985) classic work: *the motivations to remit: evidence from Botswana*. Carling (2008, p.582) noted that this article has been cited almost three times more than any other journal article on remittances. Therefore much of the discussions on remittances focuses on justifying the motives to remit that Lucas and Stark (1985) have proposed. The notion of altruism states that migrants remit because they care for families left behind. Pure self-interest, on the other hand, states that migrants send money back home seeking to maximise their own advantage. Their model considers three self-seeking motives to remit: (a) an aspiration to inherit, (b) to channel assets and to invest in a 'safe' area and (c) intent to return (Lucas and Stark 1985, p.903-906). Carling (2007, p.584) claims that if aspirations to inherit are meaningful 'remittances should be positively associated with the assets of the receiving household'. Hodinott (1994, p.473) argued that in Western Kenya the 'flow remittances is a function of the ability of parents to offer rewards, in the form of bequest of land, to migrant sons'. In Cameroon, for example, 'migration with remittance strategies fails as a social security mechanism when the potential remitter does not expect any sizeable inheritance' (Schrieder and Knerr 2000, p.223). However, all these reasons which signal the keen interest of migrants to return are not mutually exclusive. For instance, even if a migrant inherits property upon return, he/she is also responsible to look after the elderly and younger siblings, which in principle need enthusiasm and care. The implicit migration contract had intergenerational dimensions.

Similarly, both intent to return and extending investment through home families is a project that benefits the whole family, especially in a traditional or communal culture where family, kin, and relatives share the gains one way or another. The intent of investment in rural settings is driven by reasons beyond migrants' pure self-interest. Therefore, it is not an easy task to draw clear-cut boundaries between these distinct but interconnected self-seeking motives. That is why Lucas and Stark (1985) introduced the third alternative - tempered altruism and enlightened self-interest - which strike a balance between the two opposing reasons. This is because both altruism and self-interest (a) do not completely explain the motives to remit in spatio-temporal dynamics and (b) they are self-reinforcing of each other. They have also

rightly observed that there is not only an implicit understanding between the migrant and non-migrant families but also the importance of interfamilial care to arrange and enforce mutually beneficial agreements. Migration is, therefore, seen as risk diversification and remittances as a mechanism to redistribute its gains (Lucas and Stark 1985).

It is also important to examine the determinants beyond altruism and self-interest motives, including the non-economic ones. Carling (2007, p.587), for example, noted the importance of emphasizing the following: the sender-receiver relationship, sender's assets at origin, the environment of both senders and receivers, the frequency of remittances and length of time received. Insurance or risk sharing motives also increasingly explain why migrants remit (Agrawal and Horowitz 2002; Gubert 2002).

Grieco (2004, p.245) argues that the relationship between migrants and non-migrants is of paramount importance because they form the social basis of remittance behaviour. Altruism does not answer why some migrants remit more than others, why some remit for longer or why some do not remit at all. As the saying goes *out of sight out of mind*, the relation between time and remittances are found to be inversely related, the money sent home declines and ultimately ceases with time and is often referred to as 'remittance decay' (Brown 1998). In this regard, Grieco (2004) argued that:

...remittances are the resources exchanged between the migrant and non-migrant members of migrant social networks. They occur as the result of migrants' participation in those networks and represent their efforts to build and maintain social capital. That means relationships come first and the motivation to remit comes after, not the other way around (Grieco 2004, p.245).

On the other hand, Lindley (2010, p.1331) noted that remittances are very important resources to 'maintain loving relationships over long absences'. This means that remittances continue maintaining social ties not the other way round. However, one could raise several questions: (a) do migrants necessarily remit to maintain social ties - here comes the question of migrants' willingness and capacity to remit and whether stay behind families need that support or not (b) are remittances the only means to maintain relationships with families? It can be sustained through other means including phone calls, holiday visits and circular mobility. Do migrants remit to support their families or just to maintain a relationship or to prove their membership? Given the 'prospect of remitting is often a key element in the motivation to migrate in the first place' (Carling 2008, p.582), it is less convincing to think that migrants remit to maintain social ties. After all, migrants may send money either to benefit themselves, their families or

both, but at the same time this can be considered as evidence for maintaining social ties. One would argue that maintaining social ties and sending money are not mutually exclusive; they are an integral part of the other. Otherwise, it is just oversimplifying the issue or constructing a linear relationship between remittances and social networks. The literature tends to ignore how social status, type of family relationship and factors beyond the household, such as government policies at origin, shape the remittance flow and impacts.

Remittances can also be sent to individuals or communities not known to the sender, which is often based on altruism or philanthropic orientation. Evidence in this study and others (e.g., Naiditch and Vranceanu 2011; Bracking 2003) show that migrants remit to demonstrate their success and boost the social status of their family. Peter (2009) found that many Congolese migrants in South Africa and Europe send money to prominent musicians back home so that their names and family roles are included in song lyrics.

The role that migrants play in homeland development is not only restricted to sending cash and in-kind items but also, as Levitt (1998, p. 927) noted, ‘ideas, behaviour, identities and social capital’, what is referred to as social remittances. These resources play an important role in ‘promoting immigrant entrepreneurship, political integration, community and family formation’ (Levitt 1998, p. 927). Transnational ties, which are increasingly sustained through new technologies and cheaper travel, encourage social remittances. Brettell (2013, p.2) noted that these social remittances may not only ‘change gender, class, ethnic, political, and/or institutional relations at home, but also generate new migrations’.

However, ideas and practices remitted from abroad do not always produce positive results, as they sometimes alter the local traditions and standards. This is discussed further in Chapter 8. Faist (2010) also argues that the role of immigrants in transferring ideas, skills and knowledge to their respective host societies is also frequently ignored.

As discussed in Chapter 1, migration and remittances can have macro and micro level negative impacts. Massey *et al.* (1998, p. 260) argue that cross-border migration ‘meant a loss of human resources, which could be a barrier to economic growth and modernization’. However, the ‘two scarce factors that are critical for development- human capital and financial resources- are not substitutes (Kapur 2004, p.13). For example, as Clapham (2004, p.81) states, ‘many skills that are desperately needed within one of the poorest countries (Ethiopia) have been lost to the wealthiest’. Nevertheless, Stalker (2000) argues that while

this does not seem to happen in the short-term, remittances might have an important role in reducing long-term emigration. Rapoport and Docquier (2006) also argue that migration and remittances tend to have an overall positive long-term economic effect on migrant origin countries. Others (e.g. Ratha *et al.* 2010) reported that in the near future remittances could become one of the main drivers of global development.

Remittances send can also ‘dampen the country’s exports if they lead to an appreciation of the external value of its currency – a variant of the so-called ‘Dutch disease’ (Ghosh 2006, p.59). Ghosh (2006) also argues that remittance dependency and vulnerability to crises are positively associated, especially when remitters are comprised mainly of temporary migrants. Therefore, the increasing flows of remittances might lead receiving countries to be reluctant or put less effort on other sectors, which are important for development (De Haas and Vezzoli 2010). Notably, achieving development goals require multi-sectoral efforts and more importantly, inward looking.

Arguably, remittances are just one variable out of many to foster development and, of course, this depends how well the intervention is designed. After an in depth review and analysis of the migration and development experiences of five of the world’s main emigration areas namely India, Mexico, Morocco, Philippines, and Turkey, Castles and Wise (2007, p.10) concluded that:

migration and remittances cannot bring about sustained economic and social changes where fundamental changes– such as land reform, combating corruption, improving transport and communications, and improving health, education and welfare - are neglected.

Remittances are not seen as a panacea for development and therefore there is a need to reinforce and sustain the links through appropriate policy measures (Hugo 2012; Carling 2007; Ratha 2003). However, this is increasingly undermined by deficiencies in theoretical understanding and the gathering of data (Massey *et al.* 1998). Alongside the interest in remittances, migrants’ transnationalism increasingly shapes the development prospects of migration (Nyberg-Sorensen *et al.* 2002; Vertovec and Cohen 1999).

2.8. Transnational perspective of migration

2.8.1. Migrant networks and social capital

Social networks have been recognized in migration research as early as the 1920s (Haug 2008). In the 1960s and 1970s, researchers focused on network migration functions and the importance of kinship in advancing further movement (Brettell 2013; Boyd 1989). Towards

the end of the 1980s, the importance of social networks was increasingly recognised, not only in influencing the direction and patterns of migration but also in adjusting the post-migration dynamics in the new location (Massey *et al.* 1998). By the early 1990s, research paid due attention to the role and nature of transnational social ties and networks in shaping the process of migration (Tomei 2011; Munck 2010). Although network theories became important in the study of migration, they are often analysed uncritically (De Haas 2008).

In well-established migrant communities the functions of social networks have been found to be immense, that they convey information, reduce the costs and risks associated with migration, facilitate integration or adjustment to the life at the new destination (Abella and Duncan 2007; Massey *et al.* 1993). Social capital theory argues that migration networks connect migrants with different people and increase their chance to succeed and to meet their dreams at the place of destination. They also ‘bridge migratory spaces through flows of persons, ideas, information and goods’ (Faist 2000, p.99). In so doing, social capital helps members of networks or groups to get access to more economic, human and social capital (Faist 2010, p.193). However, social capital does not exist everywhere; it is usually confined and tied to a certain location. Although it is less transferable compared to other forms of capital, it does increase people’s aspirations to migrate and stimulate further mobility (Czaika and Vothknecht 2012). Faist (2010, p.192-193) argues that social networks ‘carry obligations, reciprocity and solidarity between migrants and communities of origin’. In so doing, they ensure the continuity of resources flows, and facilitate migrants engagement in home communities socio-economic and political issues. However, social networks are often not considered as an important variable in a migration-cum-development policy making process (Hugo 2005). Depending on the type and level of skills that migrants have possessed, social ties can serve to transfer skills and knowledge to migrant sending societies, referred to as ‘diaspora knowledge networks’ (DKN) (Meyer 2007). These social structures can be appropriated through networks established by students, experts, professional associations, and specialists, among others (Meyer and Brown 1999).

Researchers (e.g., Abella and Duncan 2007; Levitt 1998) suggest that the knowledge network is not only limited to research and development, as well as manufacturing goods and materials essential for the wellbeing of origin communities, but also involves the transfer of fundamental democratic values, good governance, healthy lifestyles, child rearing practices, etc. Of particular note, IOM has been closely working with many countries in Africa, including Ethiopia, to reach out to the diaspora and tap their skills and knowledge for the

benefit of the continent. The idea is typically related to the 'brain circulation' argument by which skilled migrants give back to origin communities through short-term return or cyclical mobility, and thereby overturn the brain drain argument (Grossman *et al.* 2010; Hugo 2005). The knowledge network is not built upon the 'return option' but the 'diaspora option' (Faist 2008, p.26). However, this network is also likely to trigger further migration, as discussed in Chapter 8. The growth of networks and the development of institutions that support migrants are more likely to sustain cross-border movements, a process often referred to as cumulative causation (Massey *et al.* 1993).

2.8.2. Diaspora's and transnational communities' as (co) development actors

In earlier decades migrants were characterised as 'uprooted' to mean that they do not maintain contact with their place of origin, nor do they integrate into the host communities (Schiller *et al.* 1995). They are also characterised by having no intention of returning to, nor are able to sustain links with, the community of origin (Newland and Patrick 2004; Safran 1991). This is how the diaspora was conceived, which depicts certain communities who have been forced to flee their original homeland, which, for example, include the Jewish exiles, Armenian, Greek and the African diaspora that have experienced horrific Atlantic slavery (Brubaker 2005; Sheffer 2003; Safran 1991). While the term diaspora is widely used in the literature, there is no consensus on what it involves and what it refers to (Gamlen 2008; Butler 2001).

The present day migrants, who are increasingly connected to the country of origin through physical visits, exchange of materials, phone calls and other communication media are usually referred to as transmigrants (Sheffer 2003; Schiller *et al.* 1992). De Haas (2010) argues that solid transnational family ties can be sustained for many years and pass over generations. Schiller *et al.* (1992, p.1), also argues that 'transmigrants develop and maintain multiple relations - familial, economic, social, organisational, religious, and political that span borders'. However, the role of origin communities in constructing, reconstructing and influencing the dynamics of these transnational ties is often ignored (Orozco *et al.* 2005).

The transnational dimension of migration is a new way of expressing the changing trend where by the community is a key agent of development (de Haas 2008). In the same vein, Faist (2008, p.6) argues:

in development theory the principles of 'community' and 'civil society' have occupied an increasingly prominent role over the past few decades, without necessarily displacing the 'state' and certainly not the 'market'.

This recognition inspires migration theories to involve ‘transnationalism and civil society’- as an important variable (Tomei 2011, p.9), as a ‘third way’ to explain the thesis of ‘globalisation from below’ (Gamlén 2008; Kapur 2004). It refers to the role of the diaspora and transnational communities - as ‘small’ players, as opposed to mega-corporations, make use of the opportunities offered by globalisation’ (Mohan and Zack-Williams 2002, p.233). This is to explain migrants, not states, are the large source of foreign funds, which also has helped to overcome state corruption and inefficiency (Portes 2007; Kapur 2004). Similarly, Wise and Marquez (2008, p.91) use the word ‘transnationalism from below’ to distinguish migrants from other giant corporations. The idea is that migrants and their associations are critical development agents who can mobilise and channel resources back to origin communities and are often assumed to be losers in the globalization arena. However, while migrant organisations operate within the framework of government structures, the role and power of the state is increasingly overlooked in the literature (Calgar 2006). Calgar (2006) also argues that disentangling state and civil society is not only overlooking the public and private partnership in the development process but also oversimplifying the complicated notion of ‘from above’ and ‘from below’. In transnationalism, the role of the state has shifted and is taking more of a facilitator role (Faist 2007). Portes (2003, p.876) argues that migrant transnationalism is ‘an initiative of common people to establish durable economic and other ties across national borders’. This can be demonstrated by ‘return visits and return migration, remittances, transnational business activities, as well as investments and political involvement in origin countries (de Haas 2010, p.22).

Arguably, the issue of transnationalism is not a new phenomenon, as international migration has long involved cross-border practices. However, there has been a dramatic change in technology as well as social, economic and political arenas that have magnified the concept of transnationalism (Mazzucato 2005). This view is not far from the concept of globalisation. However, the concepts of globalisation and transnational social space have clear differences in the sense that ‘transnationalization overlaps globalization but typically has a more limited purview’ (Faist 2010, p.192). The social networks established across national borders also have considerable role in advancing globalisation, both in economic and social terms (Orozco *et al.* 2005). In a highly interconnected world, the trend and pattern of migration is dynamic, being a multifaceted interaction of traditions and customs across place and time. This scenario can be better explained by ‘the emergence of transnational communities’ (Castles 2007, p.353).

Faist (2006, p.5) argues that transnationalism comprises 'dense and continuous sets of social and symbolic ties, characterised by a high degree of intimacy, emotional depth, moral obligation and sometimes even social cohesion'. Tomei (2011, p.22) identified three resources that the social ties of transnational communities entail: (a) mutual obligations and expectations of the actors tied in social exchange (b) reciprocity as a social norm and (c) solidarity among people who share similar backgrounds. Accordingly, the transnational networks of migrants are economically linked to the development of migrant source areas through investment, fund transfers, and creating a market for local producers and service providers. This is otherwise called the five T's, which include money transfers, tourism, transportation, telecommunications, and nostalgic trade (Orozco *et al.* 2005). Besides, it is characterised by complex cultural, social, and political relations (Castles 2008). In general, transnationalism helps migrants to live in a host country and to sustain links with families and to run businesses in home countries without necessarily returning home (Guarnizo *et al.* 2003). This enables migrants and their families to pursue transnational livelihoods (Carling 2007).

The role of the diaspora and transnational community is increasingly recognized as an important (co) development actor (Bakewell 2009; Portes 2000). However, their roles and contribution, compared to other development agents, has received little scholarly attention (Faist 2008). The main tenet of co-development is enhancing co-operation between advancing and developing countries through human resource development. However, practically, the emphasis is not much on the development of migrant source areas, but rather to have control over migratory flows (Wise and Marquez 2008). As Portes (2003, p.886) argues, 'better networked immigrants are much more likely to become transnational activists' that can be actively involved in homeland development in partnership with local, regional and national development actors. The far-reaching role of transnational migrants urges home country governments to come up with new policies or to revise existing ones to harness the resources of nationals living abroad. In most cases, such government policies are aimed to benefit from and keep the diasporas loyal to their country of origin (Faist 2010).

On the other hand, some scholars are sceptical whether substantial numbers of the diaspora are engaged in transnational practices (Portes 2003). Smith and College (2000) argue that no one exactly knows the level of immigrants' participation but there is ample evidence to suggest there is an extensive transnational engagement. Even if the number of people who engage in transnationalism is not large, the impact is far-reaching. A study by Orozco *et al.*

(2005) in 12 Caribbean and Latin American countries shows that half of the sampled migrants engaged in various forms of transnational practices, especially in sending money, investment and trade. Nevertheless, these transnational networks can also be found to fuel conflict, war, extremism, and terrorism in the home country and elsewhere, as diverse as Sri Lanka, Kosovo, Eritrea, Somalia, Turkey, and Northern Ireland (Demmers 2007; Newland and Patrick 2004). Another downside is that remittances sent through unofficial channels encourage illegal activities such as money laundering, drug smuggling, trafficking in person (Perouse 2005).

2.9. Hometown Associations and Home Community Development

One of the most salient features of transnational linkages is the development of migrant organisations, which are often established based on ‘members’ shared experiences and interests, be they professions, ethnic affiliations, or a common hometown’ (Somerville *et al.* 2008, p.1). Hometown associations (HTAs) benefit origin communities through transferring cash, materials, and facilitating adjustment for new members, influence home and host country politics and promote cultural practices within the group and beyond (Orozco 2000; Zabin and Rabadan 1998). The role and nature of HTAs as development partners for the state and international organisations gained momentum with the surge of remittances (Calgar 2006). However, research on collective remittances is relatively small compared to a wealth of literature on individual remittances (Orozco 2002). Much of the existing literature emphasises HTAs established by Latinos residing in the US. Although HTAs are not uncommon among contemporary migrants, it is more popular among those who came from, for example, Mexico, Philippines and Ghana, which have established about 3000, 1000 and 500 associations worldwide, respectively (Orozco and Garcia-Zanello 2008). However, it is not known why migrants from some countries or particular areas within a country, engage in HTA activities, while others do not. However, in the UK, Crewe and Kothari (1998) found that those communities that had migrated twice developed far more infrastructure than migrants who did so once because they had experience of securing funding.

The success or failure of HTA projects can be determined by the commitment of the diaspora, and home governments to advance the wellbeing of origin communities and their capacity to run projects that have meaningful benefits for those who remain behind (Tomei 2011). Moreover, the cultural harmony of transnational communities affect on the attitudes of migrants towards their home country’s development (Skeldon 2008). This, in turn, is heavily influenced by migrant’s personal experiences, social backgrounds and political affiliation with the current home government, among other factors (Newland and Patrick 2004). De Haas

(2010, p.21) argues that ‘integration in receiving societies and commitment to origin societies are not necessarily substitutes, but can be complementary’. HTAs are limited with their organisational structure, but have enormous potential for development if they work in partnership with states, international funding agents, and foundations at least in areas where their development goals and priorities converge, and the latter could help migrant organisations technically and financially (Orozco and Garcia-Zanello 2008).

2.10. Conclusion

This chapter has reviewed the evolution of migration theories over the past half century or so. No single theory proposed so far has adequately captured the different forms of migration, and explains the complex migratory flows, and no attempt has been made to combine these pieces of work into one theoretical framework. It is recognised that migration and development is a two-way complex interaction, and the development prospect of migration is embedded in the transnational social field. This could be better explained if multi-disciplinary approaches are employed. NELM is important to the present study not only because it is a household level analysis and reflects why migrants send money but also how this money impacts on the families left behind and the local economy. As contemporary migrants are increasingly interconnected and engage in the development of origin communities, the concept of transnationalism and civil society has gained momentum in migration theory over recent years.

CHAPTER 3

RESEARCH METHODOLOGY

3.1. Introduction

This chapter outlines the methodology adopted in this study. It begins with reflecting on the research philosophy and the ways in which the research paradigm and methodology interacts. For the present study, the philosophical strands of positivism, interpretivism and pragmatism paradigms are briefly discussed. The second section provides the reasons for adopting a mixed methods approach in this study and in migration research in general. The third section presents the theoretical framework and outlines the study setting. The fourth section discusses the data gathering tools and approaches used, as well as the data analysis techniques and how data was integrated to ‘produce a single mixed methods study’ (Yin 2006, p.44). The final section reflects on the researcher’s field experience and challenges.

3.2. Research Paradigm: Ontological, epistemological and methodological contours

A wealth of literature has documented the philosophical positions of different paradigms that frame empirical research (for example, Morgan 2007; Johnson and Onwuegbuzie 2004; Knox 2004; Annels 1996; Guba and Lincoln 1994; Guba 1990; Gage 1989). A good understanding of research philosophy helps researchers to establish the research plan from the very outset, to choose suitable methods, to adequately deal with challenges related to the research, and learn new ways of doing things that have not been encountered before (Smith *et al.* 2002). Although the literature depicts paradigms differently, interpreted either in a narrower or in a wider sense, they are generally regarded as a ‘system of ideas, or world view, used by a community of researchers to generate knowledge’ (Fossey *et al.* 2002, p.718). Any given paradigm is expected to clearly communicate its position, and address the following important questions:

- Ontological – what is the nature of knowable? Or what is the nature of reality?
- Epistemological – what is the nature of the relationship between the knower (inquirer) and the known (or knowable)
- Methodological – how should the inquirer go about finding out knowledge (Guba 1990, p.18).

The concept of paradigm and its relationship with method is complex. Bazeley (2002, p.4) argued that there are no direct or exclusive correspondence between them. Others argue that paradigm shapes research methodology, and its ontological and epistemological assumptions (Knox 2004; Morgan 1998; Annels 1996; Guba and Lincoln 1994). Some claimed that methods and paradigms have a two-way and mutual relationship (Greene and Caracelli 2007; Howe 1988). Researchers ascribing pragmatism assert that it is not necessary to link methods with a particular research paradigm. That is, one can use any method so long as it is appropriate to underpin specific research inquiries (Failzer 2010; Greene and Caracelli 1997; Green *et al.* 1989).

3.2.1. The positivist and constructivist divide

Table 3.1 shows paradigms and their ontological, epistemological, and methodological strands. Based on these assumptions, there exist two dominant research paradigms that have long been in rivalry: positivism and interpretivism (Creswell 2003; Salomon 1991), along with post-modernism, post-positivism, critical realism, feminism, among others (Cruickshank 2011; Feilzer 2010). However, some go on to argue that this debate has been unproductive (Mahoney and Goertz 2006; McKendrick 1999).

Table 3.1 Paradigms: the Quest for knowledge and reality

Paradigm	Ontology What is knowledge?	Epistemology How we know what we know?	Methodology How we study?	Data collection tools
Positivist	realist (single reality)	objectivist dualist	quantitative, (experimental, manipulative, observation, etc.)	e.g. structured survey
Interpretivism Constructivism	relativism (multiple, reality)	subjectivist	qualitative (hermeneutic, dialectic, etc.)	e.g. interviews, observation
Pragmatism	socially constructed reality; truth is: -‘what works’ at the time - problem solving -provisional	constructionist pluralism, value oriented; intrinsically valued by the user; empirical plus rational ways of knowing	e.g. mixed methods design, embraces pluralist methodology (i.e. both quan & qual methods); grounded theory, ethnography, etc.	e.g. combining survey, interview, FGD, observation

Source: compiled from: Ritzer 1991, p.446; Guba and Lincoln 1994, p.112; (see also Creswell 2003; Scotts and Briggs 2009; Guba 1990; Mackenzie and Knipe 2006; Ukatta 2010)

The quantitative approach, which is often associated with the positivist approach helps, as Kanbur *et al* (2001, p.22), highlights:

- To estimate the prevalence and distributions within populations and areas.
- To make cross-section comparisons between different individuals, households, groups and communities, and across regions.

In this study, household surveys were administered to generate both quantifiable and qualitative information on migrant households' (including diaspora members) demographic and socio-economic characteristics, the volume of remittance flows and patterns of utilisation. In so doing, it is possible to estimate the volume of remittances, analyse remitting motives, and to identify a pattern in remittance expenditure.

Conversely, as also shown in Table 3.1, with the assumption that 'objective reality can never be captured', the interpretivism paradigm relies on qualitative data collection and analysis techniques (Denzin and Lincoln 2005, p.5). The qualitative approach helped the present study to provide adequate explanation to the research questions. Qualitative methods were adopted in the sense that meaning is multiple, that people can perceive and interpret things differently. This is mainly because people's values, backgrounds, and lived experiences vary, as they inhabit dynamic social, economic and political territories (Morgan 2007). This study has drawn upon the research participants' experiences, voices, and attitudes to gain a deeper insight into how migration and remittances influence social change, and how transnationalism shape the ways in which people interpret self and negotiate their actions. In so doing, it is possible to (re)construct social realities (Tashakkori and Teddlie 2009).

The study has collected qualitative data through interviews, focus group discussions, and observation, providing interpretive analysis within the lens of the constructivist paradigm. More specifically, the qualitative paradigm was important to gain a deeper insight into how family and collective remittances function at the grassroots level and how communities deal with migration and remittances in different socio-economic settings. Some of the issues addressed, include how remittances are perceived, how this perception determines patterns of remittance usage, and the complex decision making process, how social networks function across national borders, etc. This study has adopted both research approaches to answer its research questions. Moreover, it is important to note that qualitative and quantitative paradigms have much in common, compared to their

differences, and hence the debate is counterproductive (Onwuegbuzie and Leech 2004). This marks the rise of a mixed methods research paradigm that most studies, including the present study, falls into.

3.2.2. A ‘third’ paradigm: Pragmatism and Mixed Methods Research

A growing body of literature discusses the philosophy and methodology of mixed methods research (MMR) in light of the preceding research paradigms, positivism and constructivism (e.g., Feilzer 2010; Greene 2008; Teddlie and Tashakkori 2006; Brannen 2005; Greene 1989). It is increasingly recognized as the ‘third methodological movement’ or the ‘third research paradigm’ (Johnson *et al.* 2007; Tashakkori and Teddlie 2003), which holds middle ground, and attempts to benefit from, and redress the gaps in the two opposing world views in pursuit of advancing knowledge (Mckendrick 1999). Despite its recognition as a ‘properly integrated methodology for the social sciences’ (Morgan 2007, p. 73), mixed method research is a paradigm in the making (Tashakkori and Creswell 2007). However, this does not mean that this approach is a recent construct, as much work has been done on mixed methods over past decades (Greene 2008; O’Byrne 2007). Rather, this is to suggest that this approach is a ‘new movement, or discourse, or research paradigm’ (Johnson *et al.* 2007, p.113).

Mixed methods research has different names, and is defined differently. But Creswell *et al.* (2003, p.212) provides a more comprehensive definition:

a mixed method study involves the collection or analysis of both quantitative and/or qualitative data in a single study in which the data are collected concurrently or sequentially, are given a priority, and involve integration of the data at one or more stages in the processes of research.

Since it is embedded across paradigms, mixed methods research does not necessarily link with one research paradigm (Harrits 2011). However, pragmatism is increasingly advocated or endorsed as a paradigm, which provides a general framework to undertake mixed method research (Greene 2006; Brannen 2005). Pragmatism in this study is understood as a

deconstructive paradigm that debunks concepts such as ‘truth’ and ‘reality’ and focuses instead on ‘what works’ regarding the research questions under investigation (Tashakkori and Teddlie 2009, p.303).

A pragmatist approach emphasises that ‘knowing begins with uncertainty and is inevitably based on and framed by prior knowledge. The starting point is therefore practical not wholly theoretical’ (Scotts and Briggs 2009, p.230). It is important to note that no single

research approach is complete. Accordingly, this study embraces the mixed methods approach as ‘a method and philosophy that attempts to fit together the insights provided by qualitative and quantitative research into a workable solution’ (Johnson and Onwuegbuzie 2004, p.19). Indeed, this approach has long been used by population geography, and migration studies in particular (e.g., Findley and Li 1999; Winchester 1999; Mckendrick 1999; Hugo 1993).

3.2.3. Justifying a mixed research design for the present study

Mixing methods was extremely important in this study given the fact that migration and remittances is a complex issue that requires obtaining the perspectives of different stakeholders, which know about, or benefit from, migration and remittances. This scenario helped to throw some light on the qualitative and quantitative dimensions of the research questions set out in the first chapter. Therefore, given the fact that the issue of migration and remittances is functioning in the face of multifaceted social, political and economic dynamics in Ethiopia, these complexities could be understood only when different data gathering tools are employed. Due to this, mixed methods are believed to be most appropriate.

Given the fact that ‘each method studies different phenomena’ (Sale *et al.* 2002, p.50), some dimensions of migration and remittances would be captured by a particular method, or combinations of methods, while other facets could be assessed by other methods. In so doing, this study was able to gain a comprehensive understanding about the research question by mixing qualitative and quantitative information from different sources. The study has combined methods at different stages of the research: the research design, data collection, interpretation and contextualization of data (Brannen 2005, p.181). Qualitative and quantitative techniques were combined to gain a deeper insight and capture the multifaceted nature of family and collective remittances in different research settings in Ethiopia. This study does not see qualitative methods as subordinate to quantitative methods. Nor does it assume it to be a supplementary tool to the quantitative method (Findlay and Li 1999; Winchester 1999). Therefore, mixing methods was extremely useful not only to gather rich and extensive data, but also to substantially enhance data integration and analysis.

3.2.4. Triangulating data sources, methods, and theories

Triangulation employs two or more methods in order to elicit a broader understanding on the subject in question (Greene *et al.* 1989; Jick 1979; Denzin 1970). Accordingly, this

study triangulates methods to achieve ‘convergence and corroboration of results from different methods and designs studying the same phenomenon’ (Johnson and Onwuegbuzie 2004, p.22). It has collected data from multiple sources, combine different data collection tools, theoretical perspectives, and data analysis techniques to gain a better insight into the subject and to provide adequate answers to the research questions. As each method constitutes limitations and strengths, the study adopts a triangulation method to ‘use the strength of one method to enhance the performance of the other’ (Morgan 1998, p.365). As it draws many advantages, triangulation lends itself to the application of mixed methods research. Other purposes for mixing methods include development, complementarity, initiation and expansion (see for detail, Bryman 2007, p.105; Green *et al.* 1989, p. 259).

Brannen (2005, p.176) noted that ‘data collected from different methods cannot be simply added together to produce a unitary or rounded reality’. It, should, therefore, be vital to triangulate data in a more systematic way. This can be done in various ways, which can bring in at least four alternative outcomes. These, according to Brannen (2005, p.176), are:

- Corroboration: the ‘same results’ are derived from both qualitative and quantitative methods.
- Elaboration: the qualitative data analysis exemplifies how the quantitative findings apply in particular cases.
- Complementarity: the qualitative and quantitative results differ but together they generate insights.
- Contradiction: where qualitative data and quantitative findings conflict

Accordingly, this study attempts to gain ‘complementary findings and to strengthen research results’ (Thurmond 2001, p.257). However, data triangulation can result in unexpected outcomes. Moreover, if triangulation is not well designed and integrated with the research questions, it can result in the collection of redundant data that may cause a waste of money, time, and materials (Bryman 2006).

3.2.5. How to integrate methods

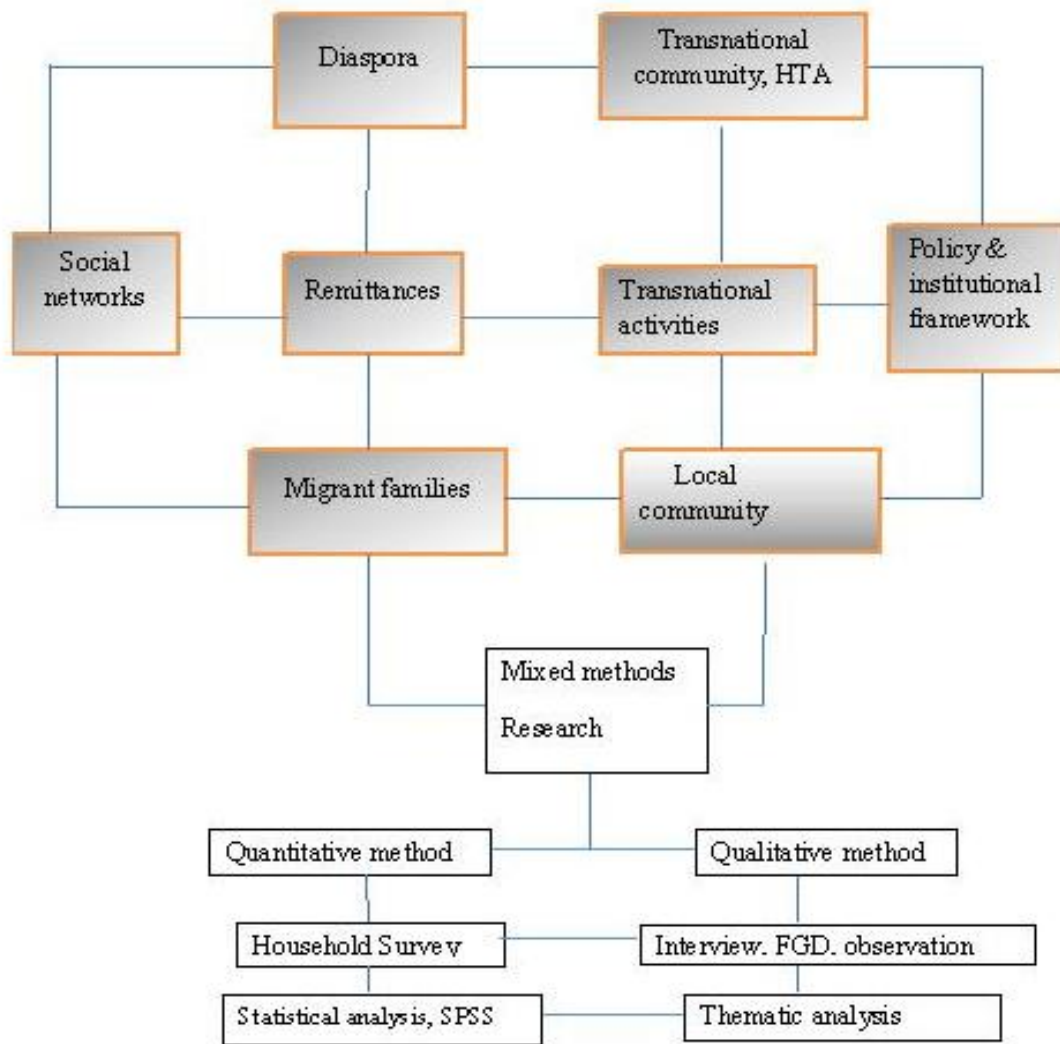
This study has integrated the survey method with interviews, focus group discussions, and observation, which is the most profound form of triangulation (Creswell 2003). The essence is to complement each method and to expand understanding about how migration impacts on families and communities left behind in Ethiopia. It is important to note that neither quantitative nor qualitative methods were considered as superior or subordinate, but both methods are geared to address particular and different research questions (Feilzer 2010; Bryman 2006). In other words, neither approaches are dominant, nor are they sequential.

Rather, both approaches are given equal status. However, it is not an easy task to combine, compare and integrate data obtained from two distinct methods and to change data from one form to another, to mention but a few (Creswell 2003; Dey 1993).

3.3. Theoretical framework of the study

Over recent years there has been enthusiasm for the development potential of migration for migrant origin communities but it has been little studied in Ethiopia. Despite the government's keen interest to mobilise remittances, and engage the diaspora in development in Ethiopia, little is known how these resources are channelled or what impacts they have in origin communities. Studies (Vertovec 2004; Schiller *et al.* 1992) claim that contemporary migrants are characterized as transmigrants that institute and maintain contacts with a wide range of individuals and institutions across borders. This study examines the extent to which migrants' transnational activities benefit origin communities, as indicated in Figure 3.1. Remittances are the most direct benefit of migration for households that send out migrants, and this study examines how household dynamics affect the way the remitted money is used and also how this, in turn, determines the extent to which remittances benefit or adversely affect migrant origin areas. It also provides insights into why some households transform themselves from a 'consuming' to an 'investing' entity, while others continue to depend on remittances for subsistence. In this regard, it is important to examine micro, meso, and macro level factors through a transnational lens, including government policies (Figure 3.1).

Figure 3.1 Theoretical and conceptual framework of the study



The impact of remittances are felt beyond households that send migrants away, because they are multiplied to local inhabitants through second and third round multiplier effects (Hugo 2003; Taylor 1999). Therefore, this study needs to examine not only the consumptive demand and investment benefits that remittances have created, but also the cultural values and reciprocity that binds social interaction and inter-household resource transfer in everyday lives. Migrant origin communities can also benefit from the different resources that migrants collectively send, otherwise known as Hometown Associations. As Figure 3.1 shows, the study explores to what extent Ethiopian migrants and their organisations have helped communities of origin, and whether they are addressing the strategic needs of the community. The characteristics of migrants, especially their educational status, country of residence and their legal status at destination, influence their transnational engagement. This transnational engagement is not only limited to individual

and collective remittances, skills and knowledge transfers, but also creates cooperative linkages between institutions operating across borders.

As Figure 3.1 shows, the study explores the role of social networks and government policy and practice in mobilising diaspora resources, and the different ways in which transnationalism affects community values and traditions in the study area. It also examines if families and communities left behind influence the transnational engagement of the diaspora. Moreover, the links are explored between the theoretical framework and data gathering and analysis techniques of the study. Using mixed methods research, the study was able to gather rich and relevant data about issues indicated in each box shown in Figure 3.1, and how they are linked to each other.

3.4. Data collection tools and approaches

3.4.1. Household survey

This study designed and administered a cross-sectional household survey to examine the trends and patterns of migration, remittance flows and their utilisation in Gondar a Northern Ethiopian city. Using a structured questionnaire, a face-to-face interview was administered to 544 households in Gondar, with one or more family member(s) (father/mother, husband/wife, daughter/son, sister/brother to the head of the household), who had migrated abroad at least six months prior to the interview. However, receipt of remittances was not set as a criterion to choose research participants. The study relied heavily upon these interviews, not only because of the high prevalence of adult illiteracy in Ethiopia, but also to reduce non-response.

Survey location

The fieldwork was undertaken for a period of six months between late March and early October 2012 in Gondar (see Figure 3.2). The province has been an important source of emigrants since the late 1970s, when the country's first large wave of emigration occurred. Gondar, founded in 1635 by Emperor Fasiledes, is one of the ancient cities that has served as the capital of the country for over 200 years (Getahun 2006). As an historic city, with imperial palaces along with numerous cathedrals, Gondar is one of the most important tourist destinations in Ethiopia. Moreover, the city, located at the junction of Metema and Humera, the country's major cash crop producing areas, the Tigray regional State, and along the border of Sudan, is a central hub of trade.

Figure 3.2 Map of Gondar City, the study area

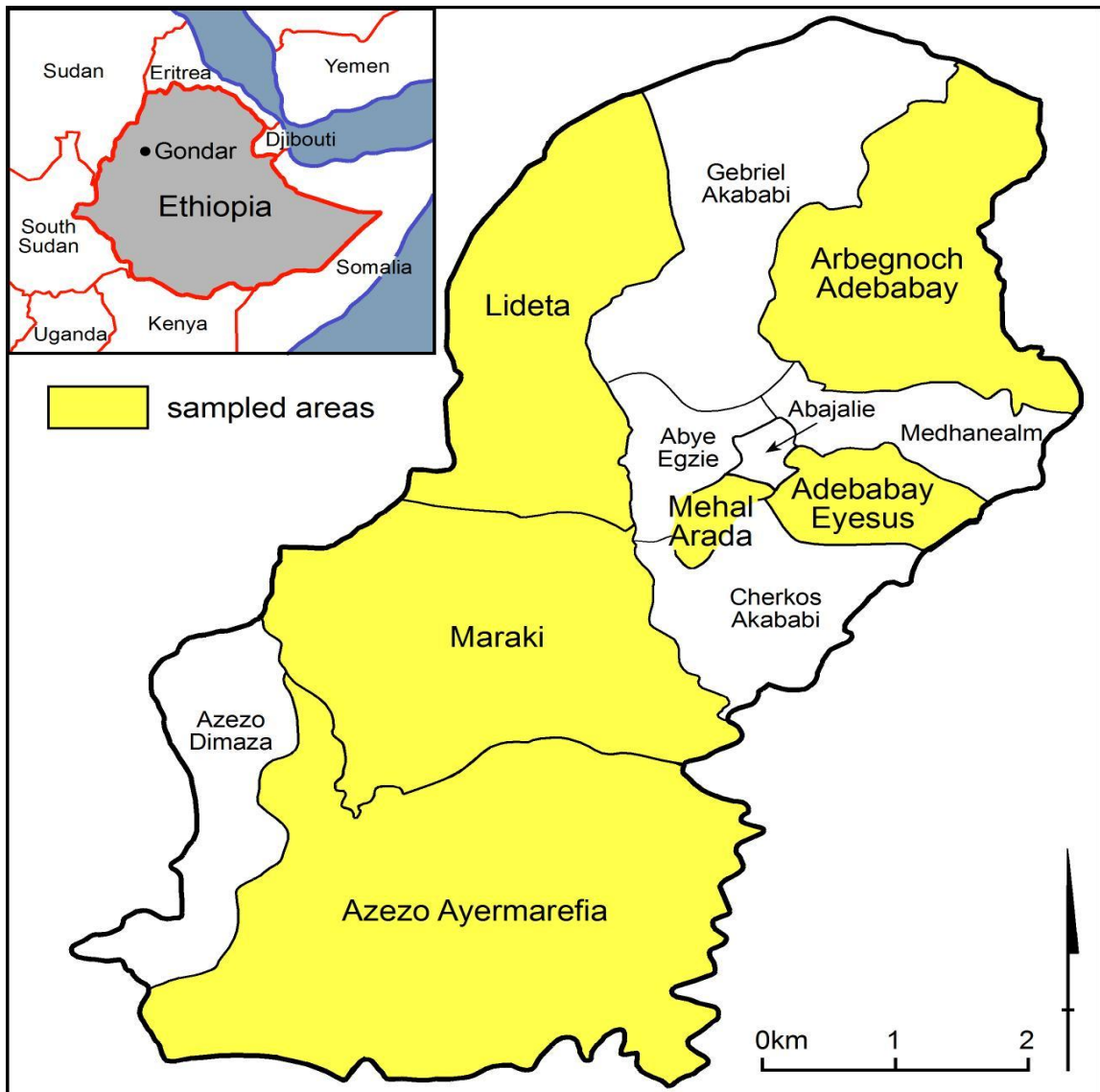


Table 3.2 shows that the population of Gondar has grown from 112,249 in 1994 to 206,987 in 2007, and is expected to reach 254,420 in July 2012. Gondar is the most populous city in the Amhara Region and fifth largest nationally. Gondar, as a research site, was chosen for several reasons. First, it is inhabited by a mature emigrant community so it provides an ideal opportunity to assess the benefits and adverse effects of migration. Second, Gondar is one of the leading remittance receiving cities in Ethiopia. Third, migrants abroad have established migrant organisations since the early 1990s and this provides an opportunity to examine the extent to which these organisations contributed for local development. Finally, the researcher’s cultural affinity to the region, and the town in particular, helped to underpin the subject in question in light of social and political dynamics. Besides Gondar, a considerable period of time has also been spent in the Hadiya and Kembata region in

South Ethiopia, which are known for sending irregular migrants, predominantly to South Africa over the last decade. Conducting qualitative studies in communities with recent migration also provided an opportunity to compare the trends and patterns of migration and remittances utilisation with those in Gondar, a mature migrant community, situated in a different socio-cultural setting.

Table 3.2 Gondar city population, 1994-2007

Census year	Total population	Male	Female
1994	112,249	51,366	60,883
2007	206,987	98,085	108,902

Source: CSA census data, 2007

3.4.2. Sampling Methods

As selecting a sample using a probability method is often very difficult, social research frequently adopts a non-probability sampling technique (Berg and Lune 2004). A non-probability sampling technique is appropriate for this study as it is impossible to compile a list of households that send migrants. In Ethiopia, the proportion of households sending family members abroad is not known. A good source of data could be the Ethiopian Census, which has been conducted since 1984, but it has never considered international migration as an important variable. Due to the absence of a list of migrant families, employing a non-probability method is a viable strategy. In order to draw a fairly representative sample, effort was made to choose multi-stage clusters (e.g. residential areas, colleges, and public places) as an entry point from which migrant families were drawn as samples. An effort was made to draw a fairly balanced composition of households in terms of age, gender, migration experience, and other socio-economic characteristics.

3.4.2.1. Selecting Survey participants

As noted, a survey was administered among 544 households that have one or more members who have emigrated abroad. The sample was drawn from residential areas, private colleges, banks and other public places, such as recreation centres and Internet cafes, where migrant families are believed to spend their time and use the services. Each of these are discussed in detail below.

3.4.2.1.1. Sample drawn from Residential areas

The city of Gondar has 20 *Kebele's* (the lowest administration unit) but recently, this has been reduced by half through merging adjacent *Kebeles* (Figure 3.2). An even distribution of migrant households in Gondar is not possible and some *Kebeles* are dominated by migrant families compared to others. Out of 12 Kebeles, six, namely Lideta, Arbegnoch

Adebabay, Maraki, Adebabay Eyesus, Azezeo Ayer Marefia and Mehal Arada were randomly selected for study (Figure 3.2). Once the sampled *Kebeles* were obtained, the number of sampled households was proportional to the size of the residential blocks and respective *Kebele's* population. Efforts were also made to draw participants from heterogeneous samples with respect to gender, income, and location of diaspora members. The neighbourhoods with a high proportion of migrant families were mapped in collaboration with relevant government officials, elders, and community-based organisations who have knowledge of the city's demographic and historical development. In so doing, it was possible to identify six neighbourhoods from sampled Kebeles where a considerable number of migrant families resided.

- *America Sefer* (neighbourhoods) -----Azezo Ayer Marfia
- Neighbourhoods behind Embassy hotel ----- Maraki Kebele
- *Bete-Israel* (Ethiopian Jews) neighbourhoods---- Lideta Kebele
- *America Giby* (compound of America) ----- Adebabay Eyesus
- Muslim neighborhoods ----- Mehal Arada
- *Ambajine* neighborhoods----- Arbegnoch Adebabay

The first two residential areas built over the past decade followed the provision of free land for the Ethiopian diaspora in 2007/08. The incentive package generated housing investment in the city, which is discussed in Chapter 6. As most of the houses are built by the migrants residing in the US, this vibrant and emerging residential area has been named *America Sefer*. On the other hand, the *Beta-Israel* (Ethiopian Jews) neighbourhoods are largely inhabited by those who have relatives in Israel and many of them are hoping to leave for Israel, to join those who taken to Israel in the early 1990s through operation 'Solomon' and 'Moses' (Kaplan 2005; Schwarz 2001). Notably, the embassy of Israel has a subsidiary office across these neighbourhoods in Gondar.

These neighborhoods were selected as clusters from which migrant households were drawn for the survey. Since migrant households in Gondar are a relatively small group compared to the general population, it is 'expensive and time-consuming to screen a large number of households' (McKenzie and Mistiaen 2007, p.5). As a result, this study identified respondents using a snowballing sampling technique, in which an initially identified sample would refer other households with similar characteristics, and the process continued until the predetermined target sample size for a certain residential block had been reached. This has been referred to as a 'chain referral method' (McKenzie and Mistiaen 2007). A 'network dependent' (Biernacki and Waldorf 1981) snowballing

technique proved to be fairly convenient to trace migrant families in Gondar where neighborhoods are highly interactive in social life and practices on a daily basis. For example, it is a common phenomenon to organize a neighborhood farewell or welcome party when migrants leave home and when they return from abroad. The initial point for obtaining the snowball sample was through community based organisations, namely *Iddirs*. *Iddirs* are ‘indigenous voluntary associations established primarily to provide mutual aid in burial matters but also to address other community concerns’ (Pankhurst and Hailemariam 2000 p.36).

Indigenous Institutions as an entry point

Once the sampled *Kebeles* and neighborhoods were identified, the next step was to identify survey participants. *Iddirs* that function around the selected residential blocks were taken as an entry point to identify survey participants. The vast majority of households participate in *iddirs* as they are an integral part of social life in Gondar and elsewhere in Ethiopia. Indeed, *iddirs* largely serve as social insurance. Given the high social interaction, *iddir* leaders and members know each others personal and social profile, including who has family member(s) abroad, and even whether they receive remittances or not. Personal networks, NGOs and Kebele administrators were used to reach and facilitate collaboration with *iddirs*.

The respective *iddirs* functioning in and around the selected neighbourhoods were consulted. Each *Iddir* provided the names and contact details of ten migrant families, which were randomly drawn from *iddir* members list, especially prepared for the study. These households were contacted as a starting point to reach other households with similar migrant characteristics. In order to include and select Muslim migrant families’ *Jemea*’, the *iddir* equivalent among Muslims, were consulted, especially for the Muslim neighbourhoods located in Lideta (Figure 3.2). The 40 randomly identified migrant households from these local organisations were considered to be the initial wave that helped trace other participants in and around the neighbourhood. Each of these seed households referred to one or more households with similar migration characteristics that could be contacted, including those who were not involved in *iddirs* or *Jemea*’s. However, in emerging residential blocks, such as *America Sefer* where social interaction is limited and indigenous institutions are non-existent, the viable option was approaching them through going door to door. After outlining the objective of the study, households were asked whether they have family members abroad, and if they were willing to participate in

the research. Overall, a total of 241 samples (44.4 percent) were drawn from all these residential blocks.

3.4.2.1.2. Sample drawn from private colleges

As migrant family members increasingly attended private educational institutions, private colleges were used as entry points to finding potential respondents. Colleges were preferred over schools due to the fact that college students are more likely to know about remittances and the household economy, compared to those who study in schools. Out of seven private colleges that operate in Gondar, three colleges, namely Blue Nile, Abyssinia and Otonial College were randomly selected. In close consultation with teachers and management of the three Colleges, around 630 students (out of the total 2,420 students) who live in households had sent one or more family member abroad were identified. Although this is not a comprehensive list, some 165 samples were randomly drawn from these colleges. Interestingly, this method helped to draw samples from almost all *Kebeles* of the city. Every respondent was individually interviewed on campus and the interview took an average of 45 minutes. However, respondents represented the household head while responding to the survey questions, and indeed, some of these students were family heads.

Interviewing college students had an advantage over household heads, as the former were more conversant, and cooperative in the interview process. Students were enthusiastic to participate in the study, as they knew the importance of research compared to their parents who were often illiterate. In fact, a few students thought that participation in this research would give them some practical experience. Young household members were more likely to have sharp memories and tended to provide accurate information on the volume and trends in remittance flows and spending patterns over the years, compared to household heads. They also provided adequate information about the demographic details of the diaspora members, as they were in frequent contact Internet. One of the limitations of this approach was that migrant households with no members studying at colleges were missed. However, they had a chance to be represented by other sampling methods, specifically those taken from residential blocks or public spaces.

3.4.2.1.3. Sample drawn from public places

Samples were also drawn from public spaces where migrant families are believed to spend time and use services such as banks, restaurants, internet café's, public libraries, supermarkets, gymnasiums, etc. About 140 respondents were drawn randomly from these

places based on convenience. Any potential respondent who bought goods, used services or visited entertainment centres were asked if he/she had a family member abroad, after the aims and purpose of the research were briefly outlined. Eligible potential respondents were then asked if they would volunteer to participate in the survey. Drawing samples from public spaces was found to be tedious and time consuming, as it required extended discussions to convince people to participate. Table 3.3 summarises the number of participants drawn from residential blocks, colleges and public places. Using all these three, it was possible to interview a total of 544 migrant households. Although by no means representative, the study was able to draw a sample, which intensive field investigation indicated, was broadly representative of migrant sending households.

Table 3.3 Summary of total number of survey participants

Category	Number	Percent
Residential area	239	43.9
Colleges (Otonial, Blue, Nile, Abyssinia)	165	30.3
Public places and institutions	140	25.7
Total	544	100.0

Source: Migrant household survey, 2012

Of particular note, another 19 respondents who took the questionnaire home to complete failed to do so. In fact, the non-response rate was low because the interviews were mainly carried out face-to-face. In order to avoid multiple interviews, all participants were urged to share this experience with other family members and potential respondents were asked whether anyone from their household had already been interviewed, and the interview would continue only with first time interviewees. Moreover, interviews conducted in neighborhoods, colleges and public spaces were scheduled at different times so that family members would have time to exchange information about the interview.

3.5. Questionnaire

The questionnaire was prepared in English before the fieldwork and translated into *Amharic* (a local and official language of the country) in simple and precise ways to avoid ambiguity. The same questionnaire was used for all groups. The introductory section of the questionnaire provides the objectives and purposes of the study, along with instructions on how to complete it. It collected data about transnational families and their demographic details including: age, gender, religion, education, employment, marital status, family size, income; their relationship with the family head, reasons for, and patterns of migration, country of residence and their legal status at destination. It also captured the trends and patterns of remittance flows (cash and in-kind); their usage and impact on expenditure. In

addition questions were asked on aspects of return migration, diaspora members' investment in Ethiopia, contributions to local community projects and the dynamics of transnational family ties and communication.

Recruiting and training research assistants

Four research assistants, with a college degree and experience in data collection were recruited and trained for two days on the purpose of the study, data collection approaches and sampling procedures. The training was useful for interviewers to become more familiar with the questionnaire, to be clear about research objectives, and how to approach and interview respondents. As the research deals with family and financial matters, interviewers were well informed about ethical issues and to the need to ensure confidentiality. Research assistants were carefully selected and made up of one college instructor, two high school teachers and one statistician. The statistician has many years of experience in data collection and supervision, including census and other big projects funded by international organisations. Respondents tended to be more comfortable and conversant when they were interviewed by familiar persons than strangers. The college teacher played a vital role in interviewing and creating a conducive environment for interviews conducted at the college campuses.

Pilot Test

In May 2012, a pre-test was conducted with 25 migrant households who resided in different parts of the city. The pre-test was important to 'establish the content validity of an instrument and to improve questions, format and the scales' (Creswell 2013, p.158). It was also helpful to improve question wording, clarity, check the flow and consistency of survey questions, and to add new questions, along with ensuring the simplicity of questions, checking time, and whether the questions were uniformly understood by survey participants, etc. The pre-test was also important to modify the pre-coded questions, especially to add depth and provide comprehensive alternatives. It was found that some migrant families refused to participate when interviewers knocked on their doors to ask if they were willing to be involved in the research.

3.6. Groundwork before field entry

Before entering the field, a range of tasks were accomplished in both Adelaide and Ethiopia. This was an indispensable phase of the fieldwork, as a considerable period of time was required to design a strategy for the fieldwork, and in obtaining knowledge of the study area. Preparation for fieldwork started with obtaining approval for travelling to a

‘‘high risk destination’’, approval for ethical considerations and producing a letter of co-operation from the University of Adelaide, and endorsing it with regional and local authorities in Ethiopia. A series of informal dialogues were also held with various relevant government officials, elders, NGOs, etc. about the purpose of the study and how to map, identify and reach migrant neighbourhoods and potential research participants, taking the local context into account. During this time, research assistants were carefully selected and trained and the questionnaire was tested and finalized, after being translated into *Amharic*.

3.6.1. Ethical considerations

In this study, and of course in all empirical research, ethics is seen as an integral part of the research practice. Notably, the study received ethical approval from the University of Adelaide’s Research Ethics and Compliance Unit. However, ‘ethical considerations need to be situational and context specific’ which needs innovative responses whenever they arise (Morrow and Richards 1996, p.96). Informed consent of research participants in the survey, interviews and Focus Group Discussions (FGDs) was also required. An extended discussion was held with potential respondents about the purpose and importance of the research. After interviewers briefly introduced themselves to a potential respondent, they then presented them with a participant information sheet in order to learn about the nature and purpose of the research, enabling them to make an informed decision to volunteer or decline to participate. If they agreed they would be asked to sign the consent form and then the interview would proceed. A copy of the consent form is attached in appendix 2.

As noted elsewhere (e.g. Pittaway *et al* 2010; Burgess 2005), a set of complex ethical concerns was taken into account, including, but not limited to, issues of honesty, confidentiality, power relations between the research team and participants, respecting and valuing local culture. Participants of this study were not considered as ‘objects to be manipulated’; neither are they a ‘means to an end’, but they were ‘treated as persons, as moral agents, as ends in themselves’ (Clark 1995, p.5).

3.7. Fieldwork

As reported above, the fieldwork was undertaken in two different regions of Ethiopia. Over an extended period of time, 544 migrant households were interviewed in Gondar. Moreover, about a month was spent to do qualitative research in the Hadiya and Kambata region in South Ethiopia. This provided an opportunity to compare and gain a deeper insight into remittances in different socio-economic settings. A series of discussions were

held in Addis Ababa with relevant government and International organisations such as IOM, World Bank, Ministry of Foreign Affairs, MOLSA, etc.

Data cleaning, editing and entering into SPSS was also done in Addis Ababa. Throughout this process, effort was made to generate accurate and meaningful data. Interviewers were urged to write footnotes and to include further explanations that were often given by respondents. The clarity and completeness of each questionnaire was reviewed on a daily basis. Although a large number of respondents were interviewed, the researcher closely supervised and provided assistance for the field researchers throughout the period of data collection.

3.8. Qualitative data collection

Taylor (1999, p.80) has observed that ‘remittance use surveys of migrant households are usually of limited use because they do not provide information on the many indirect influences of migration on migrant sending economies’. Therefore, this study has employed various ‘interactive and humanistic’ (Creswell 2003, p.181) qualitative data collection methods, namely in-depth interviews, key informant interviews, focus groups discussion, and observation. The qualitative techniques employed were helpful not only to overcome the limitations of the survey method, but also to gain a deeper insight of the family and collective remittances to households. This was also helpful to gain an understanding of the non-economic dimensions and the spill-over effects of remittances, which are less likely to be obtained through the survey. On the whole, the qualitative enquiries were focused on how the community of origin dealt with migration, remittances and other transnational resource flows and their impacts in complex demographic, social and economic contexts.

3.8.1. In depth interviews

In-depth interviews were most relevant to explore the perspectives of migrant families on patterns of remittance usage and the ways in which social networks function in transnational settings. A total of 35 semi-structured in-depth interviews were carried out with migrant families, returnees, and diasporas who travelled home to visit family. In-depth interviews were undertaken with 17 migrant family heads or other members (12 in Gondar, and 5 in Hosanna) who had a good knowledge about the household economy and pattern of remittance usage.

Interviewed households were diverse in terms of income, gender, location of diaspora members, remittance usage, and length of time remittances had been received. A further interview was conducted with five returnees who had been living in the US, Israel and South Africa for many years. Four other migrants who travelled home to visit family in Gondar were interviewed but this was not possible in Hosanna. In-depth interviews, which were carried out with four remittance receiving youth (two male; two female) helped to capture yet another aspect of remittance usage and transnational communication in the light of gender and intergenerational contexts. Each in-depth interview was conducted for about 60 to 90 minutes, taking into account the participants time, interest, motivation and capacity.

3.8.2. Key informant interview

It is argued (Kumar 1989) that the number of interviews with key informants depends usually on the time and resources available, but 15 to 35 appear to be sufficient. In this study, key informant interviews were undertaken with more than 60 carefully selected individuals and organisations, whose formal or informal engagement with the community gave them knowledge of the subject in question. This includes:

- Eight relevant government bureau representatives in Gondar and Hosanna, namely Municipality, Trade and Investment, Culture and Tourism, Education, Transport Office, Labour and Social Affairs, Telecommunication, and Post Office
- Diaspora Affairs Directorate in Addis Ababa, and regional bureau in Bahir Dar, National Bank of Ethiopia, Investment Agency in Addis Ababa, Bahir Dar, Gondar, and Hosanna
- Three academic staff from the University of Gondar
- The Vice-President of the Gondar Development Association, a local partner of the Hometown Association (HTA) and two beneficiaries (Fasiledes School and Gondar University hospital).
- Five taxi drivers and Taxi Drivers Association leaders, 2 *iddir* representatives, 3 church leaders (Orthodox, Protestant, Muslim); two real-estates developers, one contractor, two tour operators, three teachers and school directors and two *delala*'s (who deal with and mediate in buying and selling vehicles, houses, etc.)
- Some 11 service providers operating in each town, namely banks, migration agents (recruiters), illegal foreign exchange providers (black marketeers), Internet cafés, big stores (electronic, furniture, boutiques), etc.

In selecting all these participants, the five criteria of Trembley (1957, p.692) to select ideal informants were taken into account: role in community, knowledge, willingness, communicability and impartiality. Informants from NGOs, government, religious, and international organisations were also chosen based on their formal positions in respective organisations, while those drawn from the informal sector (e.g. entrepreneurs, black marketeers, migration agents) were chosen as they have a stake in the migration and remittance sector or business. Some others (i.e. *delala*'s and taxi drivers) were chosen either because they provided services to, or were employed by, migrant families. They had a great deal of information or knowledge about what is going on in town. Interviews were done following the remittance spending chain, which began with migrant households and continued along the path to service providers, producers, and consumers.

A set of eligible questions, along with follow-up questions, was listed to guide the key informant interview. Notably, different interview guidelines were prepared for different key informants, as they come to know the subject differently, as diverse as professional training, work, project beneficiaries and occupying privileged social status. The issues discussed were focused and limited in scope, depending on informants experience, and the level and depth of what they knew. Otherwise, the discussion becomes less fruitful or superficial (Marshall 1996; Kumar 1989). Each interview took a minimum of 45 minutes and all interviews were recorded on tape, following the outlined ethical procedures.

3.8.3. Focus group discussions (FGDs)

Focus groups were used to verify and complement data gathered through other methods to 'produce insights that would be difficult to obtain through individual interviews or large-scale surveys' (Skop 2006, p.114). Six FGDs (four in Gondar and 2 in Hosanna), with a total of 36 participants, were undertaken, assuming that further discussions would hardly generate new insights on the subject of interest. The groups included:

- Migrant households with different characteristics (e.g. gender, number and location of diaspora members, length of years of exposure to migration and remittances)
- Representatives of relevant government bureaus, HTA local partners, University staff, school teachers, returnees, migrants who come home to visit family, etc.
- Service providers (internet café, schools, clinics, construction companies, taxi drivers, real-estates developers, tour operators, hotel owners, etc.).

- Non-migrant families, women and youth representatives, *iddir* representatives, community elders, religious leaders, *delala*'s, etc.

Predetermined structured questions were administered for focus groups that involved 6 to 12 individuals, and each discussion was held for about 90 minutes. Holland (2004, p. 631) argues that group discussion gives a 'different window on social interaction than individually focused methods'. The opportunities, challenges, and impact of migration and remittances were viewed and interpreted from different perspectives in a 'dynamic group interaction atmosphere' (Nyamathi and Shuler 1990, p. 1283). This interactive discussion was helpful to understand the socially constructed meaning of remittances and its effect on utilisation behaviour, whether they brought social change in the community and whether its effects change over time and space.

Since focus groups are 'more than the sum of separate individual interviews' (Morgan 1996, p.139), a particular concern was to provide FGD facilitation guidelines to ensure group dynamism. A research assistant, who had good communication skills and adequate knowledge about the local context, helped to facilitate the discussion, and also played a vital role in taking notes. The research team took a facilitating role, as it was seen that the interaction and lively discussions between participants was more valuable than the interaction between the facilitator and participants.

3.8.4. Observation

Observation is one of the most important methods in social science research (Baker 2006; Patton 2002). It was used in two different forms. First, it was used alongside other data collection techniques, namely individual and group interviews. Observations were made when interviewing migrant families at their houses to 'note body language and other gestural cues that lend meaning to the words of the persons being interviewed' (Angrosino 1994, p.729). It also provide the opportunity to observe the living environment, household assets and housing facilities. Second, it was used as an independent research tool in its own right, with a predetermined observational checklist in an unstructured fashion, which is common in the interpretivist paradigm (Mulhall 2003).

It has also been noted that (Gold 1958, p.217; see also Angrosino and Rosenberg 2011), a researcher who employs observation as a research technique can take diverse roles: complete observer, observer-as-participant, participant-as-observer, and complete participant. However, these categorisations are not uncontroversial, nor are they free from ethical

constraints (Baker 2006). The houses, neighbourhoods, businesses of migrant families and the community projects that have been funded by HTAs were critically observed. This helped to substantiate research questions, and to establish a preliminary framework of analysis through complementing data obtained from other sources. As Marshal (2006, p. 99) observed, it also ‘provides important questions for subsequent interviews’ and broadens the ‘analytic insights’. Critical observation combined with on-site interviews enabled this study to elicit further insights on the subject under investigation.

3.9. Secondary data

Despite scarcity of secondary data, documents and reports on labour movements and refugee data were gathered from the Ministry of Labour and Social Affairs and UNHCR Ethiopia, respectively. Data on diaspora investment and remittances were collected from the Ethiopian Investment Agency, the NBE, Money Transfer Organisations and other state and private banks. The HTAs and Gondar Sister City associations’ annual reports and newsletters were also reviewed. Materials and literature on Ethiopian migration available at Addis Ababa University, Ethiopian Economic Association, the University of Adelaide, and online resources were widely consulted. Demographic data, including the Census, Welfare Monitoring Survey, Household Consumption and Expenditure Survey, and other statistical abstracts were collected from the Central Statistical Agency. In addition, the Ethiopian diaspora policy and other legislative measures taken over the past decade were collected from the Ministry of Foreign Affairs.

The purpose of consulting secondary data is to grasp a better understanding of the problem in question, and to uncover the social, economic and political context of the country within which migration and remittances are functioning. Moreover, it also has provided an important opportunity to substantiate, compare and contrast data generated through primary sources.

3.10. Data Analysis

As this study embraced a mixed method approach, it has combined ‘statistical and thematic data analytic techniques, plus a number of other unique strategies such as triangulation’ (Tashakkori and Teddlie 2009, p.27). Both qualitative and quantitative methods of data analysis were used to complement each other; one is used to help explain the other. As McGee (2001) argues, findings obtained from qualitative or quantitative methods will be less meaningful if they are not supported by, and integrated with, each other. Analysis of qualitative data was helpful to explain and elaborate figures in the local context. Qualitative

data helped to design data collection instruments (e.g. survey) and facilitated the process of data collection and analysis. Therefore, these two approaches were combined to produce a comprehensive understanding of the main issues.

After the survey was completed, every questionnaire was verified to improve its clarity, completeness and consistency. Quantitative data generated through the survey were coded, entered, and analysed with SPSS software (version 20). The data were entered with the help of two research assistants, with many years of experience in data entry. Once entered into SPSS, data cleaning was undertaken to improve the quality of data through ensuring completeness and consistency. Descriptive statistics were used to analyse quantitative data, to provide frequency distributions, and cross tabulations. Cross tabulations were used to establish the relationship between different variables, such as households' income and demographic characteristics, together with the volume and frequency of remittance flows, how long they had received remittances and their dependency on remittances, etc.

The qualitative analysis was designed to capture and inductively analyse the effects of migration and remittances on migrant origin areas and the social context within which remittances are utilized. The analysis was not a post-data collection phenomenon but it began as early as the data gathering period in Ethiopia. Similarly, in this study, materials collected through qualitative techniques were analysed inductively, which in particular develops 'general patterns' from 'specific observation' (Patton 2002, p.56). Qualitative materials were analysed using thematic analysis. Themes are 'general propositions that emerge from diverse and detail-rich experiences of participants and provide recurrent and unifying ideas' (Bradley *et al.* 2007, p.1760). The dynamics within, and the links between different themes, presented in the theoretical framework, were critically analysed to provide a more coherent and substantial understanding of the subject under study. To achieve this, the study adopted the three steps that Bazeley (2009, p.4) suggests, 'describe, compare and relate'. First, illustrate the local context, the subject in question being studied; depict the personal and demographic characteristics of respondents or data sources. Second, shed light on the similarities and differences between respondents, and analyse point of departures on the issues in question. Finally, compare and contrast the findings with other similar studies.

Qualitative data were coded and quantified to 'compare quantitative results with qualitative data' (Creswell 2005, p.221) so that it would help to describe, compare and relate different

themes. In this study, deductive analyses were also applied, to verify whether some of the theories on migration and remittance motives work in the context of the study area. Mixed methods research allows employing both deductive and inductive approaches to answer research questions (Tashakkori and Teddlie 2009). Life stories that are taken from in-depth interviews further enlighten and substantiate the quantitative data analysis as it uncovers the experience of respondents regarding the positive and negative impacts of migration and transnational networks. This is commonly used in interpretative methods and grounded theory (Corbin and Strauss 2008; Atkinson 1998; Glaser and Strauss 1977).

3.11. Field Experience: Opportunities and challenges

It is important to note that extremely limited data on migration and remittances, and poor documentation at all levels, was one of the major fieldwork constraints. As noted earlier, to date the Ethiopian Census has not included international migration as an important question. Regional and district level organisations that deal with diaspora issues hardly compile disaggregated migration data, and many of them are not transparent, as key informant interviews indicated that some documents are deliberately hidden. The available data are incomplete, disorganised, and also largely inaccessible. It is observed that formal letters of cooperation were less useful compared to the role of informal networks in getting access to data, materials and documents.

Another major challenge was locating and getting access to migrant households, as they tended to be distrustful and reluctant to participate in the study. The basis of the suspicion was that government might tax the remittances. This is understandable, given the government's aggressive tax collection campaigns over recent years. Some of them remember a process that the local government employed just prior to the research being undertaken, while introducing a tax over income earned from house rent. They conducted house to house inspections to identify who are renting housing, how many rooms and rent income, etc. Others thought that their family affairs, especially financial matters, would be exposed to strangers, doubting its confidentiality.

Migrant families easily divulge information about domestic remittances, but they are suspicious when it comes to foreign remittances. For either of the abovementioned reasons, some were reluctant to participate in the research, and others denied the availability of diaspora members, and some tended to not report remittance earnings accurately. In order to win the trust of respondents and gain genuine responses, extended discussions were held

with many of them, stressing the aim of the study and the fact that modern policy on remittances is very much against the taxing of remittances. Attempts were made to reach potential respondents through snowballing techniques, using family networks, *Iddirs*, and locally known personalities, such as priests and school teachers. Moreover, finding field entry points other than residential areas and including enthusiastic youth migrant family members were some of the strategies used to overcome many of the challenges.

3.11. Conclusion

This chapter has highlighted the interaction between research philosophy and methodology, along with the relevance of a mixed methods approach to migration research, in general, and to this study in particular. It also has provided the theoretical framework of the study, and thrown some light on the study settings. Furthermore, an extended discussion has been made on data collection methods and analysis techniques, along with the researcher's field experience, and challenges. The following chapter will present the pattern of internal and cross-border mobility and the drivers of the movement.

CHAPTER 4

PATTERNS OF INTERNAL AND INTERNATIONAL MIGRATION IN ETHIOPIA

4.1. Introduction

Migration from and within Africa has been important for many years, but little is known of its nature and impact (Hugo 2009; Adepoju 2008). Ethiopia in the last forty years has been experiencing socio-economic, environmental and political crises that have led to a massive migration of people, both internally and cross-borders. It is important to clearly distinguish the causes of internal and international migration, as both are not caused by the same factors. For instance, poverty, drought, and food insecurity are less likely to cause massive international migration on a permanent basis. Instead of crossing borders, people tend to move to the better-off regions within the country and many seek assistance in neighbouring countries. This chapter presents the trends in internal and international migration, which are shaped by a set of interrelated factors. The chapter is organized in three major sections. The first discusses the pattern and determinants of internal migration and the compulsory villagization programme in the face of drought and famine, and the second outlines the historical perspective of international migration in Ethiopia. The third section discusses the current patterns of emigration. It also sheds some light on the ‘feminisation’ of migration and the growing departure of skilled migrants from Ethiopia.

4.2. Internal migration and Villagization programme

Rural-urban migration is the predominant pattern of human mobility in Ethiopia. It is primarily caused by poverty, low agricultural productivity, high population pressure, and environmental degradation (Adugna 2007; Ezra 2001). The country has witnessed major droughts and famines in each decade since the mid-1960s. Ethiopia witnessed one major drought (1964–65) and a national famine (1973–74) during the Haile Selassie regime, and saw at least three major droughts (1977–78, 1987–88, and 1993–94) and another famine (1984–85) in the post-revolution period (El-Hinnawi 1985). The latter was the worst of all, claiming the lives of over one million people (Kloos 1990). Compulsory resettlement and villagization programmes have been the main policy response in the face of famine. Indeed, some resettlement programmes had been undertaken as early as the late 1960s (Klos and Adugna 1989). In response to the mid-1980s famine, the military government had moved ‘nearly 600,000 people, mainly from the provinces of Wello, Shewa, and Tigray’ to

resettlement camps in South and South Western parts of the country (Ezra 2001, p.9). The idea was to transfer the highlanders from the densely populated and drought prone areas to the less inhabited and fertile agricultural areas, so that they could produce enough food for their family and the community. Moreover, another 600,000 people fled to neighbouring Sudan, escaping the mid-1980s famine (Hammond 2011, p.415).

Although the resettlement programme was officially meant to prevent famine and achieve food security, there is widespread agreement amongst scholars that the 1980s resettlement programmes was both forced and enacted as a counter-insurgency tactic (Black *et al.* 2008). De Waal (1991) defies the established fact that drought was the cause of famine in Ethiopia. Rather, the frequently occurring famines and starvation were government made. The country's scarce resources were largely channelled towards war against rebels and neighbouring countries. Between 1974 and 1982, the military budget of Ethiopia, for example, had grown ten times higher (Keller 1992). Ethiopian governments, past and present, have long been manipulating, crafting and controlling people's mobility, mainly to consolidate power and to keep state authority (Hammond 2011). The purpose of population relocation during the Haile Selassie regime was to control power over the people who lived in the periphery and make them loyal to the central government. The *Derg* regime on the other hand, used the resettlement scheme to deny insurgents' access to whatever support they had been receiving from the grassroot community. In other words, it is a military strategy that seeks to weaken the rebels by cutting support from the community that inhabited the northern highlands, in particular the Tigray plateau (De Waal 1991). Conversely, in 1984 an estimated half a million people inhabiting the war afflicted Tigray plateaus moved to the refugee camps in the Sudan, with assistance from the insurgents. They took this action both to ensure their supporters safety and to win some political games in the domestic and international sphere. Hammond (2011) has also argued that it was used as an instrument to gain aid from foreign financial sources.

Gebre (2003) reported that the villagization programme was undertaken as a resettlement of 'environmental refugees'. If we understand environmental refugees as 'those people who have been forced to leave their traditional habitat...because of a marked environmental disruption...that jeopardized their existence and/or seriously affected the quality of their life' (El-Hinnawi 1985, p.4), it may be difficult to regard those who resettled as environmental refugees, mainly because the programme was driven by a mix of

political and environmental considerations. Hammond (2011) noted that in the 1980s many farms were covered with good harvest but the people who cultivated the land were evacuated from their villages to resettlement areas. These resettlement programmes, which had political objectives, were uncoordinated and increasingly caused numerous deaths and suffering for the migrants. Land dispossession and huge ecological degradation were also observed in the resettlement areas (Gebre 2003). As a result, the programme caused many settlers to migrate to cities, away from government controlled resettlement camps (Ezra 2001). The 1980s was a decade of internal displacement for the rural masses and the direction was generally towards major towns and to Addis Ababa, the capital city. For security and political reasons the military regime discouraged rural-urban population flows, and both internal and international migration reached their highest levels during the same regime (Ezra 2001).

Since the fall of the *Derg* in 1991, Ethiopia has seen significant reverse migration, with people who sought refuge in neighbouring countries returning to their own country and communities of origin. The ‘demobilization of hundreds of thousands of soldiers of the defunct regime,’ and the ‘abandonment of resettlement sites’ (Ezra, 2001, p.6) are also worth mentioning. The negative perceptions that Ethiopian policy makers have had on rural to urban migration needs to be reversed, as it plays an important role in fostering the development of small and medium sized towns (Hailemariam and Adugna 2011). In response to critical and transitional food insecurity, the current government, like that of its predecessors, has also carried out resettlement programmes, as a strategy to ensure food security. In early 2000s the government planned to resettle up to 2.2 million people, and up to half of these have already moved (Deveruex and Guenther 2007). This time the resettlement programme tends to be intra-regional and is said to be voluntary. However, some commentators (e.g. Hammond 2011, p. 427) argue that it is not voluntary or at least partly coerced. Notably, population displacement or resettlement is not voluntary ‘when the choice to remain is not provided’ (Muggah 2003, p.10).

4.3. International migration in Ethiopia: An historical perspective

Despite substantial emigration and refugee flows to and from Ethiopia, research has attracted little scholarly attention. Notably, massive emigration from Ethiopia occurred during the peaks of political repression, and the change of government over recent decades.

In line with this observation, Tasse ² (2004 in Terrazas 2007) identifies four major waves. The first occurred before the 1974 revolution when small numbers of elite migrated to Western countries to obtain training and higher education, while the second wave occurred during the *Qey shibir* (Red Terror) (1974-1982), that led to a massive influx of people to neighbouring countries. The third wave, between 1982 and 1991, took the form of family reunification, and the fourth occurred in the post *Derg* period (1991 to present) where people have fled from ethnic violence and political repression.

4.3.1. Emigration in pre-revolution Ethiopia (Pre 1974)

Despite the country's long history, large scale cross-border migration goes back to the early 1970s. However, some authors (Zewde *et al.* 2010) argue that emigration and settlement elsewhere (e.g. Rome and Jerusalem) was significant as far back as the 14th century. Nevertheless, these early migrations were not born out of natural or human crises, but rather arose from the 'quest for religious redemption or in pursuit of knowledge' (Zewde *et al.* 2010, p.8). Levine (1965 cited in Terrazas 2007) estimated that only about three dozen Ethiopians emigrated abroad between 1876 and 1922, increasing to 144 in just a decade. While migration out of Ethiopia was generally insignificant during Emperor Haileselassie's regime (1930-1974), it was mainly characterised by the departure of people to the US and Europe to obtain western education (Getahun 2007). In slightly over three decades (between 1941 and 1974), it is estimated that 20,000 Ethiopians departed overseas as students and members of the diplomatic staff (Levine 1965 cited in Terrazas 2007). Interestingly, however, during the emperor's regime the rate of return of Western educated elites was reportedly high not because their country of origin was better in economic terms, but because they occupied important government positions on return (Terrazas 2007). In other words, the number of refugees and asylum seekers were negligible, as the country's political terrain was generally stable despite the absence of freedom. However, this movement has subsequently increased during the military regime and under the current government and a substantial proportion remain in destination countries (Tessema 2011; Aredo 2000; Getahun 1992).

4.3.2. Emigration in post-revolution Ethiopia (the Derg era 1974-1991)

Ezra (2001, p.7) argues during the military regime Ethiopia 'experienced the worst famine, the worst human rights abuses, the worst political turmoil, and the worst economic conditions in its recorded history', and witnessed an unprecedented level of emigration. In

² As the original article is written in French the author was not able to read it first hand

the early years of the *Derg* regime the country was ravaged by war that arose from various internal rebellions and border disputes with neighbouring Somalia, which is also called the ‘Ogaden’ war. In 1978 this war came to an end with the upper hand of the *Derg* and its Socialist allies, while the civil war continued. The 1974 revolution didn’t achieve any meaningful change for the people of Ethiopia, rather, it led to further political turmoil and instability (Keller 1988). As a result of this, several armed liberation movements evolved towards the end of the emperor’s regime and the beginning of the *Derg* regime, with different political demands, mainly ousting those regimes and liberating regional states, like that of Eritrea. In response, the *Derg* has applied excessive military force and allowed killings and mass arrests of opposition in the so called *qey shibir* (Red Terror) campaign, which led to massive population displacement. Birhanu and White (2000, p.92) portrayed the *qey shibir* as follows:

...from 1976 to 1979, the period of the Red Terror, the Derg conducted a brutal campaign of killing, detention, and torture. The targets were urban-based opponents, which included groups that formerly supported the regime, young people and those with some education.

The consequence of the *qey shibir* campaign was the ‘decimation of the urban youth and the country’s intelligentsia’, and the ‘forced exile of educated and visionary Ethiopians in search of safety and security’ (Getahun, 2006, p.54). Lentakis (2005, p.365) estimates that more than 300,000 people were killed during the four year campaign. Table 4.1 shows that refugee outflows from Ethiopia were unprecedented, especially between the late 1970s and early 1990s.

Table 4.1 Refugee flows from Ethiopia, 1972- 1992

Year	Refugee in Horn of Africa	Refugee from Ethiopia	Percentage of refugee from Ethiopia
1972	55,000	55,000	100.0
1977	102,000	91,000	89.2
1982	1,091,00	1,081,500	99.1
1987	1, 343,300	1,122,300	83.5
1992	1,676,800	752,400	44.8

Source: Bariagaber, 1997, p.31 (original source U.S. Committee for Refugees)

Many of these refugees were resettled in Western countries, notably the US, Europe, and Australia from neighbouring country refugee camps. Between 1982 and 1990, Ethiopian refugees were the largest (90 percent) refugee groups of African origin in the US (Chacko and Gebre 2013). Since the *qey shibir* campaign was carried out in urban areas, the

Ethiopian diaspora is largely urban based and, subsequently, it is likely that the urban population benefits most from migration, especially remittances. However, in recent years, rural villages have become a significant source of low-skilled labour, especially to Arab countries and South Africa.

4.3.3. Emigration in the post Derg period (1991 to Date)

After 17 years in power with catastrophic civil war and political disruption, the military regime collapsed in May 1991 and was replaced by EPRDF³. The post 1991 period has witnessed prominent changes in the nature of human mobility due to fundamental structural changes in political and development policies, along with political turmoil and conflict with neighbouring countries. A large number of refugees have now returned to Ethiopia from neighbouring countries. According to the United States Committee for Refugees and Immigrants (1998), between 1991 and 1996, an estimated 800,000 Ethiopians have been repatriated from refugee camps of neighbouring countries, notably the Sudan. On the other hand, international labour migration has significantly increased, as citizens have more easily obtained passports and are able to move with few hindrances compared to the preceding Marxist regime (Weeks *et al* 2004). However, some would argue (De Regt, 2007, p.5) that the overthrow of the *Derg* in 1991 has not brought more equality and less repression. The political repression and ethnic violence in the early 1990s and 2000s, notably ethnic conflict in Gambella in 2003; the post-election violence in 2005; and the Ethio-Eritrea border dispute between 1998 and 2000; are the major crises that have led to a massive out-flow of refugees. After years of relative peace, in May 1998, war erupted between Ethiopia and Eritrea over a contested border and in June 2000, following the Algiers agreement, the war ended, displacing hundreds of thousands of people from both sides.

4.4. Refugee flows in Ethiopia and the Horn of Africa

Although the nature and trends in refugee flows have varied over the past few decades, the Horn of Africa has remained a major source of refugees. For example, in 2010, Africa was the second most important source of asylum applicants in OECD countries (25 percent), after Asia (45 percent). On the other hand, UNHCR (2011) data show that at the beginning of 2010, Sub-Saharan Africa was home to some two million refugees. Before discussing the nature of refugees in Ethiopia, it is important to examine migration in the context of the Horn of Africa, where Ethiopia is positioned at the heart of the region, both geographically

³ Ethiopian People Revolutionary Democratic Front is the ruling party that has been in power since May 1991.

and politically. In the literature, the Horn of Africa is portrayed as the ‘hottest conflict zone in the world’, ‘Arc of Crisis’ etc. (Smith 2007, p.13; Bariagaber 1997, p.31). Violence, poverty, famine, natural disasters, failed states, and repressive governments contribute to the forced migration in the region. Similarly, conflicts of the 1970s and 1980s have been the prominent causes for the huge displacement of people within and across boundaries in the Horn region (Bariagaber 1997).

Hugo (2009) noted that the Sudan, Eritrea, Ethiopia and Somalia have sent a substantial number of refugees to Australia since the 1980s, the second leading African refugee group - second to South Africa. The recently erupted conflicts elsewhere in the region, such as the Darfur war in Sudan (2003–2009), the Ethio-Eritrean war (1998-2000), and the war on Terror in Somalia, have caused a mass exodus of refugees within the region and elsewhere in OECD countries (Lindley 2009). For example, the Sudanese are an important group in refugee arrivals throughout the 2000s in Australia, which has increased from 4,900 in 2001 to 24,796 in 2008 (Hugo 2009, p.19). Refugee flows have been mainly associated with the ongoing political and civil unrest, as well as natural disasters.

Compared to other refugee producing regions in the world, two major factors make the Horn of Africa different. First, since the region is strategic and politically sensitive it attracts massive external intervention. Second, the politics of the Horn region is very complex because it represents at the same time the source, transit and destination for refugees (Bariagaber 1997). Moreover, the governments of the region use refugees to bargain with western powers, both financially and in other political matters (Kibreab 2002). Although there has been massive population displacement within the Horn region, when it comes to the flow of refugees in the region it is not easy to name the largest source or host country for refugees, unless mentioning a precise reference period. Given the volatile political situations in the Horn region, the refugee figures consistently change. One country becomes the largest refugee source in a particular period of time, while another shortly after. In addition, UNHCR’s repatriation intervention efforts, which are done continuously tend to change the figures. Refugees originating from the Horn region tend to flee to Ethiopia temporarily as well as on a permanent basis. World Bank (2011) data show that, in 2010, Ethiopia was one of three destination countries for African emigrants, next to South Africa and Libya. Figure 4.1 shows that refugee arrivals in Ethiopia were very high during the mid-1990s and reduced in early 2000s, but since the mid-2000s the number has increased due to political crises and insecurity in Somalia and Sudan. Somalis, Eritreans

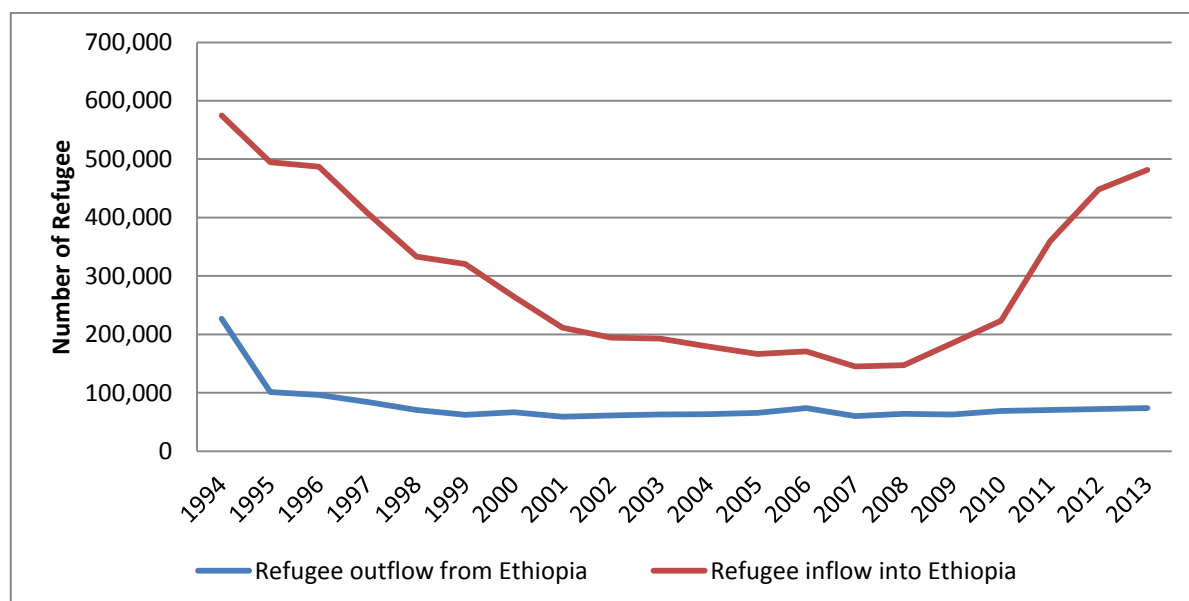
and South Sudanese are the main refugee arrivals in Ethiopia (Table 4.2). In 2013, Somalis constitute 57.8 percent of the total refugee arrivals in Ethiopia, while 21.1 percent are Eritreans and another 20.1 percent come from South Sudan, which remains the main refugee sending country since achieving its independence in 2011. Ethnic conflict and war against the Sudan over a contested border has been the main cause of this population displacement. Due to the increasing flows of refugees, the number of refugee camps in Ethiopia grew from 8 in 2009 to 18 in 2014. These refugee camps are located near and along the borders of Somalia, Eritrea, Sudan, and Kenya. Indeed, an estimated 160,000 Somalis out of refugee camps live in Addis Ababa (Campbell *et al.* 2011 cited in Hammond 2012). As Table 4.2 and Figure 4.1 shows, refugee inflow to Ethiopia has declined from over 400,000 in the mid-1990s to 100,000 in mid-2000s and increased to almost 500,000 by 2013. These huge refugee inflows were due to armed conflict and political instability, especially in Somalia and South Sudan. In the 1980s Ethiopia alone sent over one million refugees to neighbouring states, mainly to the Sudan and Kenya. This outflow dropped and stayed relatively constant since the mid-1990s - below 100,000.

Table 4.2 Refugee flows to Ethiopia from neighbouring countries, 2000-2013

Year	Djibouti	Eritrea	Kenya	Somalia	Sudan	South Sudan	Other	Total
2000	1560	3,276	3	121,029	71,732	n.a	-	197,600
2001	60	1,242	3	67,129	80,934	n.a	-	149,368
2002	55	5,126	5	37,532	89,952	n.a	-	132,670
2003	62	6,754	5	28,276	94,899	n.a	-	129,996
2004	58	8,719	5	0	16,470	n.a	-	115,980
2005	51	10,700	0	15,901	73,927	n.a	-	100,579
2006	51	13,078	0	16,576	66,980	n.a	-	96,685
2007	55	20,753	2,644	25,843	35,493	n.a	-	84,788
2008	52	21,018	2,645	33,625	25,913	n.a	-	128,108
2009	64	36,164	2,732	58,980	23,516	n.a	-	121,456
2010	62	44,791	2,425	81,247	25,238	n.a	-	153,763
2011	-	54,900	2,500	185,500	45,300	n.a	710	288,910
2012	-	63,800	2,900	223,000	27,200	58,700	830	376,393
2013	-	86,010	-	235,920	-	82,090	4,220	407,646

Source: Compiled from UNHCR annual report, various years

Figure 4.1 Refugee flows to and from Ethiopia, 1994-2013



Source: World Bank 2011

4.5. The Current migration landscape

Although Ethiopia has seen a reduction in refugee flows over the past decade documented and undocumented labour migration has significantly increased. Migration has changed from that born out of conflict to irregular migration mainly driven by economic reasons. Table 4.3 shows that the number of refugees originating from Ethiopia over the past decade is low compared to the 1970s, 1980s and early 1990s. However, this outflow has slightly increased over the years. The number of asylum seekers also grew from 3,127 in 2000 to 41,934 in 2013. Most of these refugees are those who emigrated to the Gulf and Arab countries through irregular channels for economic and political reasons. Many people flee the country whenever conflict erupts, no matter how long it takes or where it happens. For instance, during the 2001 Addis Ababa University student violence and the 2005 post-election violence, many people whose life was not endangered used the ‘opportunity’, as the saying goes *crisis is opportunity*, to flee the country and seek refuge in neighbouring countries, and from there escape to their ultimate dream destination in Western countries. Some of them realise their dreams, while the majority remain in neighbouring country refugee camps for many years. This is one simple instance that shows how the division between voluntary and involuntary moves become blurred. Temporary unrest does not affect the mass of people, but the political violence, poverty, unemployment and uncertainty become an incentive to flee the country, both for forced and voluntary migrants. It is, therefore, important to unpack the determinants of migration. Otherwise, it is oversimplifying the complicated story to one underlying factor, such as conflict.

Table 4.3 Ethiopian Refugee population and Asylum applicants, 2000- 2013

Year	2000	2003	2004	2005	2009	2011	2012	2013
Refugee population	66,410	62,677	63,147	65,461	65,575	68,848	70,610	73,926
Asylum applicants	3,127	12,125	10,260	11,572	16,678	18,234	38,755	41,934
Total	69,537	74,802	73,407	77,033	85250	87,082	109,365	115,860

Source: Compiled from UNHCR report, various years

Currently, emigration is occurring at an unprecedented level in Ethiopia. Irregular migration, according to IOM (2010) is ‘movement that takes place outside the regulatory norms of the sending, transit and receiving countries’. Generally speaking, migrants could be identified as irregular at two stages. One – through the ways in which they cross internationally recognized borders (i.e. without authorization) and two, the ways in which they work and stay in a destination country (i.e. violating immigration laws) (IOM 2010). Migrating through regular channels is increasingly challenging and beyond the reach of the poor, so migrants opt to use the other option: irregular movement. Over recent years, a large number of emigrants from Ethiopia cross the border of neighbouring states heading to other countries, within the continent and beyond, along three major migration corridors: Eastward – to the Gulf States and the Middle East, crossing the Red sea and the Gulf of Aden (De Regt 2007; Fernandez 2010; Soucy 2011); Southward to South Africa (IOM, 2009) and Northward or Trans-Saharan migration, from the Horn region travelling through Sudan, Libya to Italy and beyond (Simon 2006). This irregularity has increasingly influenced the patterns of remittance flows and other transnational activities that hold promising potential for the development of the community of origin, which will be discussed in Chapter 7. The patterns and determinants of this movement are little understood and will be addressed in the following section.

4.5.1. Southward migration to South Africa

A recent assessment of irregular migration from the Horn of Africa to South Africa (Horwood 2009) shows that Ethiopia and Somali, but also Kenya, are the major source countries, with two-thirds of the estimated flows of smuggled migrants originating from Ethiopia. This migration corridor is increasingly characterised by its irregularity. An estimated 95 percent of Horn of African migrants arrive in South Africa on an irregular basis and they are undocumented (Horwood 2009). African countries are heterogeneous in many ways - economically, culturally and politically - with some emerging economies becoming new destinations. On a particular note, migration within Africa is more significant than migration outflows from Africa (World Bank 2011; Adepoju 2008). While

the migration of Ethiopians to the Republic of South Africa began in the mid-1990s the flow has become more significant over the past few years (IOM 2009). Conservative estimates of the Ministry of Foreign Affairs in Ethiopia indicates that about 50,000 Ethiopians work and live in South Africa, and the flow has dramatically increased as a result of the effective operation of people smuggling migrant networks. However, since the majority are irregular migrants, they are invisible, and nobody knows the true figures.

While Ethiopia is a multi-ethnic country, with over 80 ethnic groups, two particular ethnic groups, notably Hadiya and Kembata communities, predominantly migrate to South Africa. In this region, it is hardly possible to locate a village that does not experience out migration. However, certain villages and districts, namely Soro, Limo, Misha, Gombora in Hadya Zone, and Domboya, Angacha, and the Doyo Gena districts in Kambata Zone, are typical emigrant localities. A typical emigrant is a young, male villager, who has little or no education. Interviews conducted with various individuals and institutions in Hosanna show that this movement was started in 2000 when an Ethiopian diplomat, who had been working in South Africa, helped a group of individuals (i.e., his relatives) to emigrate to South Africa. The idea of chain migration being started by a single event in 2000 has expanded and continued over a massive scale in the past decade. Currently, migrants originating from the Hadiya and Kambata region make up the largest Ethiopian community in South Africa (Horwood 2009). This suggests that migrant local and transnational social networks play an important role in triggering or structuring population mobility across the border. Lucas (2004) argues that network migration is a key driver of spatial mobility, especially in Africa. Ethiopian migrants in South Africa, especially those with urban backgrounds, tend to use South Africa as a springboard to move onto Western countries (Gebre *et al.* 2010), indicating migrants agency in reconfiguring the transnational space to maximize the benefits they derive from migration. However, South Africa remains the ultimate destination for rural-based, undocumented and low skilled Ethiopian migrants.

The primary motive behind migration is to move out of poverty or to improve the living standards of their family through remittances. Similarly, Horwood (2009, p.39) reported that an overwhelming majority of Ethiopians in South Africa are economic migrants who are pushed by 'poverty and absence of alternatives to subsistence farming and economic opportunities in Ethiopia'. The Hadiya and Kembata Zones, with a population density of 342 and 502 person per km² (CSA, 2007), are one of the most densely populated areas in the country. Scarcity of farmland remains a daunting challenge for the region with an

average of 0.6 hectare of land per household (CSA 2007). Therefore, migration is an important livelihood strategy in a community where the asset base is deteriorating overtime.

The socio-economic changes observed for migrant origin households and the circulation of migrant success stories in the villages are also prominent incentives for emigration. The impact of migration tends to be more visible in the context of villages. As a result, success stories are circulated rapidly across them and inspire many more to migrate. Interviews conducted with youth, teachers and the elderly in Hosanna show that, a potential migrant tends to know at least one ‘model’ from their neighborhood, who has migrated to South Africa. The notion of ‘location-specific social capital’ (Haug 2008) in South Africa, and the power of remittances at home induces peoples’ aspirations and capabilities of migration. In this region, the future livelihood of youth is based primarily on emigration to South Africa. Among the youth, emigration has replaced conventional aspirations of attending school and securing government jobs. Aspirations to migrate are also visible among the better-off families. A story of a man in his mid-20’s, who works in one of the offices in the Hadiya Zone, demonstrates the model.

I have been working since I graduated from Hawassa University in 2009 but I can’t see any meaningful change in my life. My life standard is low compared to anyone who returned from South Africa. Look, they have no education but they have money. I am educated but I have no money. I am far behind compared to a level of achievement that emigrants and their families have reached. I have already decided to leave for South Africa. I guess you won’t find me if you come this time next year.

This story demonstrates that the decision to migrate is not only made by analysing the household’s internal situation but also by comparing it to returnee and migrant households, so that the notion of ‘relative deprivation’ or ‘relative satisfaction’ is relevant (Stark and Bloom 1985). As a household’s sense of relative deprivation increases, so does their motivation to migrate (Massey 1993, p. 451). Conversely, parents, on some occasions, also encourage youthful household members to leave for South Africa and send remittances home – as a strategy to widen income sources and to build on household livelihoods. Remittances are not only an important reason for migration but also insurance for the migrant and families left behind.

Although it is a household strategy, the decision to migrate is usually initiated by migrants, in consultation with peers and returnees. Youth lose hope in the current and future state of agriculture, domestic wages and education that previously might have opened employment opportunities in the public sector. The decision to migrate is based not only on deprivation,

but also induced by the gloomy perception of the future of agriculture. Migration and the sending of remittances are used as a transition to a non-agriculture livelihood in households with meagre resources, notably land.

A sizable proportion of migrants often fund migration expenses from a combination of sources, ranging from selling household assets, taking loans, and their own savings from farm and off-farm activities. Communities, which have observed the benefits of migration for some years, do not hesitate to provide loans for future migrants, with many provided without interest. The supporting social network enables future migrants ‘to get access to more economic, human and social capital (Faist 2010, p.193). Migrants with better network connections and resources are likely to secure loans and to shorten the length of migration by starting work in destination regions shortly after arrival. Only a few people originating from households who receive remittances and/or who have better resources, notably farm and cattle, emigrate through regular channels. This also includes women who migrate to join new husbands in South Africa, which are often arranged through transnational migrant networks. Out of 268 Ethiopian and Somalian emigrants who were in transit or have arrived in South Africa on an irregular basis, about half were funded by migrants already resident in South Africa (Horwood 2009). This suggests that migrant networks do not only increase people’s aspirations but also build their capabilities to migrate (De Haas 2011).

Government officials, informal migrant agents and returnees were asked about the cost of migration to South Africa from this region. The cost of migrating through regular channels in the summer 2012 was estimated to be over Birr 110,000 (\$US 6,111), which is beyond the reach of the deprived majority. Table 4.4 shows that the cost of regular migration tends to be over three fold of the costs of irregular migration. Key informant interviews with government officials undertaken in this study show that the expense of regular migration has also continued to grow steadily, from Birr 5,000 (US\$285) in 2002 to over 35,000 (US\$2000) in 2012.

Table 4.4 Average migration cost on regular and irregular routes, in US\$

Year	Cost for regular migration	Cost for irregular migration
2002	1,000	285
2012	6,111	2,000

Source: Interviews with key informants

It is important to note that resorting to this type of migration is highly risky. During the fieldwork carried out for this study in June 2012, two tragic events occurred, in less than a

week, to Ethiopians who were migrating to South Africa. First, a boat capsized in Lake Malawi, which killed 60 migrants, and the second in Tanzania, 42 emigrants were killed in the back of a truck from asphyxiation⁴. Of particular note, migrants are taking calculated risks, weighing the material and non-material benefits that migration could bring to the entire household, compared to staying with unmet aspirations. Despite its irregularity, the migration process is voluntary and self-initiated as the micro-level neoclassical theory underscores. Migration occurs only when migrants are convinced that they would benefit to move from their destination, mainly for economic reasons (Massey *et al.* 1998). Unfortunately, it is not only migration to South Africa which is risky, but also the nature of work in which they engage. They are forced to work and live in neighbourhoods where the crime rate is high, and there are few safe places to keep their money and belongings. This makes Ethiopians more vulnerable to robbery, assault, and murders in South Africa (Gebre *et al.* 2010).

4.5.2. Domestic Labour migration to the Middle East

Like in other African countries (Jolly and Reeves 2005) the gender dynamic of migration is a less studied subject in Ethiopia. Data obtained from the Ministry of Labour and Social Affairs (MoLSA) show that the number of documented migrants departing to Arab countries grew from 30,000 in 2009 to 200,000 in 2012, and women account for about 95 percent of all documented migration out of Ethiopia, with an average of 805 women registered on a daily basis. This shows an eightfold increase from 2009 (MoLSA 2009). A survey conducted by the MoLSA indicated that Ethiopian migrants to the Gulf region are predominantly women, young (83 percent), single (91 percent), Muslim (71 percent), with some secondary education (63 percent), and illiterate (26 percent) (Fernandez 2010, p.253).

In Africa autonomous female migration emerged in the 1970s and 1980s as an important type of migration, derived from the women's need to supplement the household income (Adepoju, 1995, p.105). Labour migration of African women to the Middle East is a recent phenomenon, which goes back to the end of the twentieth century (Hondagneu-Sotelo and Cranford 1999). In Ethiopia, this movement began in the early 1990s (De Regt 2007). However, Lebanon in the mid-2000s, while Saudi Arabia and Kuwait in recent years, have become popular destinations among Ethiopian domestic workers who have limited access to education and employment, both in the formal and informal economy. The Gulf Cooperation Council (GCC), which has been importing migrant workers from the Philippines,

⁴ <http://www.bbc.com/news/world-africa>

Sri Lanka and Indonesia for many years (Schwenken and Heimeshoff 2011), are now recruiting from countries in Africa such as, Ethiopia, Eritrea, Sudan and Egypt (Fernandez, 2010). This is mainly because these countries represent a pool of cheap labour and there appears to be little effort to protect their rights and privileges compared to migrants from Asian countries (Jureidini and Moukarbel 2004). Almost half of the total Ethiopian domestic migrants who migrated to Arab countries moved to Lebanon in the mid-2000s, because Lebanese recruitment agencies increasingly preferred Ethiopian domestic workers over others. Ethiopian women, in contrast to Filipino and Sri Lankan migrants, were less protected at their place of destination and their labour was cheap. Filipino domestic workers are usually paid higher (\$250 and 300) than their Sri Lankan and Africans counterparts, which are paid between \$100-150 (Pande 2013; Jureidini 2004). However, as a result of excessive human right violations against Ethiopian domestic workers in Lebanon, the government of Ethiopia some years ago urged immigrants to avoid Lebanon as a destination, and subsequently the flow declined.

Conversely, Saudi Arabia and Kuwait have become well-liked destinations for Ethiopian migrants in 2008 and 2009, and now account for 61 and 33 percent of the total migration to Arab countries respectively (MoLSA 2010). However, currently the Ethiopian government has banned all migratory flows to Arab countries due to the vulnerability of domestic workers and their exposure to risks at destination. Deportation is one of the risks of undocumented migration. More than 100,000 Ethiopian domestic workers were deported to Ethiopia from Saudi Arabia in November 2013 (MFA 2013; Reporter 2013). The indifference and negligible commitment of governments at both origin and destination exacerbates human rights violations against migrants, including physical and sexual maltreatment, denial of basic freedoms, denial of salary, sleep deprivation, the withholding of passports, confinement and murder (Anbesse *et al.* 2009).

Migration to Arab countries has intensified due to poverty, social networks, expansion of illegal agencies and the relative fall of migration costs. Migrant recruiting agents, both legal and illegal, have dramatically increased over recent years. Key informant interviews with MoLSA officials undertaken in this study show that in Ethiopia, over 1,000 estimated illegal brokers are engaged in recruiting and sending migrants to the Gulf and Arab countries. The number of licensed recruiting agents grew from 109 in 2009 to 300 in 2012. Many recruiting agents in Addis Ababa charge an average of Birr 8,000 (US\$457) for their services. Most agents in Ethiopia are now renting offices in new, modern and expensive

buildings, because of the considerable profit they receive from the migration business. The expansion of agents is observed not only in terms of numbers, but also in terms of geographical coverage. Over the past few years, the source of migrant labour has expanded from urban centres to small towns and rural villages, which have become emerging sources of low skilled labour for the international labour market in Arab countries. This is partly due to the expansion of recruiting agents into regional towns, together with the multiple interrelated push factors, including the reduction of productivity, rising costs of agricultural inputs and unemployment. The Ethiopian government has also reduced migration barriers, and many people now emigrate with few hindrances. As a result of the massive labour outflow, a dozen Airlines have increased the frequency of departures from Addis Ababa to Arab countries, flying three to seven days a week.

This labour migration is both voluntary (regular/irregular) and forced (i.e. trafficked). However, the distinction between voluntary and forced moves is blurred, as migrants use both channels in the course of migration. Key informant interviews with government officials undertaken in this study, show that legally registered agents are also increasingly involved in human trafficking. Although the MoLSA lacks concrete data, estimates by key-informants suggest that at least 30,000 female domestic workers emigrated to Arab countries through unauthorized channels in 2009, equivalent to the number of documented emigrants. Other evidence (Jureidini 2002) suggests that about 2,247 women migrated to the region officially between 1996 and 1998, while about 17,000 Ethiopian women were reportedly working as domestic workers in Lebanon in 1999. This indicates that the number of people migrating through unofficial channels is high compared to documented outflows (Jureidini 2002, p.15).

Although official figures do not exist, trafficking of woman and children to the Middle East are considered to be a significant emigration flow. Moreover, migrants use tourist visas and pilgrim or *hajj and umrah* visas to enter Saudi Arabia. Non-Muslim migrants also use pilgrimage as a pretext to enter Saudi Arabia, and then they either move to the third country in the region or try to regularise their visa, otherwise they take the last option, overstaying the visa and working illegally. Migrants assisted by relatives and friends are well aware of settlement issues, while those who are assisted by brokers or traffickers are exposed to risks, as they are often deceived (Fernandez 2010; De Regt 2007; Kebede 2001).

Another important transit and destination for Ethiopian and other migrants from the Horn region is Yemen, the closest Arab nation to the region. Despite the fact that Yemen is poor, and less rewarding, the country remains a major destination for desperate migrants from Ethiopia, Somalia and Eritrea. This movement has been unprecedented over recent years, with an estimated 230,000 immigrants arriving in Yemen from Ethiopia over the last six and half years (DRC 2012, p.8). Moreover, only one out of 25 Ethiopian arrivals migrated through regular channels (Soucy 2011). UNHCR's⁵ recent press releases show that in 2012, 107,500 African immigrants have arrived in Yemen, and eight out of ten are from Ethiopia and the remaining from Somalia. Studies (Soucy 2011; Fernandez 2010; De Regt 2007) have found that an overwhelming majority are smuggled, driven mainly by economic reasons, and that Ethiopia has become an important source of human trafficking for Arab countries. One of the things being observed is that females below the age of eighteen also migrate to Arab countries by producing false documents, and are often deceived by traffickers.

Over the past four decades, Ethiopia has witnessed droughts, famines, political repression and armed conflict, both internally and with neighbouring states. As a result of these structural problems, along with people's own choice (agency), it has led to cross-border mobility on a massive scale, which has contributed to the emergence of the Ethiopian diaspora. As reported in Chapter 1, Ethiopia is one of the African countries which have the largest diaspora communities in OECD and other high income countries. World Bank official data show that, in 2010, the top ten destinations for Ethiopian migrants were Sudan, US, Israel, Djibouti, Kenya, Saudi Arabia, Canada, Germany, Italy and Sweden. This shows that both 'south-north' and 'south-south' migration is important.

A wealth of literature has observed that colonial ties play an important role in shaping the patterns of migration out of Africa, with the vast majority of them migrating and settling in countries that have colonial and linguistic ties, namely French, English, Portuguese (Bakewell 2009; Awumbila and Manuh 2005; Adepoju 1995). Similarly, Hugo (2009, p.14) noted that, the 'two overwhelming south-north flows are clearly along colonial lines on the one hand and to North America, especially the US, on the other'. In 2000, France hosted 40 percent of Africans who resided in OECD countries, which is 'clearly a function of the long-standing colonial and cultural ties between Francophone African countries and France' (Hugo 2009, p.11). However, migration between countries that have no colonial or

5 <http://www.unhcr.org>

linguistic ties has increased significantly, which indicates some changes in migration trends within and outside the continent.

It is important to note that colonial and linguistic ties do not explain the pattern of emigration in Ethiopia as it remains independent from European colonial powers. This may be because emigration patterns do not follow one well-defined route as the diaspora is scattered over a range of continents. However, geographical proximity, migrant networks, the destination countries migration/refugee policies and non-colonial historical links, are very important explanations. The latter explains the *Beta-Israels* migration to Israel, which is driven by the migrants ethnic relations with the host societies. Tens of thousands of Ethiopian Jews were brought to Israel direct from Addis Ababa and Sudanese refugee camps with the help of two successive Israeli government operations, operation ‘Moses’ and operation ‘Solomon’, in 1980s and 1990s (Kaplan 2005; Schwarz 2001). The remaining Ethiopian Jews who resided in the inaccessible parts of the country have arrived in Israel over the last ten years (Offer 2004). This, by and large, differs from the conventional type of emigration in Ethiopia. However, the *Beta-Israels* emigration was, to a certain extent, characterised by irregular migration as many fled to the Sudan through unofficial channels. Before departing to Israel, the Gondar region had been home to the *Beta-Israel* community.

4.6. Conclusion

Ethiopia has become a country of emigration since the mid-1970s, after the military government assumed power, having ousted the monarchy. The driver of the movement has changed over time. The landscape of international migration has changed from migration born out of conflict to irregular migration, mainly driven by economic reasons. The source of migrants has expanded from urban centres to include rural areas, and women are increasingly moving towards Arab countries. Given the established migrant networks; the effective operations of traffickers and brokers, government reluctance; the interplay of a set of push factors, such as poverty, unemployment, population pressure, scarcity of farmland and rising costs of living; irregular migration will likely to continue in the years to come. Low skilled migrants have received marginal attention from policy makers and their vulnerability to various forms of abuse and exploitation has continued over the years. The next chapter will examine the characteristics of emigrants from the Gondar region, the drivers of the movement and transnational family ties and communications.

CHAPTER 5

MIGRATION, MIGRANT CHARACTERISTICS AND TRANSNATIONAL FAMILY NETWORKS

5.1. Introduction

The study area, Gondar, is one of the most notable migrant origin communities in Ethiopia. An intensified level of emigration has been occurring since the first waves of refugees fled the county in the late 1970s. Based on the survey and qualitative study findings undertaken here, this chapter examines the patterns and processes of cross-border mobility and the drivers of the movement. It also examines the patterns of transnational ties and communication. The chapter is organized in three major sections. The first discusses the reasons behind the increasing levels of emigration, and briefly outlines the context of the decision making process. The second section outlines the characteristics of emigrants, which include age, gender, marital status, education, family size, place of residence, and legal status in the place of destination. The dynamics of transit migration and aspects of return migration are also highlighted. The final section examines the dynamics of transnational family ties, the types of communication media used, and their roles in exchanging ideas, skills and knowledge between migrants and families left behind.

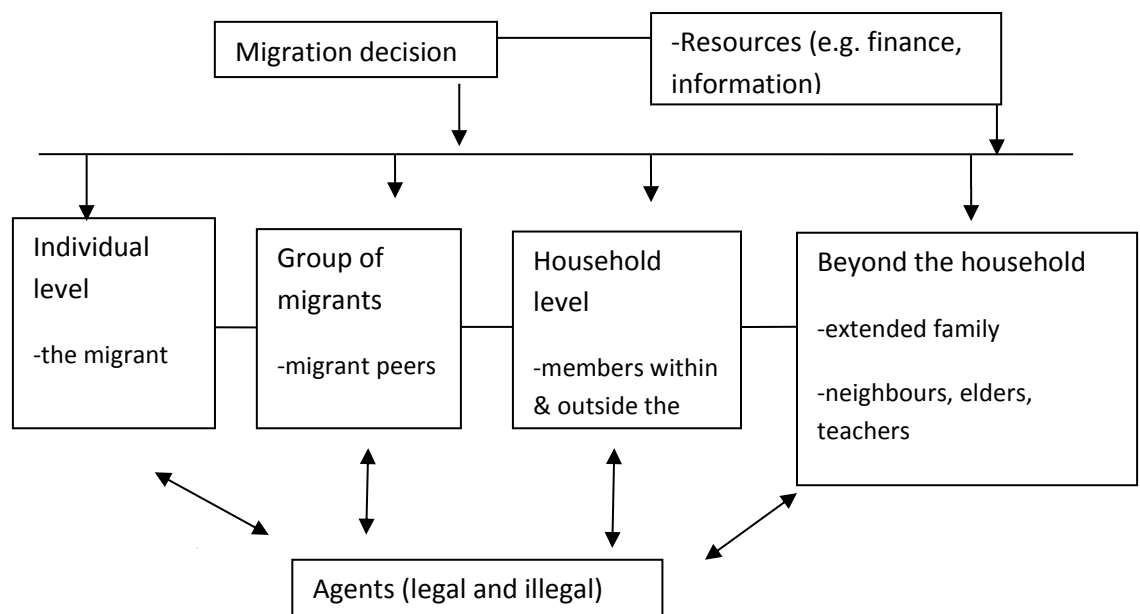
5.2. The Decision making process

Emigration is occurring at unprecedented levels in Ethiopia, with many people keen to emigrate or desperate to leave the country. The latest Gallup World Poll survey on migration shows that Ethiopia could lose 46 percent of its adult population if those who desire to emigrate realise their aspirations or are allowed to do so (IOM 2011). Out of 544 migrant households interviewed, 39 percent had at least one member who is either making preparations to emigrate, or had effective plans to do so at the time of interview. In Gondar, ‘the culture of migration’ has developed over the last three decades, increasing aspirations of residents to migrate, and their decisions about where and how to emigrate. Although local inhabitants are aware of the benefits of migration, information related to migration is not uniformly distributed across the community.

Despite high aspirations, the capacity of many people to migrate is constrained by financial difficulties. Figure 5.1 shows that the migration decision is made in complex scenarios and at different levels. In situations where financial and non-financial resources, such as information are scarce, Ethiopian migrants are more likely to negotiate their migration

decisions with a range of people, including immediate and extended family, friends, migrants, returnees, brokers, teachers, community elders and local institutions such as *Iqub* (traditional saving associations). In Ethiopia, peoples' everyday lives are traditionally shaped by intensive social networks and communal lifestyles, and the migration decision making process is no exception. This suggests the importance of social relations or social capital in the decision making process (Haug 2008; Massey et al 1998). However, it should be noted that a migrant does not necessarily negotiate with all of these individuals, formal or informal institutions, but it is more likely that the decision making process is influenced by a combination of a multitude of actors, depending on the migrants' characteristics.

Figure 5.1. The Decision making process



Source: Constructed by author

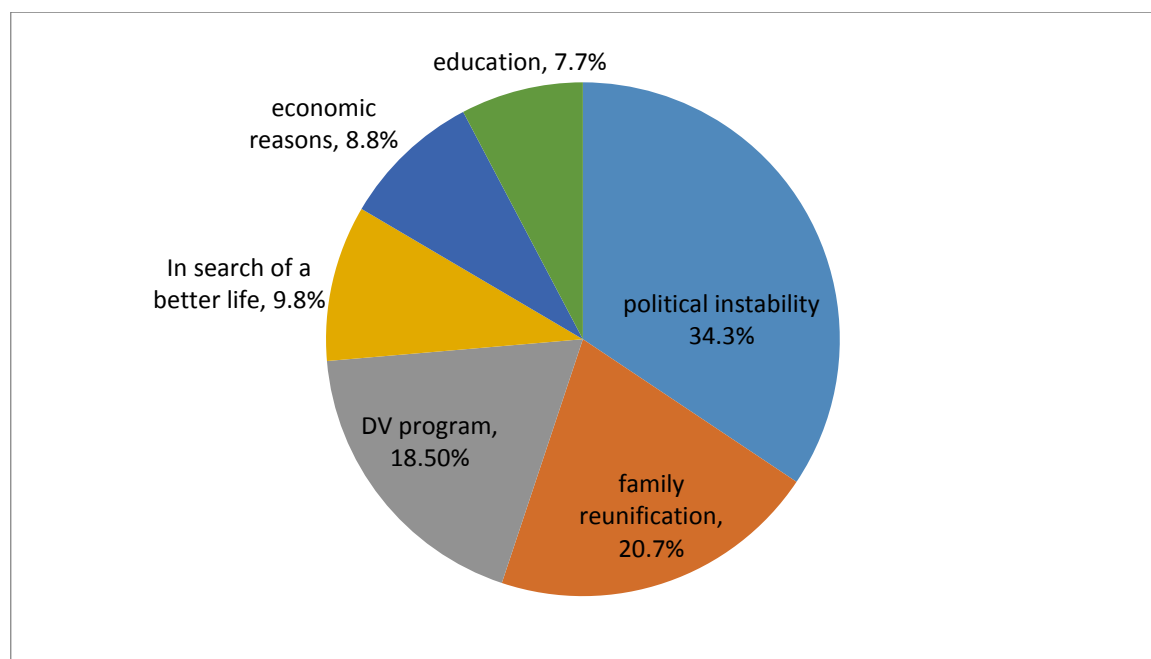
Over recent years, in Ethiopia labour migrants and villagers in particular, are deciding to emigrate without having adequate pre and post departure information. On some occasions, decisions to migrate seem to be guided by the massive outflow of labour migration. The roles of migrant recruiting agents and traffickers in negotiating migration decisions are also considerable, especially among low skilled migrants. It is important to note that migrants are not unaware of the risks associated with irregular migration but it is a strategy used to cope with life challenges in Ethiopia. The migration experience at the community level influences people's decision to migrate and shapes the pattern of migratory flows. In Gondar, where many people have been migrating to the US and other Western destinations for several years, many people opt to migrate to the same destination. In other words, non-

Western destinations are less preferred. For example, while migration from other parts of the country to the Sudan has increased over recent years, the number of people migrating to the Sudan from Gondar, the closest and adjacent border, is insignificant.

Reasons for migration

In Gondar, cross-border migration was initiated by political insecurity in the late 1970s, but has intensified overtime through the interplay of a combination of different factors. Respondents were asked to report why the first migrant members left the country. Figure 5.2 shows from the survey that a little over one third of migrants left the country for political reasons; about 21 percent emigrated through chain migration, and 18.5 percent through the Diversity Visa (DV) programme that the US government offers. Another 18.7 percent left the country for two interrelated reasons, looking for a better life or economic reasons, and further 7.7 percent left the country in pursuit of education and training.

Figure 5.2 Reasons for migration



Source: Migrant Household Survey 2012

The *qey shibir* (Red Terror) campaign that was carried out in the late 1970s initiated migration outflows from the Gondar region. Many of them fled to the Sudan to look for a safe haven and later, were able to resettle in Western countries, mainly the US, which has been and is the largest destination for emigrants originating from Gondar. Nearly two-thirds of households had one or more family members residing in the US. Focus group

participants reported that Major Melaku Tefera⁶, the then administrator of Gondar province, who is also called the ‘butcher of Gondar’, had killed, and tortured thousands of people in the name of the revolution. The youth, especially students, were randomly killed in the streets of Gondar, being regarded as enemies of the revolution (Getahun 2007). In Gondar, a public saying goes⁷:

*...thou mighty Melaku Tefera
the devil's youngest brother
have mercy on my child today
I will not give birth next time.*

Between 1976 and 1978, the campaign was also catastrophic in Addis Ababa, Dire Dawa, Jimma, Dessie, Nazareth, and Shashemene (Lentakis 2005). Therefore, Ethiopia became the largest refugee producing country in the world.

Once initiated by *qey shibir*, migration became self-sustaining and an integral feature of life in the study area. In Gondar, it is impossible to understand the intensified levels of emigration without understanding the role of migrant networks, which are defined as:

...sets of interpersonal ties that connect migrants, former migrants, and non-migrants in origin and destination areas through bonds of kinship, friendship, and shared community of origin (Massey *et al.* 1993, p.448).

Respondents were asked whether they had a family member who had ever migrated abroad following the footsteps, or with the support of an earlier migrant (Table 5.1). The survey shows that about 40 percent of respondents had members who had joined earlier migrants abroad. Of these, more than half (54 percent) had two or more reunified family members. However, on average, for every family interviewed, two people had joined earlier migrants.

Table 5.1 Respondents by number of reunified family members abroad

Reunified family members abroad	Number	Percent
None	331	60.8
One	101	18.6
Two	60	11.0
Three	20	3.7
Four	12	2.2
Five and above	22	4.0
Total	544	100.0

Source: Migrant household survey, 2012

⁶ Melaku Tefera has been in prison since the fall of the Derg regime in 1991, and in 2006 the federal court had passed a death sentence on him for execution of 971 people, and causing physical damage on 81 people, among others (the Reporter 2005).

⁷ The poem was taken from a Website dedicated to remember the victims of the *Qey shibir* campaign in Gondar http://aigaforum.com/Victims_page/Derge_Melaku_victims_1.htm

Interestingly, in-depth interviews showed that some households have formed a family ‘dynasty’ outside the country. One household, for example, reported that they have an estimated 365 relatives residing abroad, mainly in the US. Indeed, this figure includes second generation immigrants, who were born in the host country. In Gondar, it is common to find households who have more members abroad than in Ethiopia. This shows how emigration has intensified over time due to the established ‘networks of information, assistance and obligations which develop between migrants in the host society and friends and relatives’ in Gondar (Boyd 1989, p.641). This study showed that chain migration is not only confined within the realm of migrant families, but has multiplied across the community to encompass non-migrant households as well, which will be discussed in Chapter 8.

Network migration is more important among those who migrated to the US and Israel. The latter mainly include the *Beta-Israel* community that migrated to join those families who were brought to Israel in the early 1990s. This differs from the conventional types of emigration in Ethiopia, which was not triggered by political crisis or by environmental disaster. It was, rather, based on the ‘claim of historical links with the Jewish people’ (Kaplan 2005, p.384). The migration process was initiated by the Israel government, and carried out in collaboration with the then military regime of Ethiopia (Offer 2004). Many people moved to Israel through establishing marriage with the *Beta-Israel* community and fabricated a false Jewish identity. Besides creating emigration opportunities, the *Beta-Israel*s migration also raised public awareness on migration (Getahun 2007).

The Diversity Visa (DV) programme has been another important way out of the country, and out of poverty. A considerable proportion (18.6 percent) of households reported that their members entered the US through the DV programme. Over the last two decades, the US government has been offering over 50,000 Diversity Visas each year for countries that are underrepresented in America (McCabe 2011; Law 2002). Ethiopia has been one of the leading DV immigrant origin countries in Africa since the late 1990s (McCabe 2011). Table 5.3 shows that an estimated 3,710 Ethiopians have entered the US through the DV programme annually over the past decade. This does not include DV lottery winners, whose Visa applications were rejected for several reasons, including failure to pass medical examinations and presenting false documents. Every year between 2007 and 2014, on average 515,630 Ethiopians have applied online for the DV programme. If the number of spouse and children are included, the number of applicants is much larger - 705,265

(Table 5.2). The DV application period is one of the most important times of the year for many Ethiopians who had completed secondary education and higher. Its simplicity and affordability has encouraged many, including the poorest segments of the society, to apply for this programme. However, as it offers permanent residency and citizenship wealthy families, university professors, higher government officials etc. also apply for these DV programmes. Of particular note, offering large sums of money to obtain false marriages with DV lottery winners is a common strategy often used to enter the US.

Table 5.2 Number of Ethiopian DV lottery winners and total online applicants, 2003-2014

Year	Number of online applicants	Spouse and children included	Selected entrants
2003	-	-	3,784
2004	-	-	3,659
2005	-	-	3,495
2006	-	-	3,502
2007	414,489	574,439	3,248
2008	518,877	722,497	3,549
2009	483,105	670,807	3,690
2010	542,346	745,372	3,774
2011	486,657	662,658	5,200
2012	581,699	785,318	4,902
2013	582,238	775,763	4,910
2014	-	-	5,718

Source: Bureau of Consular Affairs US Department of State 2014

Economic reasons are important drivers of emigration in Ethiopia. According to the survey, nearly one-fifth of emigrants' left the country for two interrelated but analytically different reasons: the quest for a better life (9.9 percent) and economic reasons (8.8 percent). It is, however, not an easy task to make a clear distinction between these two. The ultimate goal of an economic migrant, for example, is to achieve a better life for both the migrant and their families left behind. The difference, however, is clear when one critically examines the characteristics of migrants and their families left behind in respect to the ways of financing migration, destination countries, and their legal status. The study shows that low or modest income households send members to places or countries that require lower investment, and economic reasons are the main cause of the movement. Over two-thirds of those migrants who reportedly migrate for economic reasons resided in the global South. As neo-classical theory states wage differences are the major incentives for migration. The

majority of migrants that reside in Arab and African countries have a migration pattern that entails a high level of risk, and it is often financed through debt. In this case, as De Haas (2011, p.10) argues, migration is an ‘active attempt – an act of agency – by social groups to overcome structural constraints’ notably poverty, unemployment and rising living costs.

Conversely, this study suggests that those who migrated in pursuit of a better life are generally from well-to-do families. They are passionate, not desperate, to emigrate. They are more likely to migrate to Western destinations, such as US and Europe, which requires higher investment. These groups of migrants hold a relative advantage and capability over desperate economic migrants in choosing their destination, and financing migration from their own sources. In Gondar where migration has become one of the most indispensable parameters set to measure social status, well-to-do families invest huge sums of money to send their sons/daughters to America, primarily to boost their social status or to climb the social ladder. Migrants are not regarded as sources of remittances but they are ‘social migrants’ who become a source of pride. In fact, over the long run they might serve as prominent sources of insurance for the household.

A small proportion (7.7 percent) of respondents stated that their family members migrated abroad in search of education. Almost all of them migrated to Western countries, of which the US is the leading destination, along with Europe and Canada. Student migrants include those who obtained free scholarships from Universities in Western countries or were funded by diaspora members. In the latter case, education is used as a strategy to acquire Visas that enable others to enter into Western countries. Once accepted into their destination, the student tends to quit education as the migration was not driven by the need to be educated. In some instances, education is taken as a long-term household investment strategy. The assumption of such households is that the newly educated migrant would secure a good paying job upon completion of their education, and advance the wellbeing of families in Ethiopia through sending large sums of remittances. Other migrant members also benefit from the investment in such a way that they won’t be under as much pressure to send remittances home, as they will be replaced by the new, educated, and well paid migrant member. This study found that no one has returned home among those who reportedly migrated to pursue education. This indicates the growing level of ‘brain drain’ that characterizes recent migration from Ethiopia. Other studies have also reported this (e.g. Tessema 2011; Getahun 2002; Aredo 2000). In Ethiopia, the emigration rate of tertiary

educated persons is 17 percent (Docquier and Bhargava 2004), however, some put the estimate as high as 29.2 percent (UNDP 2009).

5.4. Gender in Migration

Over recent decades migration scholars are increasingly integrating gender in their research (Ghosh 2009; Donato *et al.* 2006; Piper 2006; Jolly and Reeves 2005; Hondagneu-Sotelo and Cranford 1999). This study also attempted to integrate gender in the analysis of migration patterns, along with transnationalism, remittance flows and utilisation patterns, as discussed in Chapters 6 and 7. In terms of outflows, the gender imbalance is not as pronounced in this study as females account for about half of the total outflow. As reported in Chapter 4, in other Ethiopian migration corridors, the pattern of migration is highly ‘gendered’ where young, male villagers, with little or no education, migrate southward to South Africa, and young women from the villages and small towns of Wollo and Oromiya region tend to disproportionately migrate eastwards to the Gulf and Arab countries.

Although the gender disparity is less pronounced in terms of outflow, the migration pattern is ‘highly gendered, in terms of the causes and consequences of movement’ (Ghosh 2009, p.8). For example, males dominate in cross-border mobility caused by conflict and others emigrate in search of education. They account for over two-thirds of political migrants. On the other hand, women are more likely than men to migrate through the DV programme (57.4 percent) and family reunification (59.5 percent). Marriage related migration takes the leading share among network migrants. The proportion of women is higher among those who migrated for economic reasons and in search of a better life. The migration of women to Arab countries tends to be undertaken independently, whereas their migration to Western countries is often associated with marriage and other forms of family migration. This corroborates the findings of other studies. For example, Piper (2006) argues that women dominate migration to the developed world through family reunification.

Migration is also gendered in terms of the type of jobs that migrants undertake in host countries. In Arab countries, for example, Ethiopian women are recruited for domestic work (food preparation, child and home care), while men are engaged in agricultural work, driving, and as security guards (De Regt 2007). Hondagneu-Sotelo and Cranford (1999, p.3) also argue that the ‘gendered patterns of migration derive principally from gendered labour demands and recruitment’. Although the migration of female domestic workers improves

the welfare of families left behind; migration tends to expose them to sexual and physical violence. On the other hand, remittances tend to boost the ‘voice’ women and their acceptance in the family and community in the study area. Female roles in transnational space are growing, although their traditional gender roles tend to perpetuate in the destination countries, as noted above. However, the labour and skills of women are more valuable (in terms of wages) when they migrate than if they remain in Ethiopia.

5.5. Migrants’ demographic characteristics

5.5.1. Age and Gender

Table 5.3 compares the age distribution of 845 emigrants in this study against the total population of the study area. Over three-quarters of emigrants were concentrated in the age group 25-49 years, while the corresponding ratio for city residents was only 27.4 percent. However, it is important to note that the bulk of the population (45 percent) in Gondar and in Ethiopia as a whole are under the age 15 years (CSA 2007). Of particular note, the proportion of young people aged 18-24 is twice as high among migrants than non-migrants. In addition, the proportion of people aged 50-64 is high among the migrant population (11.3 percent), compared to the non-migrant population (6 percent).

Table 5.3 Percentage distribution of emigrants in this study and Gondar city residents by age and sex

Age category	Emigrants in this study			City residents		
	Male	Female	Total	Male	Female	Total
18-34	31.3	50.0	40.6	40.7	29.1	29.5
35- 49	46.6	44.9	45.7	12.0	12.1	12.1
50-64	17.6	4.9	11.3	5.5	6.5	6.0
65+	1.4	0.0	0.7	5.3	5.5	5.4
Total						
Number	442	403	845	98,120	108,924	207,044
Percent	100.0	100.0		100.0	100.0	

Source: Migrants =Migrant household survey 2012; City residents = Census data (CSA 2007)

Migrants aged 35 and under account for about 40 percent of the total migrant population, suggesting an intensified level of emigration in recent years. Female migrants tend to be younger than their male counterparts. At the time of interview, 50 percent of women were aged 35 and under, while the corresponding figure for male migrants was 31.3 percent. Female migrants are younger than males and dominate recent departures. However, migrants in this study seem a little older than most previous studies have indicated. This is

not surprising given that over a quarter of emigrants fled the country in the late 1970s at very young ages. This is consistent with a survey conducted by Washington DC Refugee Centre in 1980, which shows that over half of the refugees from Ethiopia in Washington DC are single men in their early 20s (Bunch 1980 cited in Getahun 2007).

5.5.2. Education

Table 5.4 compares the highest levels of education that migrants have attained with the urban population aged 5 years and above of the Amhara region. Although this does not necessarily mean that they have completed the level of education reported. Notably, educational attainment of migrants is diverse, ranging from those who have little or no education to highly skilled professionals. The survey showed that nearly half the migrants had completed secondary schooling, a little over a third had some tertiary education, and the remaining 14.7 percent had low educational attainment. The non-migrant urban population was poorly educated with 75.4 percent having very low educational attainment. This suggests that migrants are more educated than the community of origin, with only 5.4 percent of migrants never attending school, compared to nearly one-third of Gondar residents (CSA 2007).

Table 5.4 Educational attainment of immigrants and the urban population of Amhara region aged 5 years and above

Highest level of education attained	Migrants	Urban population
No school	5.4	29.7
Primary school	6.6	45.7
Secondary school	49.1	14.1
Post-secondary school	38.7	5.8
Total	100.0 (N=845)	100.0 (N=1,919,168)

Source: Migrant household survey, 2012

It is important to note that the number of migrants who had attained tertiary education in this study is comparable to African-born migrants residing in America. In 2009, 41.7 percent of African-born adults age 25 and older had a bachelor's degree or higher, compared to 28.1 percent of native-born adults and 26.8 percent of all foreign born adults (McCabe 2011, p.9).

Another survey shows that over half of the Ethiopian immigrants in the US had secondary education or higher (Orozco and Jewers 2010). While some authors tend to suggest that level of education and migration are directly related (Dustmann and Glitz 2011; Schwartz

1976), this study shows a more diverse, complex and often contrasting relationship in Ethiopia. There appears to be greater variation in education across gender, generations, place of residence, and reasons for migration. For example, DV emigrants and those who left the country in pursuit of education tend to have higher educational attainment. This is mainly because earning a high school diploma or higher qualification is the basic requirement to enter in the DV lottery programme. Oyelere (2007, p.19) pointed out that:

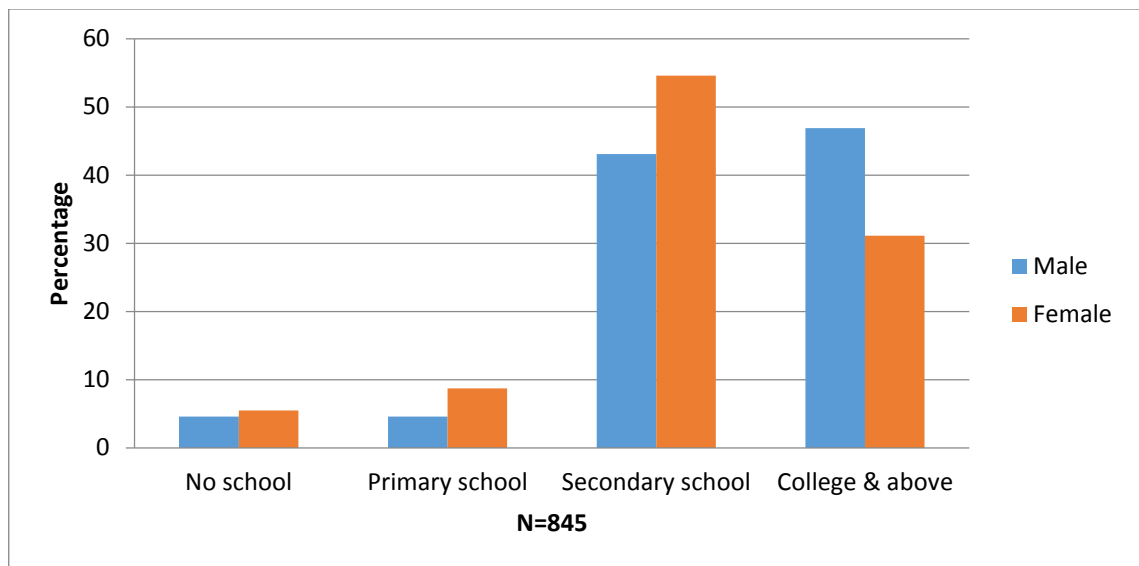
the start of DV programme in the 1990s led to a significant increase in very skilled (bachelor degree and above) and less skilled (high school diploma) immigrants to the US.

The study also shows that recent departures are more likely to be educated than earlier emigrants. Of the total migrants who fled the country 2-3 decades ago, about half had completed high school, and a little over a quarter had some tertiary education, and the remaining quarter had lower education attainment. Getahun (2006, p.111) has pointed out that these generations of Ethiopian refugees are characterized, by ‘diverse social, economic, education backgrounds, which involves highly educated professionals, high school students and peasants’. Migrants who departed over the past decade account for about 60 percent of those who had attained tertiary education, indicative of a growing outflow of skilled migrants. However, Dustmann and Glitz (2011) argue that skills attained in the developing world are less transferable in the labour market of advanced countries. That means their skills are wasted as they are not used by Ethiopia nor by host countries. However, Ethiopian migrants who managed to complete at least college education in host countries, notably the US, are more likely to work as professionals (Terrazas 2007).

It is important to note that migrants’ educational attainment differed by gender and place of destination. The survey results indicate that migrants who resided in the global South tend to be disproportionately low skilled, compared to those who resided in Western countries. The former had no education or had dropped out of school at the time of migration. Other studies have also indicated that Ethiopians who resided in Arab countries (Soucy 2011), South Africa (Horwood 2009), and Israel (Kaplan 2005) had very low educational status. Men account for 61 percent of the total migrants who had attained some college education or higher, but females tended to have low educational status. This is a reflection of the overall socio-economic disparity at the national level, whereby about 51 percent of women in Ethiopia had no formal education, compared to 30 percent of men (CSA 2011). Figure 5.3 shows that for migrants, women (54.4 percent) outnumbered men (45.6 percent) in attaining some secondary school education, but account for the lowest proportion in post-

secondary education. Overall, migrants are more likely to be educated than families and communities at origin. This reflects the selective nature of migration.

Figure 5.3 Educational attainment of migrant survey participants by Sex



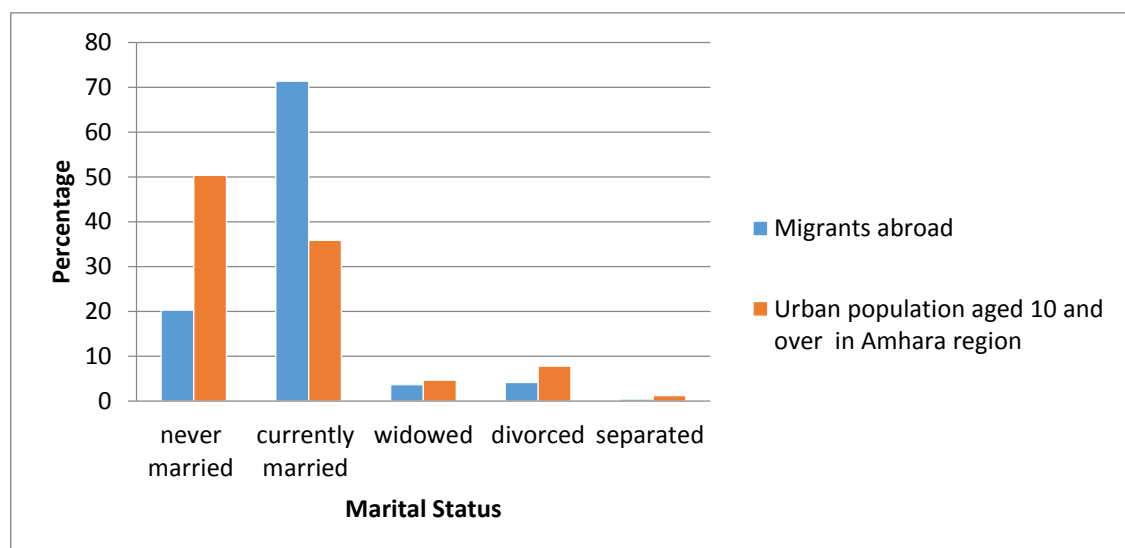
Source: Migrant household survey 2012

5.5.3. Emigrants marital status and family size

Of the 845 emigrants in the study, a large majority (71.3 percent) were married; one-fifth were single and the remainder were either divorced (4.1 percent), widowed (3.6 percent), or separated (1.2 percent). Figure 5.4 compares the marital status of emigrants with that of the non-migrant urban population, aged 10 and above, given the high prevalence of early marriage in the region. The proportion (71.3 percent) of migrants who are currently married is higher than the non-migrant population living in urban areas of Amhara region (35.8 percent). However, recent departures tended to be unmarried, compared to earlier migrants who have left the country over a decade ago. It is important to note that only 8.6 percent of migrants left their spouse and children behind. Marriage tends to be a post-migration phenomenon, which is often arranged through transnational social networks. This is one of the areas where local inhabitants get an opportunity to migrate abroad. Figure 5.4 also shows the rate of marriage disruption (i.e. divorce and separation) is slightly higher among left behind communities (9 percent) than emigrants (4.5 percent). Many studies in Asia reported that there is a causal relationship between migration and marriage disruption (Asis 2004; Hugo 1995). This does not appear to be widespread in the study area where the majority (77.9 percent) of migrants departed leaving parents and siblings behind, which is not typical of classical labour migration (Martin 1991). According to MoLSA (2009), Ethiopian migrants who moved to Arab countries for

employment were disproportionately female (95 percent), young (83 percent), and never married (91 percent). Migration or aspirations to emigrate tend to delay marriage, especially among female domestic workers. However, in Gondar many females moved abroad, especially to the US through establishing marriages with the diaspora.

Figure 5.4 Marital status of emigrants and the urban population of Amhara region



Source: Migrant household survey, 2012; data compiled from Census, CSA 2007

Table 5.5 shows that the majority (59 percent) of emigrants had children with nearly two-thirds having either one or two children, a quarter with three to four children, and some 8.6 more than four. Those who had emigrated had a lower number of children compared to their parents' generation in Ethiopia, with only 8.6 of migrants had more than four children, compared to 57.8 percent of respondent households in Gondar. Moreover, the size of migrant households abroad (person per household) is similar (2.6) to that of the host countries, such as America (2.5), Australia (2.5), Canada (2.5), New Zealand (2.7) and England (2.3) (ABS 2010). However, as noted earlier, migrants who reside in Arab countries were predominantly young, never married and do not have children.

Table 5.5 Distribution of emigrants by number of children

Number of children	Number	Percent
None	345	40.8
1-2	332	66.4
3-4	125	25.0
5 or more	43	8.6
Total	845	100.0

Source: Migrant household survey, 2012

The study shows that migration tends to affect household family composition both in Ethiopia and abroad. For example, some children of emigrants born out of the country are moved to Ethiopia to stay with relatives for some years. This allows migrant parents to avoid hiring baby sitters, or losing working hours (i.e., income). This also provides an opportunity for the child to know about his/her origins and to be able to speak local languages, as well as engage in some religious and cultural practices. When the children grow up or have reached school age they are more likely to travel to join their parents abroad. The changing family composition has implications for remittance flows and spending patterns, which is discussed in Chapter 6.

5.6. Patterns of migration

5.6.1. Year of departure and geographic distribution

Table 5.6 shows that out of 845 emigrants, half of them left the country more than a decade ago, about 20 percent emigrated 11 to 20 years ago, and the remaining 30 percent left two to three decades ago. The latter group involves mainly those who fled the *qey shibir* in the late 1970s. Although Gondar is a mature emigrant community, migration has occurred at an unprecedented level in the last decade, accounting for half of the total migrants in the study. This finding is consistent with data compiled by the Centre for Immigration Studies in 2010, whereby Ethiopian migrants who have arrived in America since 2000 account for 57.7 percent of all Ethiopians residing in America (Camarota, 2012). Unlike what is often assumed, the proportions of recent departures are quite large compared to those who fled in the late 1970s conflict.

Table 5.6 Percentage distribution of emigrants by year of departure

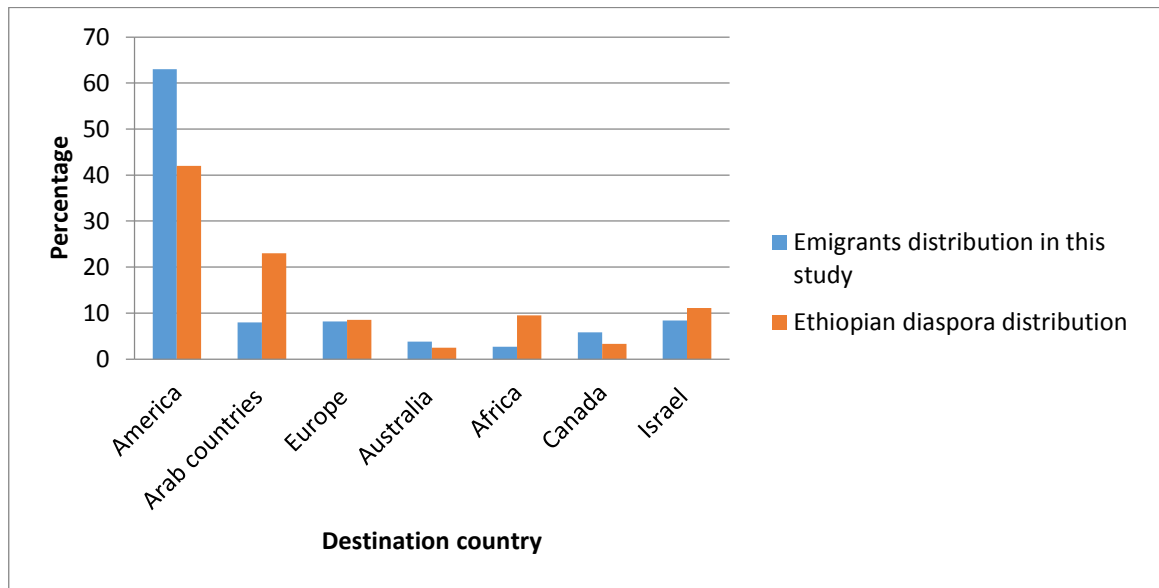
Year of departure	Number	Percent
0-5 years ago	172	20.3
6-10 years ago	253	29.9
11-20 years ago	170	20.1
30 years ago	224	26.5
Over 30 years ago	26	3.9
Total	845	100.0

Source: Migrant household survey, 2012

Figure 5.5 compares the destination countries of emigrants in this study with that of the total Ethiopian diaspora. Of the total migrant population, nearly two-thirds resided in America with Israel the second leading single destination, accounting for about 9 percent of total emigrant respondents. A sizeable proportion (18 percent) of migrants live in Europe, Canada, Australia and also New Zealand. The distribution pattern of emigrants in

this study is similar to the distribution of the total Ethiopian diaspora. However, labour migration to Arab countries is less common in Gondar compared to other regions in Ethiopia as reported in Chapter 4. Emigration to America has continued more or less in the same way over the past three decades, with higher rates of outflow recorded over the last decade.

Figure 5.5 Destination countries of emigrants in this study and the total Ethiopian diaspora



Source: Household Survey 2012 and Ministry of Foreign Affairs unpublished document, 2012

In Gondar, the ‘culture of migration’ has developed over the years and, many have migrated to America, suggesting that migration as de Haas (2011, p.15) noted, is a ‘strongly socially structured and spatially patterned process’. Three explanations can be offered as to why America is such a popular destination. First, over one third of emigrants, who fled the Sudan in the late 1970s, were resettled in America. Second, once refugees were resettled there, their immediate and extended families have continued to join them from the mid-1980s onwards. Of 113 people who emigrated through family reunification, over three-quarters resided in the US and Israel. In other words, emigration to America and Israel is largely reinforced by chain migration. Similarly, Getahun (2006, p.122) has argued that:

the migration of Gondere’s to America that began through refugee resettlement, had now transformed itself into a chain of migration, family reunion, and hence the preponderance of Gonderes in America and elsewhere.

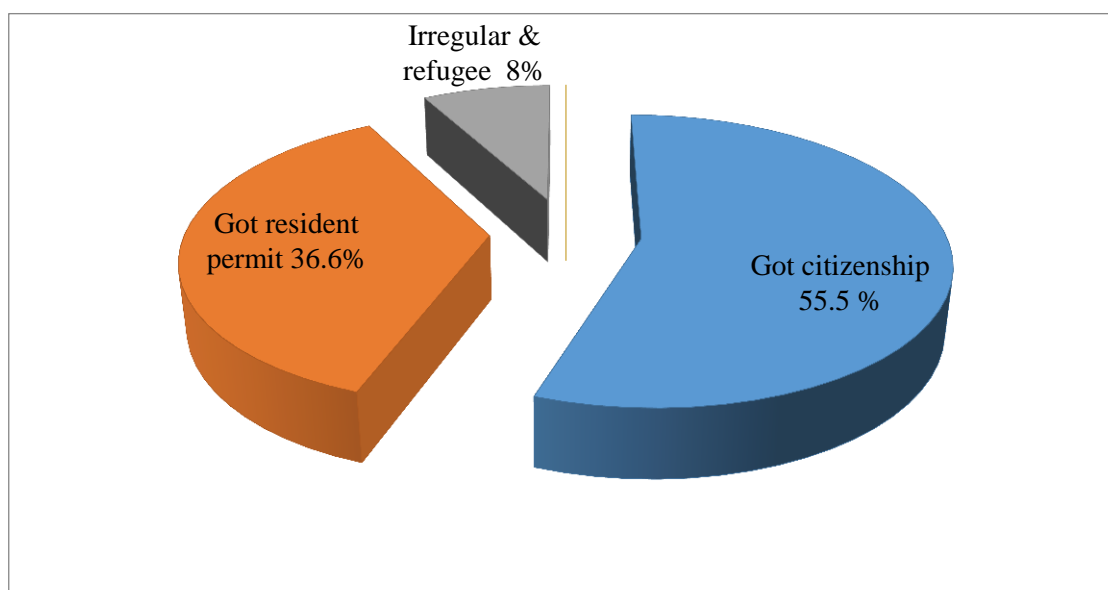
The third reason is that nearly 19 percent of emigrants were able to enter America through the DV programme as noted above. The cumulative effects of these flows has resulted in

the growing concentration of migrants originating from Gondar in America and they have become the largest group of Ethiopian migrants residing there (Getahun 2007). Migrant networks, which have been in the making for over three decades, have also shaped the post arrival settlement pattern. This is more pronounced among family and DV emigrants. Lyon (2009) reported that cities like Los Angeles, California and Seattle in Washington, are widely inhabited by emigrants originated from Gondar, whereas ethnic Oromos dominated Minneapolis, and Columbus-Ohio.

5.6.2. Legal status at destination

Since legal status is an ‘important variable in determining the extent to which migrants make contributions to their country of origin’ (IOM 2010, p.48), respondents were asked to report whether the diaspora member had acquired legal status in the country of residence (Figure 5.6). The survey shows that 91.8 percent of emigrants had received a legal document of residence at destination. Of these, more than half had received citizenship, and the remaining 36.6 percent obtained resident permits. The high percentage of migrants acquiring legal documents at destination is mainly because the majority have entered their host country legally as a refugee, through family reunification, or the DV lottery. This can also be explained by the *Beta-Israel*’s migration, which was largely sponsored by the government of Israel. About 95 percent of political refugees and those who departed in search of education, and nearly 60 percent of those who emigrated through family migration, have received either citizenship or a resident document in a host country. DV immigrants are more likely than others to obtain foreign citizenship.

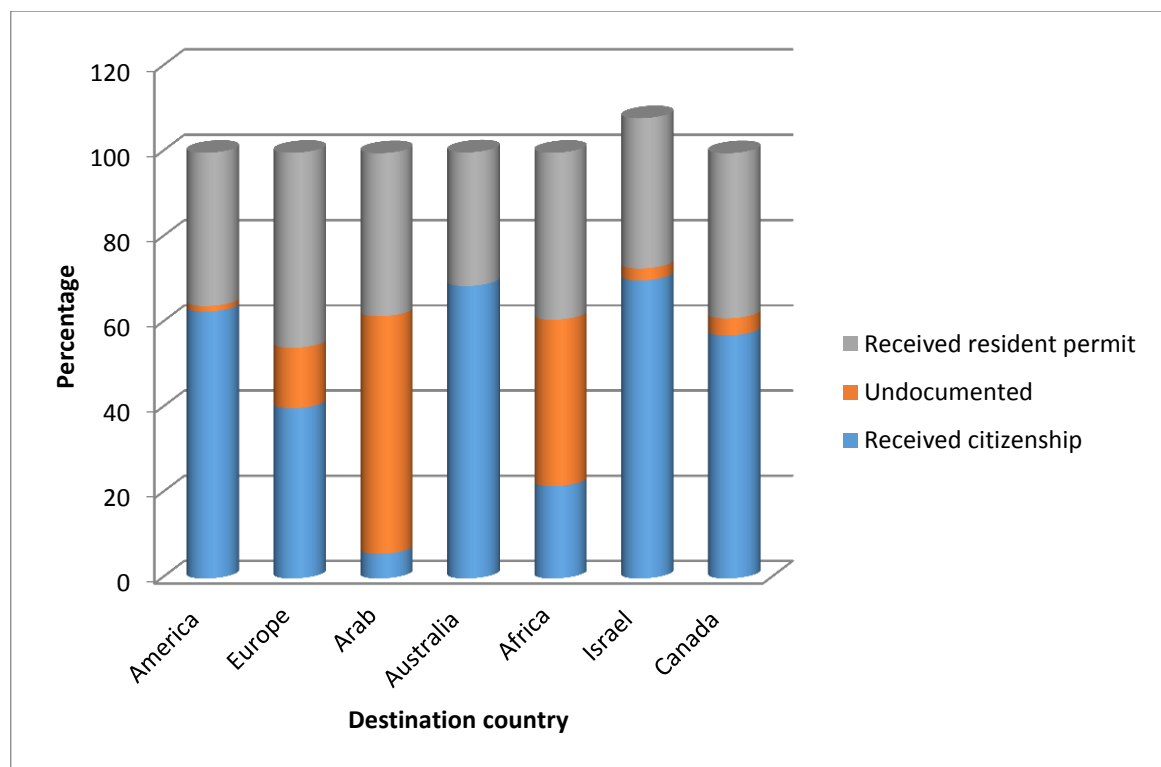
Figure 5.6 Percentage of emigrants from surveyed households by immigration status



Source: Migrant household survey, 2012

From the survey it was found that the number of undocumented migrants was higher in the global South than in the global North as shown in Figure 5.7. About two-thirds of immigrants in America, Israel, and Australia have received citizenship, together with Canada and Europe. Some 8.2 percent of migrants are undocumented of which more than half resided in Arab or other African countries. They are generally economic migrants who either enter or remain in the country of destination on an irregular basis. Overall, the pattern of migration from Gondar tends to be regular, compared to other Ethiopian migration corridors. Other studies show that over 95 percent of Ethiopian migrants to South Africa (Horwood 2009), over 75 percent of those in Yemen (DRC 2012) and about 60 to 70 percent of others migrating to the Middle East (US Department of State 2012) were irregular migrants.

Figure 5.7 Legal status of emigrants from surveyed households by destination country



Source: Migrant household survey 2012

5.7. The dynamics of transit and return migration

The survey shows that the majority (58 percent) of migrants had moved directly to their current place of residence, while about 42 percent, mainly those who fled the infamous *qey Shibir*, had passed through neighbouring countries. Of these, the majority (85.5 percent) went through the Sudan, mainly because of its geographical proximity. Furthermore, focus group participants indicated that since the military regime, and the subsequent ideological

clash with the West, it was impossible to obtain passports and exit Visas to travel abroad. As a result, well established Ethiopians, who resided in the global North, alternatively use the Sudan to facilitate family reunification. In so doing, many Ethiopians migrated to the Sudan to follow up the visa process and to seek safety (Kibreab 2002). The remaining few passed through Kenya, Djibouti, Eritrea, Arab countries and the former USSR.

The findings of this study corroborate other studies in that the Sudan was the leading sanctuary for Ethiopian refugees in the 1970s, 1980s and in the early 1990s (Bariagaber 1997). However, arriving in Sudan didn't guarantee safety for most refugees, as they couldn't receive an Identification Card from the Sudanese authorities, among other factors (Kibreab 2002). Djibouti and Kenya, which were in harmonious relations with the then Ethiopian military regime, would deport emigrants back to Ethiopia, making these corridors the least preferred (Tekle 1995). The Somalia border was hostile not only because it was a war front, but it was also a well patrolled corridor. However, since the mid-1990s Kenya became the leading refugee haven for East Africa immigrants including those from Ethiopia (Getahun 2007). Overall, this study, like others, shows that proximity, security, and the state of diplomatic ties among East African countries determine the routes that Ethiopian refugees consider when they flee (Kibreab 2002; Bariagaber 1997; Bulcha 1988).

Table 5.7 shows the number of years that migrants stayed in a neighbouring country before they reached their present destination. More than half of those who passed through neighbouring countries stayed between one to four years, over a quarter stayed for over five years, and the remaining 22.4 percent resettled into a third country in less than a year. However, a large number of refugees also returned to Ethiopia from the refugee camps of neighbouring countries, as noted in Chapter 4.

Table 5.7 Emigrants by duration of stay in neighbouring countries

Duration of stay	Number	Percent
Less than a year	51	22.4
1-4 years	119	52.2
5-10 years	42	18.4
Over 10 years	16	7.0
Total	228	100.0

Source: Migrant household survey, 2012

Regarding return migration, it was found that although Gondar is a mature emigrant community, the percentage of migrants who have returned either on a temporary or

permanent basis is very small. A return migrant, according to IOM 2003, ‘is a person who is returning to his/her country of residence after spending at least one year in another country’. Only 3.6 percent (20 households) had members who had returned home on a permanent basis, with the majority returning five years prior to the survey. The average year of stay abroad was found to be 11.6 years. Nearly two-thirds returned home after staying abroad for over a decade. Notably, half of the returnees were involved in business or investment in Ethiopia, which is discussed in Chapter 8. Other reasons for return migration included: to live with family, illness and retirement.

5.8. The dynamics of transnational family links and communication Media

It is important to note that almost all respondents had maintained ties with diaspora members. Modern, fast and cheap communication media and improved transport as ‘make it easier for people to move and maintain linkages with the regions they come from, as well as other regions they pass through (Mazzucato and Schans 2008, p.4). Those who had lost transnational ties (2.2 percent) were either in dispute with relatives living abroad or did not know their whereabouts. The number of communication modes that migrant families use to maintain transnational ties is shown in Table 5.8, and the majority (54.4 percent) rely on a single mode of communication to sustain family ties, while 45 percent employed two or more communication modes - 16.6 percent with two, 8.6 percent with four, and 4.4 percent use five. This suggests that migrant households in the study area are ‘transnational families’, who use various communication media to produce ‘social fields that cross geographic, cultural, and political borders’ (Schiller *et al.*, 1992: ix).

Table 5.8 Number of communication modes used by migrants to maintain links with families left behind

Number of mode of communication used	Number	Percent
Zero	12	2.2
One	293	53.8
Two	89	16.4
Three	82	15.1
Four	46	8.5
Five	23	4.2
Total	544	100.0

Source: Migrant household survey, 2012

Transnational families employ both conventional and new communication media. Table 5.9 shows that Telephone is the most widely used media and the only means of communication for 55 percent of respondents. The survey also showed that 98.3 percent

own mobile phones and 83.5 percent fixed telephone lines, while 42.8 percent adopt the Internet for communication, primarily email (31.3 percent), Face Book (30.1 percent) and Skype (13.8 percent). All respondents who use email as a means of communication also use Face Book, but less than half have adopted Skype. This suggests that one communication media can encourage the use of another.

Migrant families in Ethiopia tend to use various modes of communication as long as it is accessible, affordable and simple. Variations in terms of access and ability tend to lead to Ethiopian migrants adopting multiple communication media. Diaspora members tend to use telephone to communicate with old and non-educated family members, while email, Face Book, and Skype are used to communicate with younger educated members. In only 13.1 percent of cases, letters are used as a means of communicating, indicating their declining role with the introduction and expansion of other fast and cheap communication modes. However, it was found that the mail service was important to transfer in-kind remittances to and from Ethiopia.

Table 5.9 Communication modes for migrant respondents*

Mode of communication	Number	Percent
Telephone	529	97.2
Email	170	31.3
Face Book	164	30.1
Skype	84	15.5
Post	71	13.1

Source: Migrant household survey

*(multiple responses)

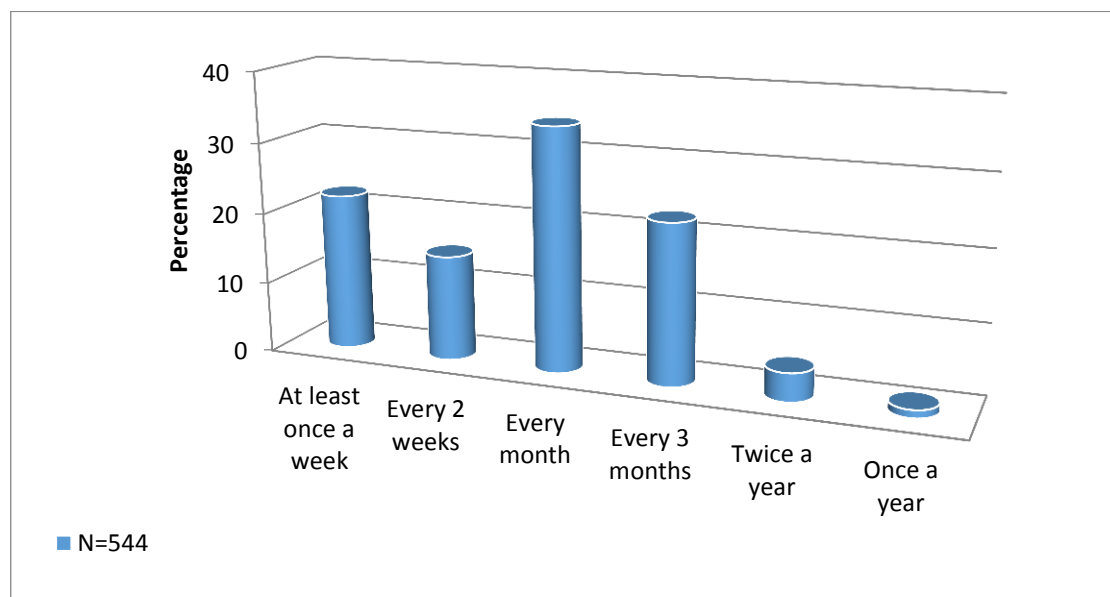
Migrant families at either end can initiate communication through the Internet, depending on their skills and access, but also time and space convenience. However, the pattern of international telephone traffic flow is unidirectional – a phone call occurs from a diaspora member to families in Ethiopia, but not likely to be the other way around. On some occasions, the latter do communicate with diaspora members using the services of underground phone call providers (unofficial operators that provide telecom services through connecting Internet with mobile or telephones lines) which are cheaper, compared to the price of Ethio Telecom- the country’s sole telecom service provider. However, these unlicensed operators are less prevalent in the provinces and many of them have been closed down in recent years.

Figure 5.8 shows over a third of households communicate with diaspora members at least once every two weeks, and over half communicate at least once a week. About one-third of households at both origin and destination talk on the phone once a month, while 22.6 percent communicate once in every three months. Less than five percent communicated only once or twice a year. It is not uncommon to find households who receive a phone call from abroad on a daily basis. Mihret, a mother of 5, in her early 50s, reported that:

..my daughter who left for America four years ago after winning DV calls me every night. She has called me every day for the last three years. She can't fall asleep without ringing us, and talking to us...she spends a lot of money for telephone calls...but it is good that we talk to her.

This story demonstrates that the frequent contact between transnational families is for emotional attachment or wellbeing as well as conveying messages. Long distance telephone conversations can substitute for physical meetings, since ‘geographic distance and costs of travel make it difficult to maintain relationships of trust through regular visits’ (Mazzucato and Schan 2008, p.11).

Figure 5.8 Frequency of communication of migrant households with diaspora

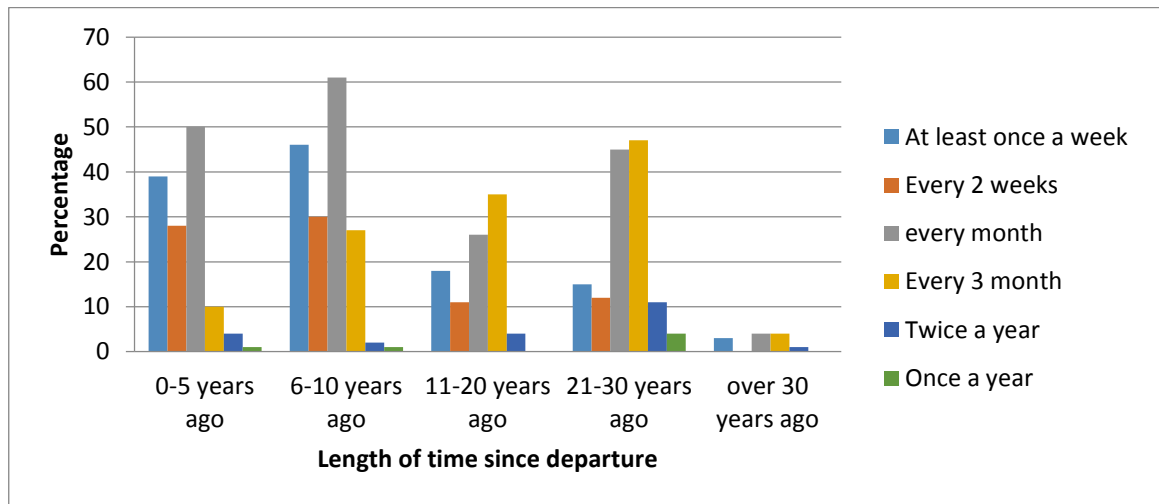


Source: Migrant Household Survey 2012

The frequency of family contact differed by generation of emigrants (Figure 5.9). Emigrants, who moved during the past decade, maintain closer family ties compared to earlier migrants. Increasing length of absence from the home country gives rise to less frequent family contact but varies according to factors, such as marital status, access and ability to use new communication media. Recent migrants, for example, account for the largest proportion (over 70 percent) of migrants who maintain frequent contacts (i.e., who

call one to four times a month), while earlier emigrants tended to be more likely to be in contact once every two months or longer. Unmarried migrants were more likely than their married counterparts to maintain frequent contact.

Figure 5.9 Frequency of contact by migrant households with diaspora by length of time since departure



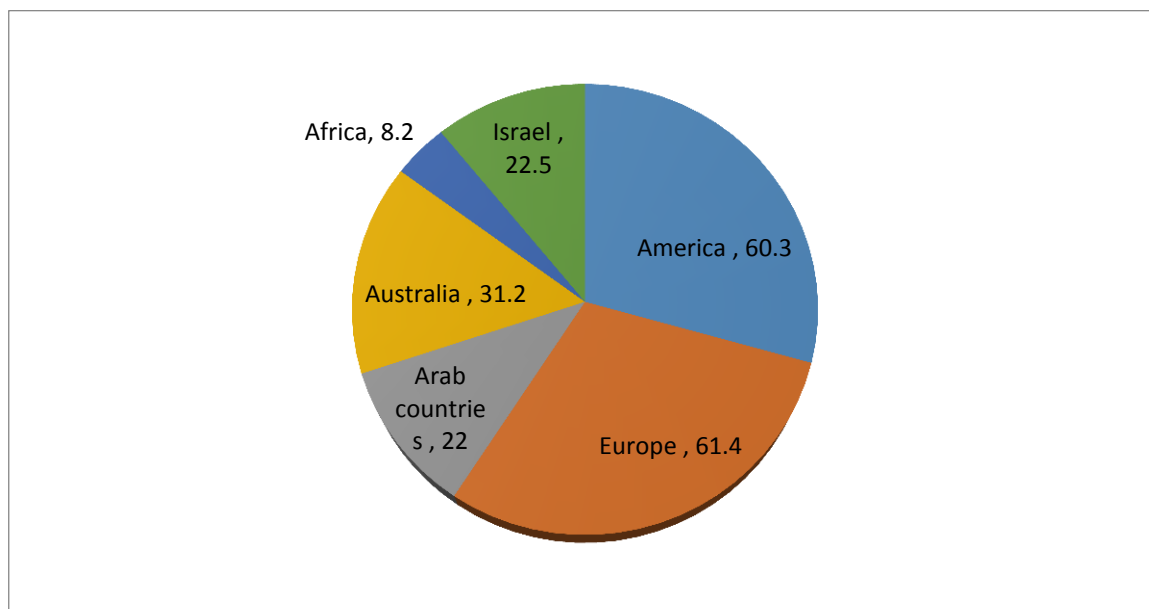
Source: Migrant Household survey, 2012

Overall, this study shows that most migrants, despite long absences, are able to sustain contact with the country and community of origin. However, the characteristics of transnational families and the mode of communication used tended to determine the frequency of contact. The Internet is a recent phenomenon in Ethiopia, and most users constitute recent migrants who left the country during the past decade. Over two-thirds of Skype users, 61.2 percent of Face Book users and 58.4 percent of email users are recent migrants and young. On the other hand, earlier migrants tend to rely more on telephone calls, and are less likely to adopt digital communication.

Ethiopian emigrants rarely use text messaging. This is not only because text messaging is expensive, but it requires some sort of reading and writing skills (i.e. in English) that many people at both ends lack. The modes of communication employed also vary in terms of migrants' place of residence. Figure 5.10 shows the percentage of migrants who use the Internet for communication is higher among those who resided in Western countries than in Israel, Arab, and other countries in Africa. Labour migrants who resided in the global South are less likely to access and use new media. However, a substantial proportion of Ethiopian migrants in developed countries hardly use the Internet, rather they entirely rely on telephones to maintain family ties as shown in Figure 5.10. Poor education, lack of

access and the inability to use the Internet tends to be an explanation. Many Ethiopian migrants' are involved in the informal employment sector, which, according to Omelaniuk (2012, p.135), 'does not generally provide access to advanced technology, to training and education'.

Figure 5.10 Percentage of migrants using the Internet by country of residence



Source: Migrant Household survey, 2012

5.8.1. Discussion Points: What is the Agenda?

Modern communication technologies have significantly increased the flows of information between transnational families (Levitt *et al.* 2008; Vertovec 2004). In order to identify some of the areas of social remittance exchanges, respondents were asked to report the nature of discussions (some of the most important subjects they talk about or exchange information), while communicating with diaspora members via telephone or other means. Table 5.10 shows that while speaking over the phone, the majority of respondents talk about family matters, including health, education, safety, their lives and other emerging issues. Migrants who use telephones, for example, talk briefly about one major issue at a time. Those who employ Face Book and Skype, a relatively less expensive media, touched upon multiple issues relating to the family, local, national and global domains. In this case, as Wilding (2006, p.138) noted, the transnational family ties 'became more frequent and the sense of connection to everyday lives at a distance was enhanced'. However, the issues of concern change over time, for the migrant and left behind families in countries of origin and destination. Other topics of relevance were education, business, child rearing practices, and remittance spending patterns. Remittance usage appeared to be among the least

discussed issue, compared to other issues of concern. Lack of thorough discussions on remittance usage sometimes leads to family disputes when they are inappropriately spent. The discussion was also quite limited over political issues, both at national and local levels. Whenever a political crisis occurs in Ethiopia the agenda is more of safety concerns. However, the Ethiopian diaspora increasingly engage in the discussion of Ethiopian politics and culture through various media networks and their role in shaping the country's political landscape (Levine 2009). They have wider access and exposure to diverse sources of (independent) media compared to origin communities where media is overwhelmingly dominated by the State. For example, the Ethiopian community in North America as Lyons 2007, p.536) noted, have 'a wide range of organisations and newspapers, maintains dozens of web sites, e-mail lists and influential blogs, and broadcasts a number of weekly radio and cable television'

Table 5.10 Migrant households by issues of discussion when communicating with diaspora members*

Issues of discussion	Number	Percent
Child rearing practice	129	12.1
Education	244	22.9
Family business	145	13.6
Remittance spending	105	9.8
Family wellbeing (safety, health, living cost)	516	48.4

Source: Migrant Household survey 2012

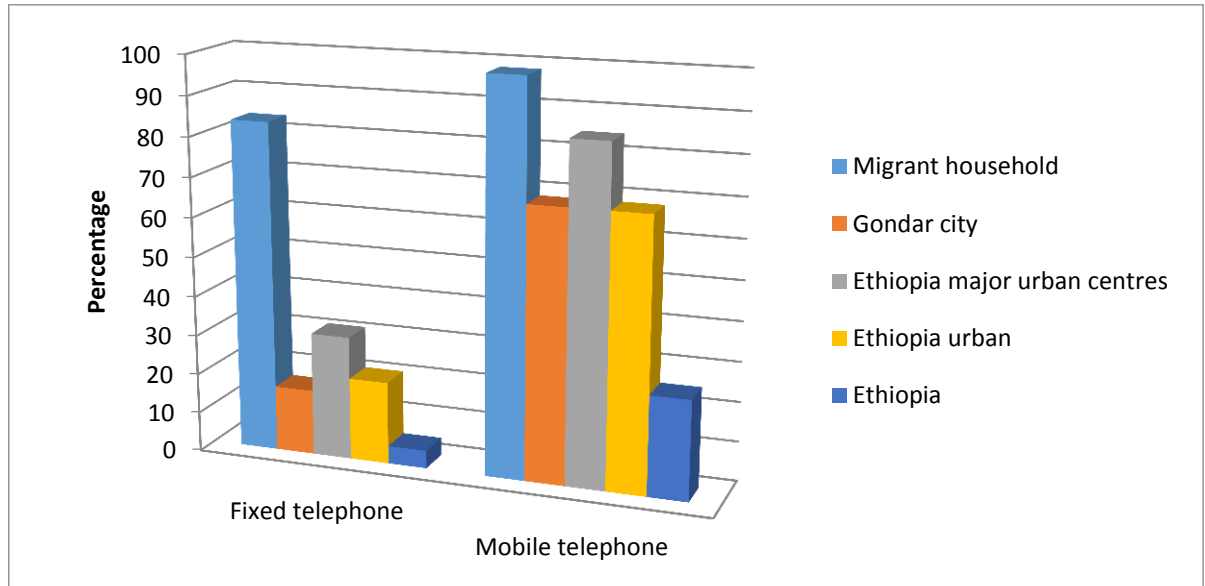
*(multiple responses)

5.8.2. Ownership of communication devices

The growing level of household ownership of communication devices can be the consequence of migration. Figure 5.11 shows that migrant household respondents in possession of a telephone were disproportionately higher than for households in the city and other major urban centres in Ethiopia. The vast majority of migrant household respondents owned mobile phones (98.3 percent) and fixed telephone lines (83.5 percent), while the corresponding figures for the city is only 68.5 percent and 16.1 percent respectively (Figure 5.12). Migrant families, especially the youth, own the latest and expensive smart phones, which are usually remitted from abroad. However, the full potential of the latest phones is often restricted due to network problems, lack of skills and appropriate supporting technology. Besides serving as a means of communication, mobile phones also can indicate 'modernity' and improved social status. It is important to note that mobile stores and maintenance shops are emerging business ventures in migrant sending areas. Figure 5.12 shows that Ethiopia has the lowest mobile phone penetration compared to other countries in Africa, such as Kenya and Sudan. However, the number of citizens

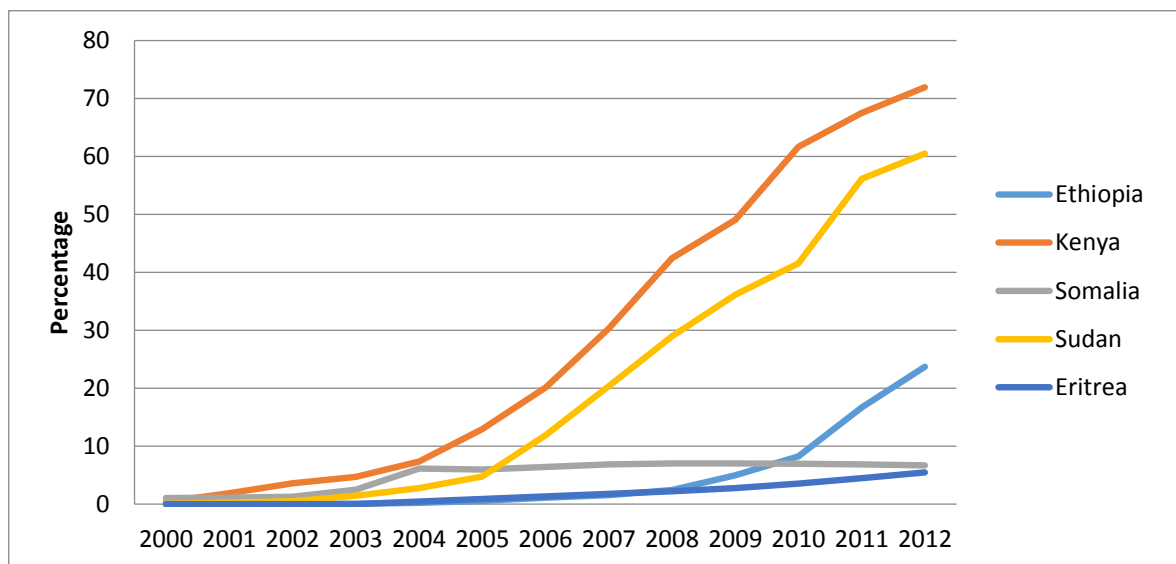
with a mobile phone grew from 0.03 percent in 2000 to 24 percent in 2012 as shown in Figure 5.12.

Figure 5.11 Telephone ownership for migrant households compared to other households in Gondar and other major Ethiopian urban centres



Source: Migrant household survey 2012; data compiled from Welfare Monitoring survey (CSA 2011)

Figure 5.12 Mobile telephone subscriptions in Ethiopia, Kenya, Sudan, Somalia, Eritrea, 2000-2012



Source: International Telecommunication Union 2013

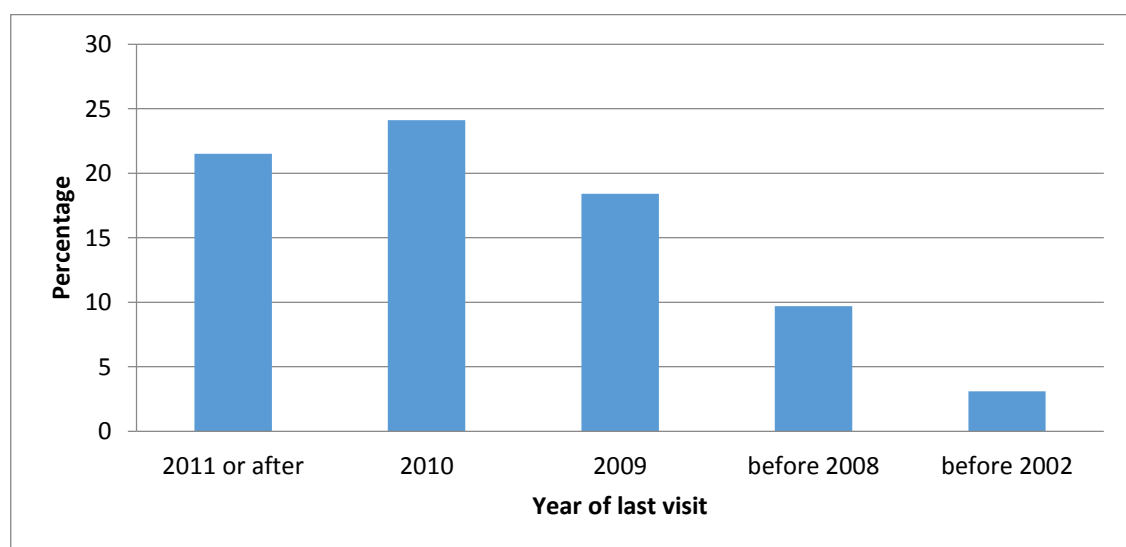
Of 544 respondents, nearly 40 percent own computers, mainly laptop computers, which are usually remitted from relatives abroad. This is substantial given the proportion of people who own and use computers in Ethiopia is negligible, only 2 percent (Calandro *et al.* 2012). About 18 percent of respondents had access to the Internet at home, while the remaining

majority (81.8 percent) didn't. The later increasingly use the services of Internet cafes, which are an emerging business venture in Gondar. In Ethiopia, an estimated 96.8 percent of all households, 88 percent of urban households and 77 percent of those in major cities, do not use the Internet at all (CSA 2011). Internet penetration in Ethiopia is low compared to other African countries such as Kenya and Sudan. Although the country has shown some slight progress over the last few years, from 0.7 percent in 2007 to 2.7 percent in 2012 (Calandro *et al* 2012).

5.8.3. Transnational Family Visit

Transnational families also maintain relationships through face-to-face meetings both at home and overseas. The survey found that about three-quarters (76.8 percent) of respondents were visited by a migrant member in recent years. An overwhelming majority (83.2 percent) of emigrants had returned to Ethiopia over the last five years, with more than half over the last two years (Figure 5.13). The Ethiopian Millennium which was celebrated in 2008 (2000 Ethiopian Calendar) tended to increase diaspora inflow, as the government provided them with free land in Addis Ababa and other major cities. Moreover, it was widely publicised, particularly encouraging the diaspora to be part of this celebration. Migrants who had left Ethiopia in the past five years or over two decades ago tended to pay fewer visits compared to those who had left 6 to 20 years ago. Recent migrants tend to focus on sending remittances and adjusting to the new environment rather than visiting families left behind. Earlier migrants tended to pay fewer visits as they are burdened with many family related responsibilities and also likely to live with many family members who had moved through the family reunification process.

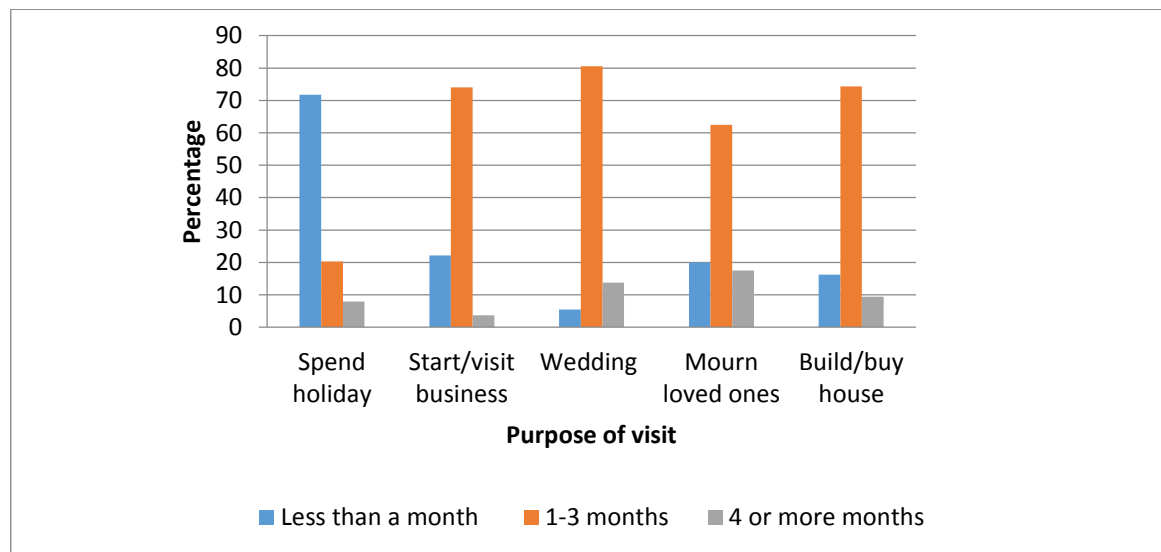
Figure 5.13 Homeland households visited by diaspora members by year of last visit



Source: Migrant household survey 2012

One observation is that emigrants frequently visit Ethiopia during public holidays and in happy and sad times. The survey found that more than half (56.2 percent) of the diaspora came to Ethiopia to spend a holiday with family, 18.9 percent to mourn the death of loved ones or to celebrate families or their own wedding ceremonies. The latter is more pronounced among those who resided in Western countries. Moreover, a quarter of migrants had visited home either to build/inspect/buy a house (18.5 percent) or to start new business (6.5 percent). The majority (71 percent) of diaspora visitors stay in Ethiopia between one and three months, while about 20 percent come for a short visit (a month or less) and some 9 percent stayed for over four months. Figure 5.14 shows that migrants who came to celebrate a public holiday paid a short visit, while those who came to be involved in social events (i.e., weddings, and funerals) and to make investments stayed longer than a month, notably 1 to 3 months. This has implications for the local economy, particularly for the tourism sector, which is discussed in Chapter 8.

Figure 5.14 Purpose of migrants’ home visit and duration of stay in Ethiopia



Source: migrant household survey 2012

It is important to note that family visiting is a two way process. The survey shows 18.6 percent of respondents had visited a migrant member abroad; of these the majority (80 percent) were in the US. Families with multiple diaspora members, who tend to have well established members overseas, are often more likely to have social capital, and are more likely to travel overseas than those who have only a single member. The reverse visit, which is fully sponsored by a diaspora member, demonstrates not only the migrants level of achievement but also boosts their social status. Besides getting exposure, parents, usually mothers, travel abroad to provide care for their daughters who have given birth and

the new born baby and assist in businesses (e.g. Ethiopian cuisine, supermarkets, etc.), where the traditional food and drinks are solely prepared by women.

5.9. Conclusion

This chapter has discussed the patterns, processes and reasons for cross-border mobility, along with the characteristics of migrants living abroad. It has also examined the dynamics of transnational family relations, the communication media employed, and implications for resource transfers. Currently the level of emigration is unprecedented in Ethiopia and the study area in particular. An overwhelming majority (90 percent) of migrants from Gondar resided in the global North, of which over two-thirds were in the US. Once started by political instability in the late 1970s, cross-border mobility has been increasingly driven by chain migration, the DV programme, a quest for a better life, from relative deprivation, in pursuit of 'home', and for education. The reasons for migration, however, greatly vary across gender and generations of emigrants. As people's everyday lives are shaped traditionally by social networks, and communal life styles, the migration decision is made at different levels and in complex scenarios.

The study found that migrant families maintain strong family ties through diverse communication media, and by visiting each other both in Ethiopia and overseas. Communicating and visiting each other implies 'networks of care, support and affection – effectively social capital – that can be traced over large geographical distances (Larsen *et al.* 2006, p. 265; Chamberlain, 1995). The characteristics of transnational families shape the types of communication media employed which in turn influences the frequency of family contact, and the length, quality and depth of discussions. Those who adopt new communication media are usually young and more likely than others to maintain frequent ties; to discuss a wide range of issues, and to greatly benefit from the transfer of ideas and experiences. Migration and remittances were found to significantly improve the possession of communication media by migrant households. The following chapter provides the patterns of remittance flows, remitting behaviour and utilisation patterns.

CHAPTER 6

REMITTANCE FLOWS, REMITTING BEHAVIOUR AND UTILISATION PATTERNS

6.1. Introduction

This chapter focuses upon the demographic and socio-economic characteristics of remittance receiving households and discusses the trends and patterns of remittance flows, including the origin of remittances, amount and frequency of receipt, and remitting behaviour. It also reflects on how migration patterns shape remittance channels, by comparing two different regions. Gondar is a mature migrant community that sends emigrants to the global North through regular channels while Hadiya and Kembata are regions from which migrants predominantly migrate to South Africa on an irregular basis. This chapter also discusses aspects of in-kind remittances to and from Ethiopia, the types of items and goods transferred, together with the means and frequency of transfer. The patterns of remittance usage and the decision making processes are also discussed along with how the social construction of remittance money influences utilisation patterns.

6.2. Characteristics of remittance receiving households

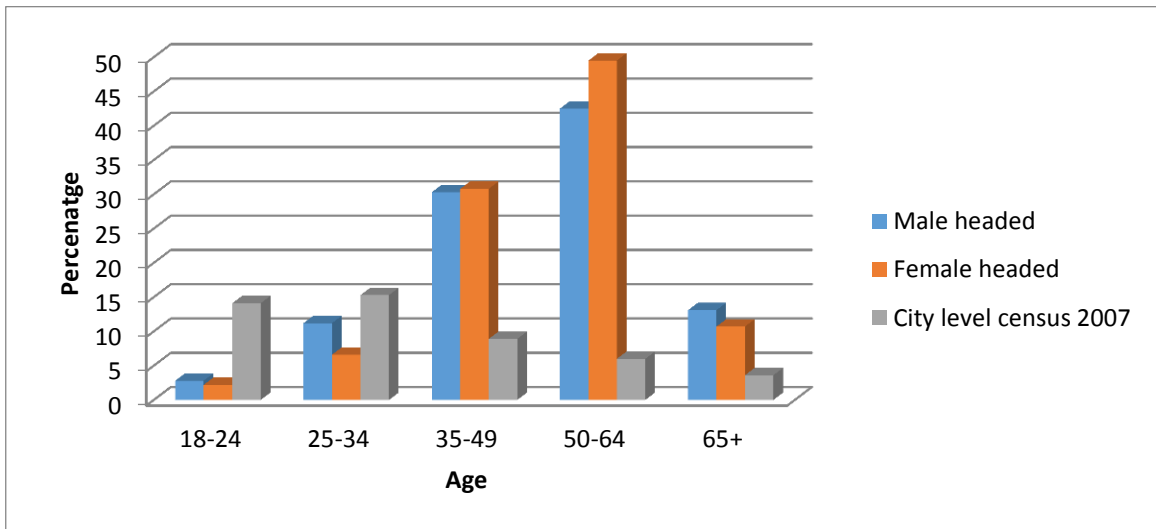
In order to better understand the motives of those sending remittances, their behaviour, and utilisation patterns, the study gathered demographic and socio-economic data of migrant households, such as age, sex, religion, marital status, education, employment, family size, household income, and their previous place of residence.

6.2.1. Age and gender of migrant household heads

Of 544 respondents, the majority (58.8 percent) were male-headed households, while the remaining 41.2 percent were female-headed, with many widowed. Figure 6.1 shows that the largest proportion (45.4 percent) of household heads was concentrated in the age group 50-64 years, while the second largest group was aged 35-49 years (30.1 percent). Household heads aged 65 and over accounted for 12 percent of the total respondents, which was high compared to only 3.6 percent for all city residents. This shows remittance recipients over 50 years of age are over-represented in this study whereas the proportion of respondents aged 18-34 was low (12.8 percent) compared to the corresponding cohort of city residents (29.4 percent). Those who moved to the city from the surrounding villages and small towns to pursue college education comprise the largest share of youth headed

households. Notably, more than half of the city population (52.1 percent) constitute people aged 18 or below (CSA 2007).

Figure 6.1 Age structure of migrant household heads compared to Gondar city residents

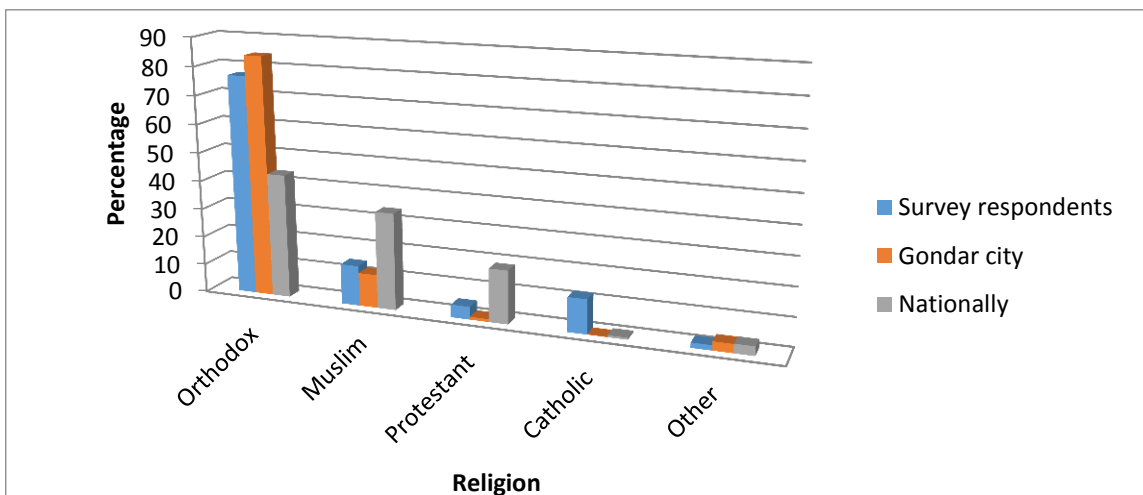


Source: Migrant household survey, Population and Housing Census CSA 2007

6.2.2. Religion

The survey results show that the vast majority (83.8 percent) of respondents are Christians, of whom Orthodox accounted for 78.1 percent, with the remainder Protestant (3.7 percent) and Catholic (0.4 percent). Muslim households account for about 14.1 percent of total respondents. These results are consistent with city census data - that show Orthodox followers comprised the largest proportion (84.1 percent), followed by Muslim (11.7 percent) and Protestant (1.0 percent), as shown in Figure 6.2. In Ethiopia, nearly two-thirds of the population are Christians, predominantly Orthodox.

Figure 6.2 Religion of migrant household heads, Gondar city residents and the total population of Ethiopia

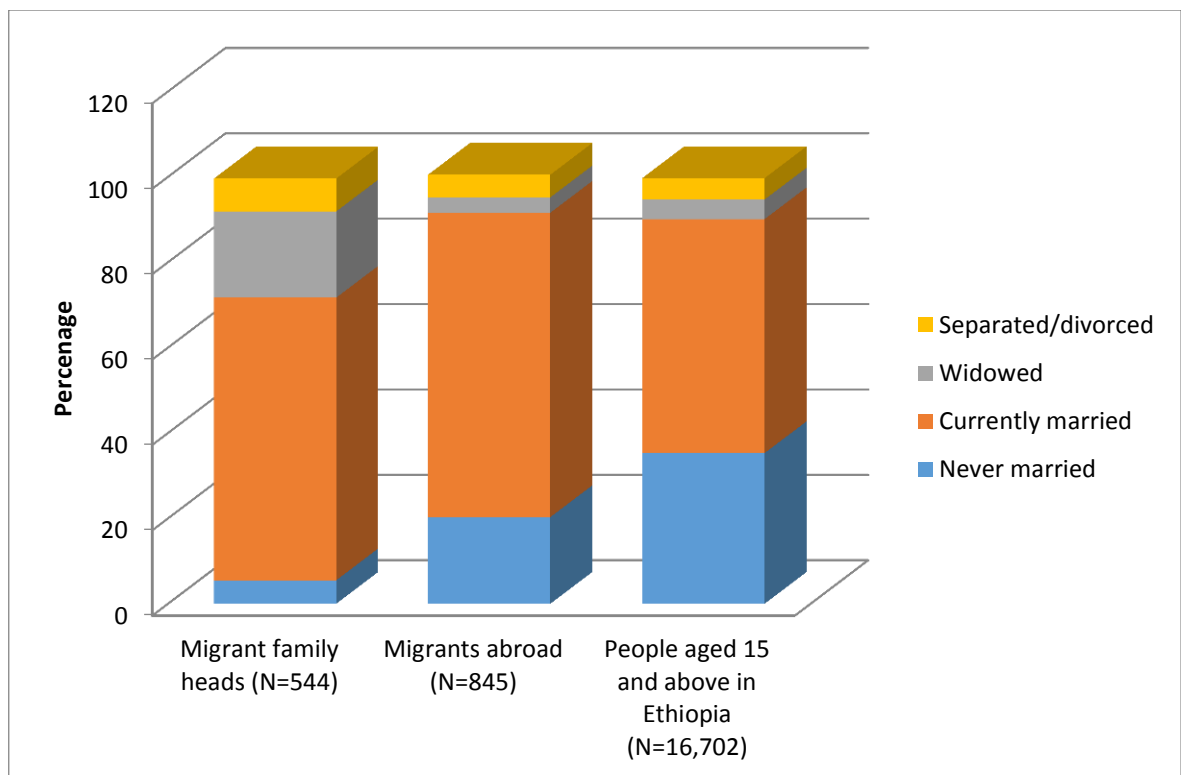


Source: Migrant household survey, Population and Housing Census 2007

6.2.3. Marital Status of migrant household heads

The survey found that over two-thirds of migrant household heads were married, one out of five were widowed, 5.5 percent were single and a few were either divorced (5.8 percent) or separated (2.2 percent). Figure 6.3 shows the prevalence of widowed households was higher among migrant households (20.2 percent) compared to the non-migrant population (4.6 percent) and migrants living abroad (3.6 percent). However, females accounted for the largest proportion (80 percent) of widowed households in this study. Widowed cases were also higher among households over 50 years of age. Figure 6.3 shows the proportion of people who are currently married is higher among migrant households than the non-migrant population aged 15 years and above. It is important to note that most of the migrants, including those who fled Ethiopia in the late 1970s were unmarried during the initial migration stage. Notably, no cases of divorce or separation were reported among families where the husband or wife is away. However, Figure 6.3 also shows the prevalence of divorce or separation is slightly higher among migrant sending families compared to the total population in Ethiopia. Family disputes over remittance usage in part explains this phenomenon. The proportion of never married people was higher among the non-migrant population aged 15 years and above compared to migrant respondents.

Figure 6.3 Survey respondents, migrant members abroad and people aged 15 and above in Ethiopia by marital status

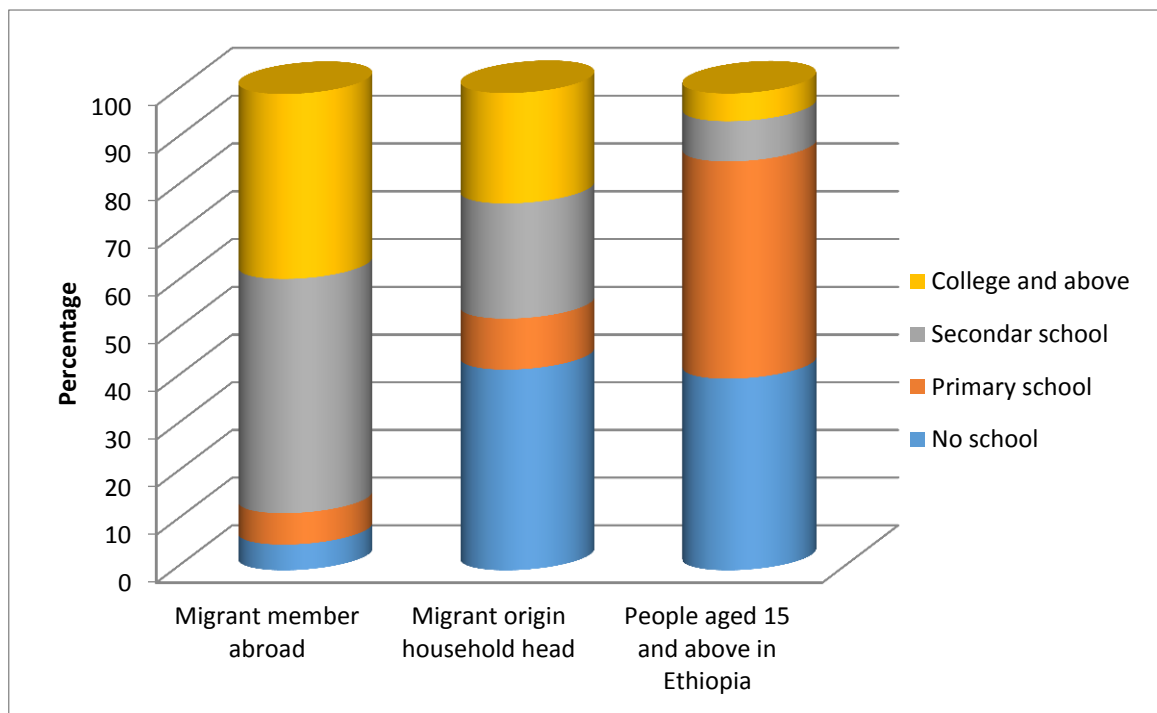


Source: Migrant household survey, 2012; Demographic Health Survey (CSA 201, p.36)

6.2.4. Education

Figure 6.4 compares the distribution of migrants, migrant family heads, and the total population of Ethiopia by educational attainment. However, it doesn't necessarily imply the completion of the education level mentioned. The survey found two-fifths (42 percent) of respondent household heads had never been to school, of these 17.8 percent do not know how to read and write. This is comparable to the total population of Ethiopia aged 15 and above who had never been to school (40.2 percent), but this is high compared to migrants living abroad (5.2 percent). The vast majority (87.8 percent) of migrants have attained secondary or higher education, while the corresponding percentage for all Ethiopians aged 15 and over, is only 14.2 percent, suggesting the selective nature of migration. Interestingly, migrant origin families have better educational attainment compared to the non-migrant population. The 2007 Census indicated that in Gondar out of 186,391 people aged 5 and older about 30 percent have never attended school, two-thirds of whom were females. However, the illiteracy rate is relatively lower among migrant family heads (42 percent), compared to people aged 19 and over in urban areas of the North Gondar province (57 percent) (CSA 2007).

Figure 6.4 Migrant family heads, migrants abroad and people aged 15 and above in Ethiopia by education status



Source: Migrant household survey, 2012; data compiled from DHS, CSA 2011

6.2.5. Employment

Table 6.1 shows the employment status of migrant household heads. Out of 544 households, 27.9 percent were civil servants and another quarter were self-employed. Households who were unemployed (not engaged in any form of paid or unpaid family work) accounted for 11.2 percent of total respondents. Nearly a quarter of surveyed households had children aged 18 or over who were neither studying nor engaged in work. This figure is high compared to the rate of unemployment in the city (16.3 percent) and urban Ethiopia (17.5 percent) (CSA 2007). Households headed by retirees and students account for 11.6 and 3.7 percent respectively. Female household heads are more likely to be unemployed, and of 224 female family heads, 102 (45.4 percent) were housewives. The high rate of unemployment is not surprising given that more than half (52.7 percent) of household heads had very little education. In urban Ethiopia, according to Kronlid (2001, p.13) ‘all levels of main income earner’s education have positive and significant effects on household income’. That means income rises with educational attainment and is reflected in family welfare. Kronlid (2001, p.13) also argued that ‘if all main income earners were given at least primary education, average household income would increase by nearly 3 percent’. Table 6.1 shows a quarter of the respondents were self-employed, mainly in the informal sector. The role of remittances in advancing self-employment is discussed in Chapter 7. Male household heads account for over three-quarters of self-employed households, while the corresponding figure for female-headed households was 22.3 percent. In Ethiopia, the informal sector accounts for nearly a third of urban employment and females are increasingly engaged in this sector (CSA 2012).

Table 6.1 Employment status of migrant household heads

Employment status	Number	Percent
Employed	152	27.9
Unemployed	61	11.2
Self-employed	14	24.6
Student	20	3.7
Housewife	102	18.8
Labourer	5	0.9
Retired	63	11.6
Other	7	1.3
Total	544	100.0

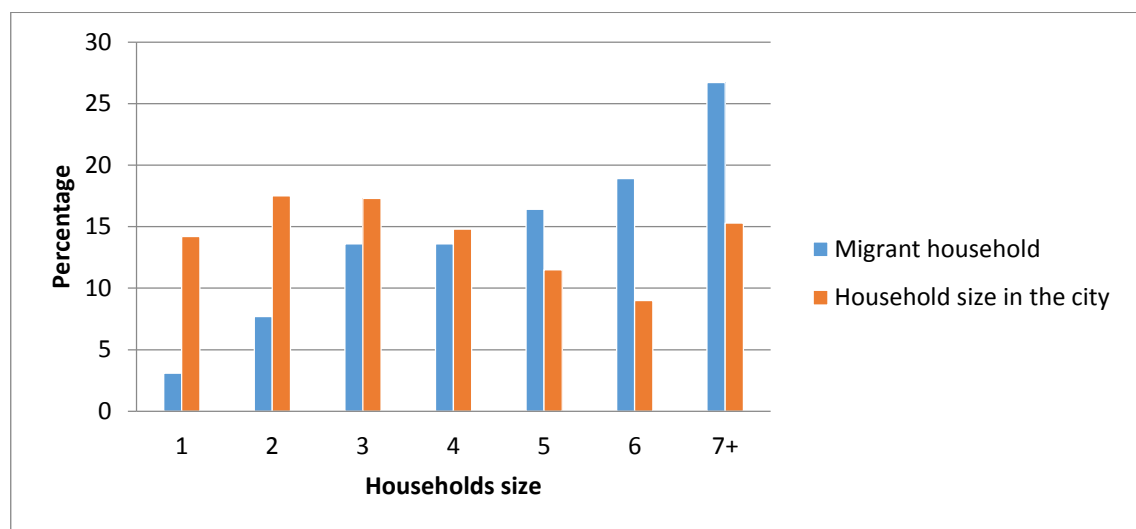
Source: Migrant household survey, 2012

6.2.6. Family Size

The survey findings show about two-fifths of migrant households had 4 to 6 children, 15.1 percent had seven or more children and 30.1 percent had three or less children. Migrant

households often constitute members beyond the immediate family. Migrant household size ranges from 1 to 15, with the mean average 5.3 which is higher than 4.0 persons per household in Gondar and 4.8 nationally (CSA 2007). This is due to the fact that migrant families allow extended family members to live with them. More specifically, they help move relatives to the city from areas where access to social services is limited. Nearly 40 percent of households reported they had helped one or more extended family members move to Gondar from villages or small towns to pursue education in the city. Out of 544 migrant households, more than half (53 percent) had more than one family member living abroad. Of these, the majority (56.3 percent) had two members abroad; nearly a third had three or four, while some (10.7 percent) had five or more.

Figure 6.5 Number of people per migrant household compared to average city size



Source: Migrant Household Survey 2012; data compiled from Census (CSA 2007)

6.2.7. Family and Dynamics of Remittance Transfer

Analysing the dynamics of who sends and who receives remittances is important to understand the motives behind transferring resources, and their impact on recipient families and the community at large. Lindley (2009, p.1333) pointed out that ‘understanding the control and transfer of remittances requires careful scrutiny of the social construction of the family in specific cultural and transnational contexts’. The type of relationship respondents had with the remitter is shown in Table 6.2. The multiple responses indicate that over three-quarters of household heads receive remittances from their sons and daughters, more than half from siblings, 8.4 percent from family in-law, 4.4 percent from parents and another 4.2 percent from spouses. The latter suggest that married men or women are less likely to move leaving spouses behind. It has been reported that of

the 14 percent of adults in Ethiopia that receive foreign remittances the majority receive them from siblings (Table 6.2). This does not contradict the present study, given that the latter uses household heads as respondents, as opposed to any household member. This influences the relationship between the remitter and recipient. Remittances tend to flow from parents to the left behind spouse or children which is typical in classical labour migration (Lucas and Stark 1985; Todaro 1969), however it occurs on a smaller scale in Ethiopia.

Table 6.2 Relationship of remitters to household heads*

Household heads relationship to remitters	In this study (%)	National Survey (%)
Son/daughter	77.9	10.0
Sister/brother	57.4	47.0
Father/mother	4.4	6.0
Husband/wife	4.2	5.0
Aunt/uncle/niece/nephew	3.1	32.0
Family in-law	8.4	0.0

Source: Migrant household survey 2012; World Bank study 2010

*(multiple responses)

The notion of family and kinship in Ethiopia is tied with solid supportive social networks, and this is now widely adopted in the transnational social field. Nearly three-quarters of households stated that their diaspora members sent remittances to people other than immediate family, with three out of five sending them to extended family, a little over a quarter to neighbours and friends, and 3.7 percent to family in-law. In the World Bank survey (2010), nearly a third of remitters are extended family members (Table 6.2). In Gondar, remittances are increasingly being sent to friends, neighbours and in-laws whereas no recipients of this kind were identified in the nationwide remittance survey. Aredo (2005, p.18) also reported that, in Ethiopia, remittances sent to friends have declined over the years from 11 percent in 1994 to 2 percent in 2000. In Gondar migration has intensified over the years and many of the residents had friends, distant relatives or neighbours who were away. Marriage related migration is also on the rise. The survey found nearly one-tenth of households interviewed had a member who moved abroad for marriage with a diaspora member.

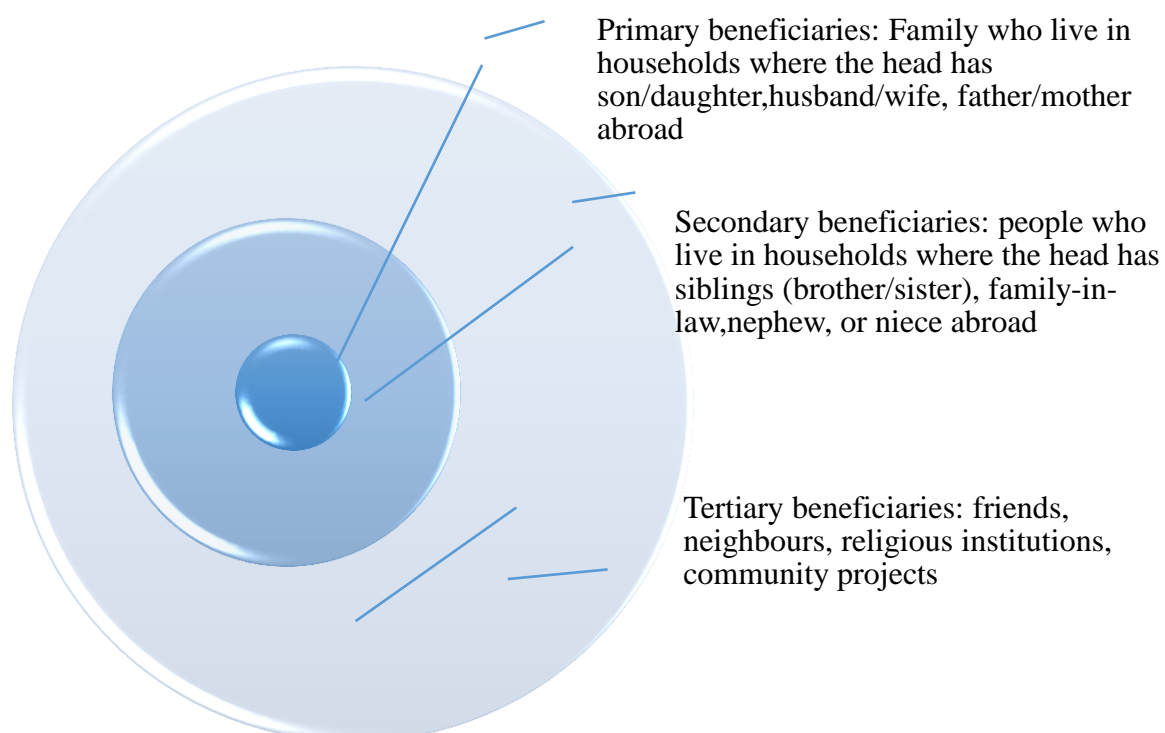
Table 6.3 Remittance flows to people other than immediate family

Type of relationship with the remitter	Number	Percent
Close relative (Aunt, uncle, cousin, nephew, niece)	288	70.5
Neighbours	50	12.2
Friends	55	13.4
Father/mother in-law	15	3.7
Total	408	100.0

Source: Migrant household survey, 2012

This study categorised remittance recipients in three major beneficiary groups: primary, secondary and tertiary, based on the patterns of remittance inflow, the recipients relationship with the sender, their living arrangements and other characteristics. Figure 6.6 indicates that primary are those households where the family head has a son/daughter, husband/wife, or parent (mother/father) living abroad. This includes students or unemployed family members who live apart from the main household. Primary beneficiary households make up 82.1 percent of those respondents interviewed in the survey. However, married and employed siblings or those with an alternative source of income are less likely to continue as a primary beneficiary. The remaining 17.9 percent of respondents were either secondary or tertiary beneficiaries.

Figure 6.6 Remittance recipients by beneficiary groups



Source: Constructed by author

Secondary beneficiaries are extended families, including grandparents, aunts, uncles, nephews/nieces or in-laws related to the sender. They receive remittances intermittently. Tertiary beneficiaries (friends and neighbours, etc.) receive remittances less frequently. The amount and frequency of remittances tends to decline across beneficiary levels - as one goes from primary to secondary then to tertiary beneficiaries. This emphasises the importance of this relationship in influencing the patterns of remittance flow. The groups also have different levels and uses of remittances. Secondary and tertiary beneficiaries often receive small remittances during major public holidays, on special occasions or in times of crisis. In-kind remittances are more common when migrants make visits home. Primary beneficiary households also channel resources, in cash and in-kind to secondary and tertiary beneficiaries.

Migrants abroad usually send remittances to a main recipient household and tell them to direct a certain amount to others. In so doing, they will avoid paying additional transaction costs. They are also able to reach intended recipients that live in villages or small towns where no banking services exist as well as get recognition for assisting people beyond the nuclear family. Remittances are increasingly sent to religious institutions, especially during special holidays (e.g. Epiphany) or when they build or renovate buildings or run community projects. The amount of money sent is believed to be large and also includes in-kind items. When recipients are religious institutions, the main household head will deliver remittances to the intended church or mosque in front of a big congregation. This also happens when migrants travel home to visit. Religious leaders announce the sender and his/her family name, place of residence, amount of money sent and its intended purposes. Community recognition and blessings are of paramount importance in the social and mental wellbeing of the donating family at both origin and destination.

However, over time recipients move across different beneficiary levels, depending on the life course changes they undergo in both the sending and receiving countries. That means beneficiary levels are not static, and emigrants do not necessarily remit to all these beneficiary groups. It is observed that family heads tend to influence the remittance flow through informing the good or bad deeds of household members, neighbours and relatives to the diaspora member. Sometimes they also advise who in the family or extended family deserves support. Indeed, the degree of closeness, trust, reciprocity, and any form of support provided to the migrant before migration and to the remaining family after migration, tends to determine the remittance relationship. In other words, remittances are

sent as an incentive or reward for the emotional, social and other non-material support provided for the main family, notably parents.

This study found that marital status was an important demographic characteristic that affects the patterns of resource distribution within and between migrant families, however it was not the sole factor. Remitting patterns change when either the remitter or recipient's marital status change as shown in Table 6.4. By the time a migrant gets married, his/her spouse become primary beneficiaries until they are reunited abroad. Of particular note, family reunification takes considerably longer time and is often costly. Grieco (2004) pointed out that migrants tend to remit more in the phase of family reunification. This is mainly because the migration process, including visa and other travel expenses are costly. Parents are also more likely to move down to the secondary beneficiary level, and a new beneficiary group (i.e. family-in-laws) would be added to the recipient list. Similarly, by the time adult family members start living apart from the mainstream household (i.e. through establishing marriage, securing job, or sustaining their own income) they could move down to the secondary beneficiary level. Divorce and separation also affect remittance flows by changing the relationship dynamics and level of commitment.

Table 6.4 Distribution of migrant families by beneficiary level

Remitters relation with household head	Beneficiary level		
	Primary	Secondary	Tertiary
Son/daughter (Single)	Parents and young siblings, who live together	Married/employed siblings who live separately from the main household, aunt, uncle, grandparents, nephew etc.	Friends, neighbours, religious institutions, community projects
Son/daughter (Married)	Wife/husband if living across border, children	Parents, family in-law	Married/employed siblings, extended family, friends,
Husband/wife	Wife/husband, and children	Parents, young siblings, family in-law	Married/employed siblings, extended family, friends, neighbours, etc.
Sister/brother (single)	Parents of immigrants (Mother/father)	Siblings and their children (in this particular case interviewed household)	Extended families, friend, neighbours, etc.
Sister/brother (married)	Wife/husband if living across borders	Parents, family in-law	Siblings and their children

The notion of households is not straightforward. Many households involve members who live away (within and across borders) but survive because of resources transferred from abroad. An interview with a widow in her 60s in Gondar clarifies this point:

I have 10 children and my four daughters live in America, Australia and Canada. The first migrated to Australia in the 1970s, but recently moved to America. The second joined her some 17 years ago in Australia. Two of my other daughters managed to migrate to Canada after staying six years in Kenya. It was possible only through the support of their elder sisters abroad. They sacrificed a lot of resources, and in supporting two families across borders.

As the above quotation illustrates, remittances are sent in many directions, to the main origin family in Gondar and also to siblings living in other parts of Ethiopia or temporarily residing in neighbouring countries and those migrating to other countries to study (e.g., India). In these cases, the remittance flow is likely to be high to family members who live in neighbouring countries (investment in migration) or those who study in India (investment in education) compared to the main household in Ethiopia. Studies (Hammond 2011; Lindley 2009) have found that this phenomenon is more pronounced among the Somali diasporic community who often remit to the dispersed family, clan and sub-clans across East Africa and beyond.

In many households the number of diaspora members exceed those who live in Ethiopia and in 3.6 percent of cases the entire family was now living abroad, and extended families stay in these houses. In the latter case, remittances do not decline or stop as Grieco (2004, p.246) argued:

...as the process of family reunification is gradually completed, fewer and fewer immediate kin remain abroad and remittance levels begin to decline. When the last migrant joins the household and all the dependent family members have joined the earliest migrant, the flow of remittances sent back home ends.

This study shows that instead of declining or ending, remittances are increasingly sent to extended families, friends, neighbours, and local institutions (e.g. churches). In other words, the horizons of remittance recipients becomes wider when situations change. This also happens when primary beneficiaries are not very demanding.

6.3. Trends and patterns of remittance inflow

Table 6.5 shows the patterns of remittance flow, and with the exception of 12 households (2.2 percent), all interviewed households have received remittances from relatives living abroad. With regard to how long they have received remittances, 37.6 percent have done so

for more than a decade, of whom the majority (28.3 percent) for two decades, and another 9.4 percent for over two decades. About 63 percent have been receiving remittances for about a decade, with a quarter in the last five years. This shows that Gondar is a mature emigrant community, where migration and remittance recipients have intensified over time. The World Bank (2010) interviewed 2,412 adults in Ethiopia and found that 39 percent (940 individuals) had family members or relatives living abroad, of whom only 14 percent received remittances.

Over a quarter of respondents observed that remittances had decreased overtime, while the same proportion claimed that they had increased. Those households where remittances declined had managed to transform their livelihoods through prior remittances, while the latter includes those who were in transition (i.e., in the process of building family assets) and had started receiving remittances recently. Another quarter of households, mainly remittance-dependent families receiving similar amounts of money on a regular basis, had seen no change. The remaining one-fifth experienced fluctuations in remittance in-flows. Out of 544 households, about 40 percent received remittances more than five times a year, over a quarter three to five times, 16.2 percent twice yearly and 5.5 percent received it only once (Table 6.5). The average is seven times a year. Female-headed households are the largest among households who received more frequent remittances. Table 6.5 shows that nearly a quarter of respondents had collected remittances two weeks before interview, 30.4 percent in the last month, one third in last two months, 10 percent about 3-4 months, and only 4.1 percent in the last six months.

Remittances tend to arrive on a monthly basis for one third of respondents (188 out of 544 households) with most having no alternative sources of income. Others receive remittances during public holidays, weddings, funerals, and for investment on housing, land, business and education. Nearly two-thirds of households responded 'Yes' to the question '*do your family member(s) abroad often send money to your family during public holidays*'. Those households not receiving any on public holidays tend to be regular recipients that receive remittances on a monthly basis, but the amount of money sent in the months that these holidays fall would be higher than usual. Regardless of their level of income, remittances are increasingly sent to migrant families, friends, and relatives during the Ethiopian New Year (September), Christmas, Epiphany, and Easter. Among Muslim households, it would be *Eid al-Fitr* and Ramadan. In the Hadiya and Kambata regions, the remittance 'traffic' is high during *Meskel*, a holiday celebrated to commemorate the 'Finding of The True Cross'.

The flow is also high during times of funerals and weddings. The motive is not only to express happiness or sadness, but also to compensate the non-material support that migrants could have provided if they were not away.

Table 6.5 Households by remittance flow, length of time, frequency, and when last received

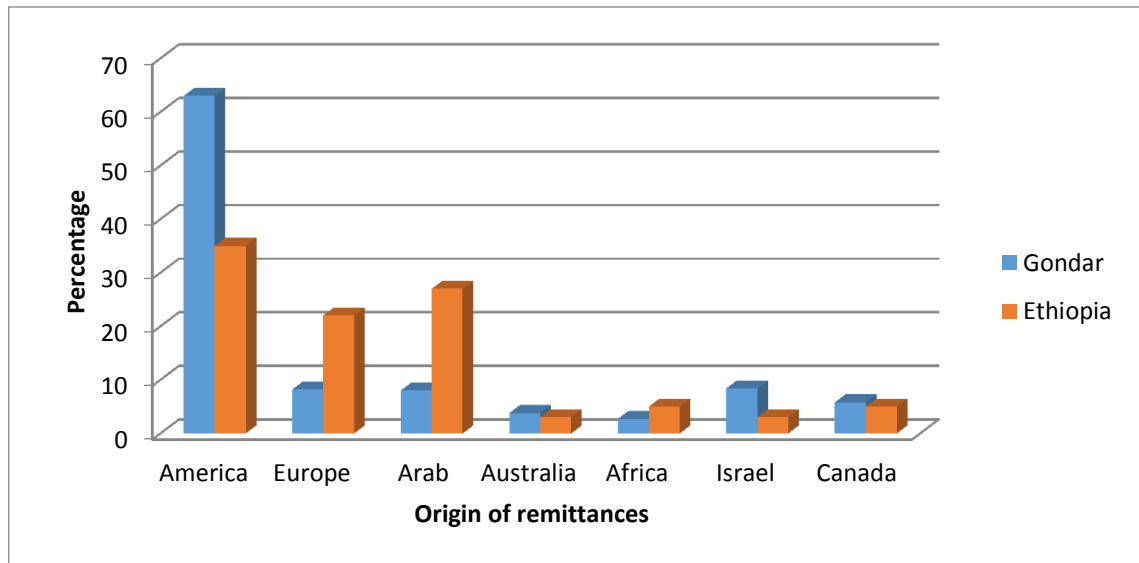
(a) Length of time of remittance receipt	Number	Percent		(b) Trends of remittance flow	Number	Percent
0-5 years	184	33.8		Increasing	145	26.6
6-10 years	155	28.5		Decreasing	150	27.6
11-15 years	81	14.9		Almost similar	138	25.4
16-20 years	73	13.4		Vary, fluctuate	111	20.4
Over 20 years	51	9.4		Total	544	100.0
Total	544	100.0				
(C) Frequency of remittance receipt over the last year						
(C) Frequency of remittance receipt over the last year	Number	Percent		(d) Last remittances received	Number	Percent
None	12	2.2		Before a week	63	11.8
Once	30	5.5		Before 2 weeks	59	11.1
Twice	88	16.2		Before a month	162	30.4
Three times	76	14.0		Before 2 months	177	33.2
Four times	59	10.8		Before 3-4 month	50	9.4
Five times	63	11.6		Before 6 months	22	4.1
Over five times	216	39.7		Total	532	100.0
Total	544	100.0				

Source: Migrant household survey 2012

6.3.1. Origin and amount of remittances

Figure 6.7 shows that the city of Gondar disproportionately receive remittances from the global North (89.2 percent), while at a national level 68 percent of remittances are from the North. America alone accounts for nearly two-thirds of the total remittance flow to the city and about 18 percent from Europe, Canada and Australia. Another 16.4 percent were sent from migrants residing in Israel and Arab countries, with only 2.7 percent from other African countries. South Africa is the main source of remittances for Hadiya and Kambata regions in South Ethiopia. The World Bank (2010) survey showed that 70 percent of remittances to Ethiopia originate from North America and the Middle East and 22 percent from Europe, as Figure 6.8 shows.

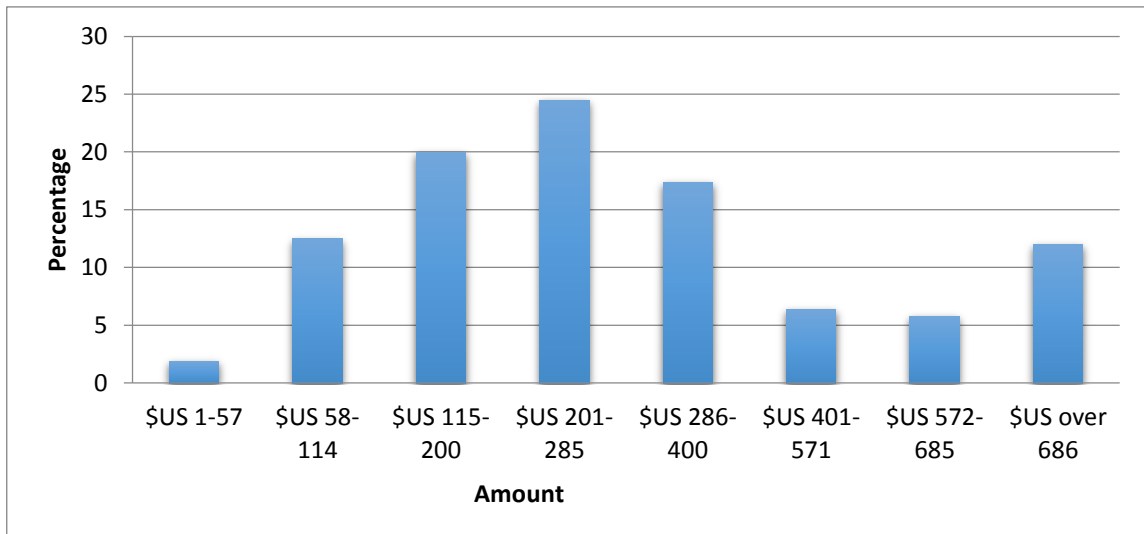
Figure 6.7 Origin of Remittances to Ethiopia and the Study area (Gondar)



Source: Migrant household survey 2012; World Bank Survey unpublished 2010

The amount and frequency of remittances varies depending on the sending and receiving families' characteristics. Figure 6.8 shows the amount of remittances received in a single transaction in the year prior to the interview. On average, migrants sent remittances 7 times a year. The average monthly remittance in this study is \$US252, which is twice the national monthly average. The World Bank (2010, p.1) survey in Ethiopia indicated that migrant families received \$US120 on a single transaction, with five instalments annually. In this study, nearly a quarter of respondent households received Birr 3,500-5,000 (\$US201-285) in a single transaction, 17.4 percent Birr 5000-7000 (\$US286-400), and another quarter received more than Birr 7000 (\$US400). Remittance-dependent households tended to receive between Birr 1000 and 3,500 (\$US60-200) on a monthly basis. The World Bank (2010, p.2) survey showed that 70 percent of remittance recipients in Ethiopia received US\$200 or less at a time. The number of households who received similar amount of money in this study was only 34 percent. Migrant families were much more reluctant to report foreign remittance earnings as opposed to internal remittances for many of the reasons outlined in the methodology chapter. Still, from the households interviewed the average annual remittances per family would be more than the estimated US\$1,764.

Figure 6.8 Amount of remittances received by households in a single transaction



Source: Migrant Household Survey 2012

Respondents were also asked to report the total amount of money they had received over the year prior to the interview. In this regard a huge difference was observed ranging from Birr 1,000 (\$US57) to Birr 2.5 million (\$US142, 857). In order to arrive at a figure closer to reality, extreme remittance earnings, more specifically earnings reported over Birr 600,000 (\$US25,714) were purposely excluded. The mean annual remittance was estimated to be Birr 52,975 (\$US1,764), which is three times larger than the World Bank (2010, p.2) study which estimated remittances at US\$600. The possible explanation is that over 90 percent of migrants from Gondar were residing in the global North, notably in America, and that investment related flows have grown in recent years. The figure is also 3.5 times greater than the mean annual remittances sent by Ethiopian immigrants in OECD countries, which was estimated to be US\$500 (Bollard *et al.*, 2010).

In Ethiopia, the census and other nationwide surveys do not include international migration as an important variable. As a result, it is difficult to estimate the size of migrant households, and the amount of remittance flows in the study area or elsewhere. However, a recent study by the World Bank (2010, p.1) suggests that 14 percent of adults in Ethiopia receive remittances on a regular basis. Aredo (2005, p.20) also estimated that 16.6 percent of Ethiopian urban households receive foreign remittances. The latter study was based on ‘micro-level panel data collected in four rounds, between 1994 and 2000’ from seven major cities (Aredo 2005, p.18). However, these studies tend to underestimate the magnitude of remittance receiving individuals or households in Ethiopia. Aredo’s data are

relatively old, given an intensified level of emigration in Ethiopia over the past decade and it also excludes major remittance receiving towns (e.g., Gondar, Gambella, etc.).

In Gondar, interviews with key informants, notably senior government officials, bankers, and elderly residents estimated that 50 to 70 percent of households had a member or relative living abroad but no evidence was found to support this claim. However, in Gondar where outflows have been intensifying for over three decades the proportion of migrant origin households is believed to exceed both the World Bank (14 percent) and Aredo (2005) estimates (16.6 percent). One study in Gondar reported 35 percent of households had access to foreign remittances (Jenber 2009).

If it is assumed that 16.6 percent of urban households receive remittances in Ethiopia (Aredo 2005) the equivalent in Gondar will be 10,812 households, out of the total 61,521 households (CSA 2011). The average annual remittances per household is roughly \$US1,764 (monthly average of US\$252 multiplied by 7 times a year). Therefore, the annual remittance flow to the city in 2011/12 was roughly US\$19,072,368 (Birr 333,766,440). If we assume 14 percent of Ethiopian adults receive remittances (World Bank 2010), the number of remittance receiving adults in Gondar would be roughly 15,264 (14 percent of 109,030 adults) (CSA 2011). Therefore, using the mean annual remittance of US\$1,764, the annual remittance flow is roughly \$US26,925,696 (Birr 471,199,680).

The survey findings show that three-quarters of migrants also send remittances to friends, neighbours and extended families. If an estimated US\$100 was sent once a year to 13,385 neighbours, friends and close relatives (75 percent of the total 17,847 migrant families), the city would have received approximately US\$1,338,500 (Birr 23,423,750). The total estimate of annual remittances therefore stood at US\$28,264,196 (Birr 494,623,430), more than twice the amount of the city government's annual budget of Birr 305,111,648⁸ during the same period.

6.3.2. Remittance inflow and recipient households' socio-demographic dynamics

It is observed that the amount of money sent varies by frequency of transfer. The amount of remittances sent in one transaction is higher among infrequent recipients than for regular recipients, who have fewer resources, and are more likely to receive a regular amount. Overall, the more regular the flow, the lesser the amount. Irregular recipients, on the other

⁸ The figure was obtained from Gondar city Administration Council unpublished document

hand, are more likely to be well-to-do families where remittances are given for social events and investment. On some occasions, remittances are sent to wealthy households who are even better-off than the remitter. Immigrants tend to maintain strong ties that might be useful during their visits or upon return. In other words, remittances can be viewed as ‘part of a migrant’s effort to build and maintain social capital’ (Grieco 2004, p.245).

The amount of remittances also differed in terms of the migration experience or length of stay abroad of respective household members. Households whose members departed over the past decade tended to receive higher remittances, compared to those who sent members abroad over a decade ago. Around 43 percent of households with recent migrants receive US\$286-400, while the corresponding percentage for households with longer-term members was just 18 percent. Furthermore, of 137 households that received annual remittances of Birr 50,000 or more (US\$2,857), more than half constitute households with members who had emigrated in the past decade, a quarter whose members emigrated 11-20 years ago, and 21 percent over 20 years ago. Of particular note, male-headed households account for about 56 percent of those households who received annual remittances of over Birr 50,000.

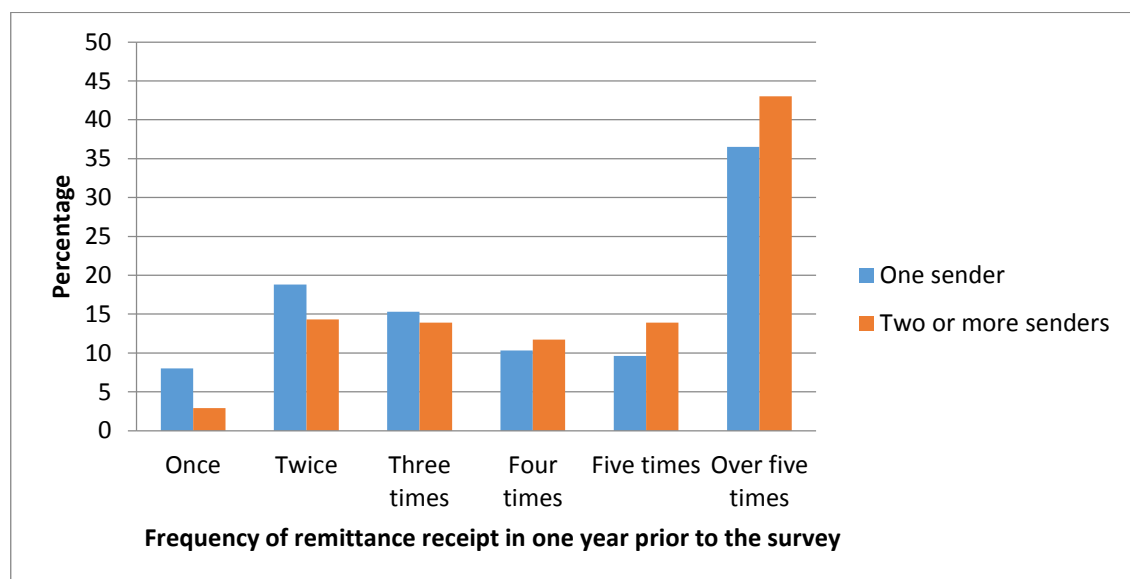
The survey established that remittances didn’t decline with migrants length of stay abroad. Bollard *et al* (2010, p.629) believes that the remittance decay hypothesis works when immigrants stay for two or more decades. However, the survey findings here showed that one out of five households who received Birr 85,000 or more (US\$5,000 or more) per annum were those who sent household members abroad more than 20 years ago. The motives behind remitting, especially large sums of money vary from time to time and are very diverse. For example, one case in this study shows that Sisay (an immigrant in USA) sent Birr 400,000 (US\$22,827) to his mother just before he got married. There were two motives for sending this large sum of money. One, it was clearly an investment motive where left behind family set up a business to sustain their livelihoods. By doing so, the migrant would not be forced to remit in the future when he would have his own commitments. The second was to avoid sharing their savings with a future life partner, especially in case of divorce.

Remittances were also sent to exploit any business, investment and asset building opportunities in Ethiopia. In this case, a remittance transfer could be for the advantage of

the migrant, and it might be partly determined by macro-economic policies, as Kemege and Sekyere (2010) noted. For example, this may be due to diaspora bonds, government low cost housing schemes or allowing diaspora to open foreign currency accounts in Ethiopia.

Figure 6.9 shows the distribution of migrant families by number of remittance senders, and whether they received money from more than one person at a time. The survey found 47.8 percent of households receive remittances from one person, while the remaining 53.3 percent received them from more than one person. Around 30 percent of households received remittances from two senders, 12 percent from three and 9 percent from four or more remitters. One might expect that households with multiple members abroad receive remittances more frequently than those with a single member. However, this study did not find that remittance flows increased when there was a greater number of remitters, as shown in Figure 6.9. In other words, remitter numbers do not as such determine the frequency and amount of remittance flow as one might assume. This is mainly because two or more migrants that remit to the same family are less likely to send remittances at the same time. Of 272 respondents that received remittances from two or more people, only 12.4 percent did so at the same time. In these cases, migrants tend to exchange information and make arrangements about who sends what amount, when, and for what purpose. For example, if one remits for one holiday the other would send for the next. In other cases, remitters sent money for different purposes such as, investment and social events.

Figure 6.9 Households by frequency of remittance receipt and number of senders

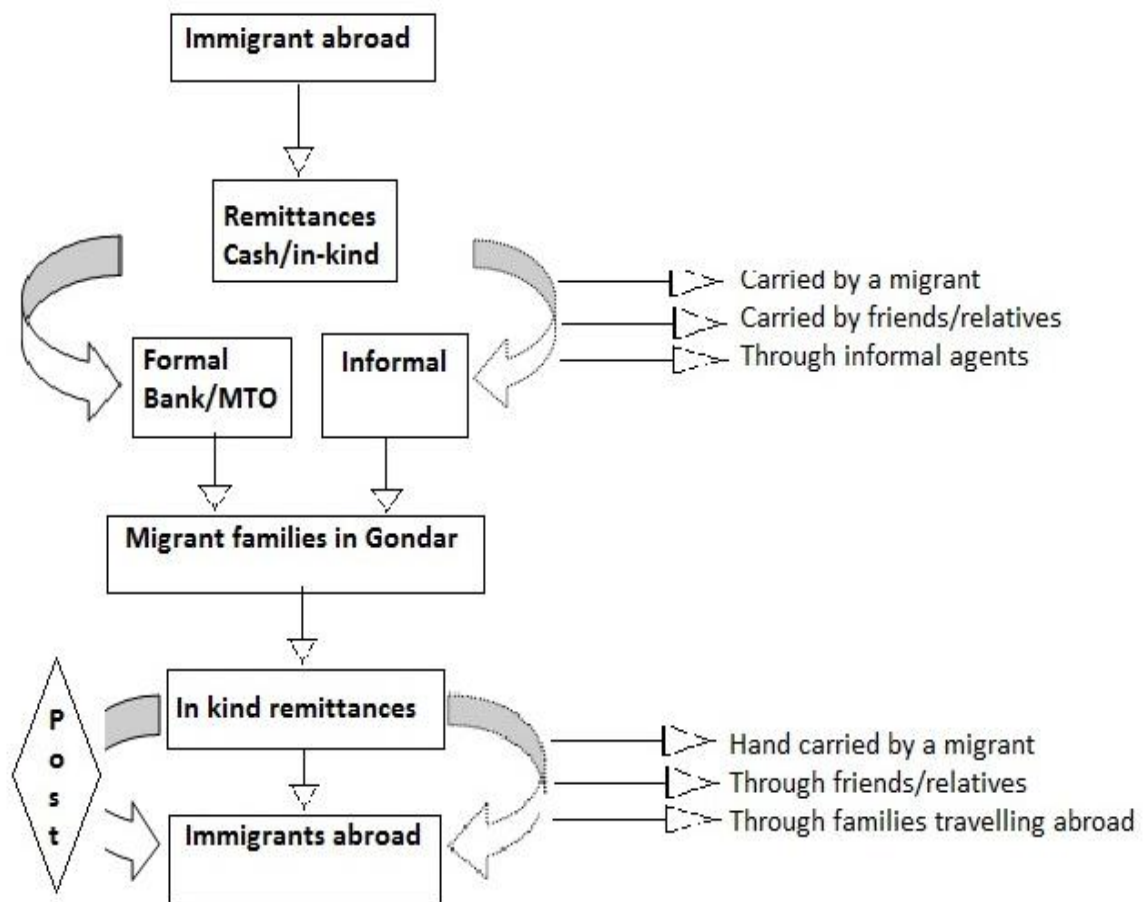


Source: Migrant household survey 2012

6.3.3. Remittance transfer channels

In Gondar, remittances are disproportionately transferred through formal channels. The vast majority (81.8 percent) of respondents collect remittances at a local bank that works in partnership with remittance companies of which Western Union is the most popular, accounting for about three-quarters of remittance transfers. This is mainly because it began operation earlier than others and also has many branches across the country. Considerable proportions (15.3 percent) collect remittances from Money Gram and the remaining 11.2 percent from other companies such as, Atlantic International and Money Express. Other studies have reported similar trends at the national level (Geda and Irving 2010; World Bank 2010). The Post Office was used infrequently to transfer remittances. On the other hand, about 18 percent of households received remittances through informal channels, either from friends and relatives travelling home or delivered by the migrant her/himself. An estimated US\$4,648,425 was transferred to the city through informal channels in one year prior to the survey. Informal flows are high in January when many diaspora come home to celebrate *Timket* (Epiphany), the most popular holiday in the study area.

Figure 6.10 Remittances Transfer patterns in the study area



Source: Constructed by author

Until the mid-1990s, the city of Gondar had only one State Bank (Getahun 2006). Today, almost all state or private banks operating in Ethiopia have opened one or more branches in the city as indicated in Table 6.6. The number of banks in Gondar is not by any means comparable to other cities of the same size. This is mainly because Gondar is one of the major foreign remittance receiving cities in Ethiopia, as well as a trade hub for cash crops produced in and around the province, which has been reported in other studies (Getahun 2006). It is also important to note that the political shift from a command to a free market economy, which was observed in the post-Derg period, has opened avenues for the private sector to invest in banking and insurance (Weeks *et al.* 2004).

Table 6.6 Banks operating in Gondar city

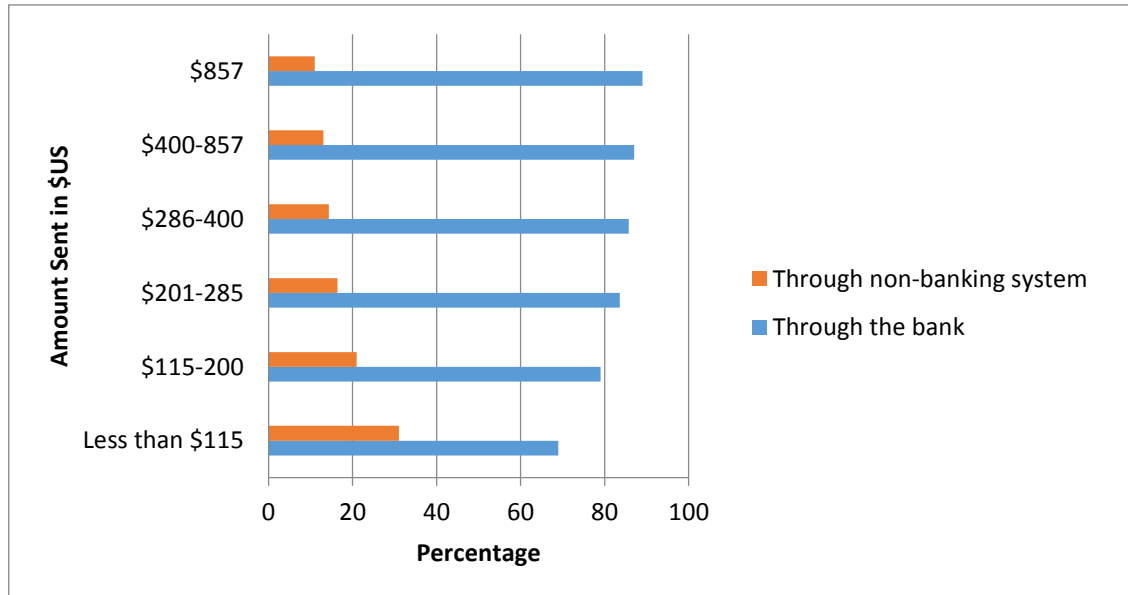
Name of Bank	Number of Branches	Name of Bank	Number of Branches
Commercial Bank Ethiopia	7	Abyssinia	2
Dashen	2	Nib	1
Awash	2	Anbessa	1
Wegagen	2	Buna	1
Construction and Business	2	Abay	2
Birhan International	1	Hibret	3
Oromiya Hibret Sira Bank	1		

Source: Field Survey 2012; data updated until May 2014

Figure 6.11 compares the amount of remittances and the means of transfer, indicating that transferring money through formal channels has increased with increasing amounts and frequency of remittances. About 95 percent of the 137 households that obtained annual remittances of over Birr 50,000, collect the money from formal institutions. Regular recipients are more likely than others to receive remittances through the banking system. However, the amount would be more if sent through informal channels, because migrants would save remittance costs and convert dollars to Birr in the black market with a relatively better exchange rate. On the other hand, those who receive remittances occasionally tend to receive them through people travelling. This depends on the amount of money sent and who is travelling. Large sums would be sent when a migrant or other trusted people travel while it would be less with others. A recent World Bank (2013) press release shows that, if the cost of sending money to Africa reduced by half from the current average of 12.4 percent, African migrants and families left at home would save up to US\$4 billion per year. Ethiopian migrants and those from Gondar city could save up to US\$90 million and US\$1.5 million per annum, respectively, if the cost of sending remittances to Ethiopia reduced by half. Reduction of remittance costs is believed to reduce the role of

informal channels in the remittance market. However, other factors such as, patterns of migration and the legal status of migrants at destination are also important in this regard.

Figure 6.11 The amount and means of remittance transfers to migrant families in Gondar



Source: Migrant household survey 2012

6.3.4. Informal Remittances in Hadiya and Kembata

As reported in Chapter 4, South Africa is an emerging migrant destination for East African migrants including those from Ethiopia. Over recent years, the migration outflow to South Africa has been dominated by migrants from the Hadiya and Kembata region, which is predominantly irregular movement. Another feature related to irregular migration is informal remittance transfer. In Gondar, migrants tend to send formal remittances, which are predominantly transferred through the banking system, while in the Hadiya and Kambata region remittances are transferred through informal channels. Although remittances tend to be operating underground, banks are flourishing in Hosanna, the administrative centre of the Hadiya region. Hosanna, a small town with an estimated total population of 88,486 (CSA 2011), sustains nine banks which is high compared to other towns of the same size. The huge informal funds transfer from South Africa and money transactions within the region explains the rapidly growing banking service. The town has grown rapidly, especially as emigration to South Africa has intensified.

Interviews with bank managers in Hosanna and Duramie showed that there was no direct money transfer from migrants in South Africa to families left behind. However, banks

reported that they made large sum payments to people who have presented cheques issued by informal money transfer agents. The branch manager of Commercial Bank of Ethiopia in Hosanna reported that they paid over Birr 27 million (US\$1,542,857) to beneficiaries in the few days preceding *Meskel*. Indeed, migrants who resided in Western countries send remittances to families in Hosanna through the banking system, however, the scale of official remittance flow is quite low compared to remittances transferred through informal channels.

According to Passas (2003), informal remittance transfers, are:

any network or mechanism that can be used to transfer funds or value from place to place, either without leaving a formal paper-trail of the entire transaction or without going through regulated financial institutions at all (Passas 2003, p.49)

Informal money transfers are often transnational family businesses, which are run by groups of individuals residing in South Africa and Ethiopia. In Hosanna, an estimated 10 to 15 shop owners and returnees are engaged in the informal money transfer business, which enabled many of them to become wealthy merchants. It is important to note that migrant networks, trust and confidentiality are the most salient features of informal money transfer in Ethiopia. This has been reported in other studies in Asia (Passas 2003). Agents in South Africa collect money from migrants (typically an irregular migrant) who want to send money back home. On the same day, these agents notify their counterparts in Ethiopia (i.e., Hosanna and Duramie) the amount of money received from a remitter in South Africa and the details of who the money should be sent to in Ethiopia. Over recent years migrant families in the villages are increasingly using mobile phones to maintain contact with members abroad, as well as with money transfer agents. This has also become an emerging indicator of social status in the villages.

A local agent or counterpart in Hosanna can communicate with recipients via mobile phone and pay the amount of money in Birr using the currency exchange rate of the day. The money is paid in cash or rather by cheque which tends to be the typical payment method. They issue a cheque for remittance recipients so that they can collect their cash from banks where the agent has an account. In other words, agents use the banking services indirectly to pay remittances to recipients. In this informal transfer scheme 'payments are made reliably, fast, cheaply and conveniently' (Passas 2003, p.51). Bank officials reported that no family, social or business relationships appear to exist between individuals who issue and receive cheques. It is also believed that large sums of money are

transferred from South Africa to Addis Ababa by commissioned Ethiopian Airlines flight attendants and merchants that travel between Ethiopia and South Africa. The network in Addis Ababa receives dollars sent from South Africa, converts them on the black market and transfers the money to local agents in Hosanna through their bank accounts. The informal channels also involve cash carried in person by returnees and migrant smugglers. Data obtained from CBE in the Hosanna branch show that in 2011 their bank purchased over US\$85,000 in hard currency for the year. If the amount of dollars sold at black markets and private banks are included, the figure would be much larger.

6.3.5. In- Kind Remittances to and from Ethiopia

Of particular importance, the study observed a substantial exchange of in-kind remittances between transnational families. Table 6.7 shows that out of 544 respondents, over three-quarters had received in-kind remittances in the past year or so. Around three-quarters of respondents had received electronic equipment, mostly mobile phones, computers, photo and video cameras, as well as clothing and footwear (61.4 percent). Over a quarter had received medicine, 15.6 percent jewellery, and 6 households (1.1 percent) a vehicle. In-kind remittance flows in Gondar are large, both in volume and diversity compared to other urban centers where clothes and shoes constituted up to 80 percent of the total in-kind items sent (Aredo 2005, p.18). In this study, the average annual in-kind remittances were estimated to be Birr 10,762 (US\$615) per family, while the city received an estimated amount of Birr 74,806,662 (US\$4,274,865) in the form of in-kind remittances.

Table 6.7 The flow of in- kind remittances to and from Ethiopia*

Type of items received from abroad	Number	Percent	Type of items sent to the migrant abroad	Number	Percent
Electronics	409	75.1	Traditional food	284	56.6
Computer/laptop	148				
Mobile phones	150				
Photo/video camera	110				
TV/DVD player	1				
Clothes/ footwear	334	61.4	Cultural clothes/footwear	195	38.9
Medicine	145	26.6	Music/song CD	86	17.1
Jewellery	85	15.6	Books/magazines	29	5.7
Vehicle	6	1.1	Others	7	1.4
Other	2	0.4			

Source: Migrant Household Survey, 2012

*(multiple responses)

The reverse in-kind remittances flow is also substantial. Over two-thirds of households have sent in-kind items to relatives abroad in the past year. Food and cultural clothes/footwear are the most common items sent, accounting for about 56.7 percent and 38.9 percent of the total items respectively. Moreover, 17.1 percent sent CDs and books accounting for 5.7 percent of the total items sent. Food items help emigrants to reduce spending, and most importantly smooth the transition period. Regarding clothing, it seems that Ethiopians emphasise their culture/identity when they emigrate. For example, most of the gifts presented to migrants or sent to the diaspora, are cultural goods or items that are rarely exchanged among the non-migrant population. In other words, migration provides a new value to locally produced goods and items. This is partly related to the increasingly celebrated multiculturalism in destination countries, as well as a reflection of the divisions among the Ethiopian diaspora along ethnic, religious and political lines.

The survey found 67.1 percent of respondents sent these items only once, a little over a third twice, and another 30 percent three or more times. The average was twice a year. In-kind remittances, unlike that of cash, are predominantly transferred through informal channels. A little over a quarter of households sent in-kind items to diaspora members through the post office, and only 13 percent collected them from the post office. Transnational families opt to send in-kind items whenever they find someone who travels from and to Ethiopia. The role of social networks is paramount in obtaining information about who is travelling, and to convince him/her to carry those items. Carrying and delivering other people's belongings which is quite common within the country is now widely adopted in the transnational social field.

Table 6.8 Reverse remittances by frequency and means of transfer

Means of transfer	Number	Percent	In-kind item value	Number	Percent
Through post office	174	27.4	Less than US\$28	44	12.2
A migrant upon return	146	23.0	US\$29-57	47	13.0
Through other people travelling abroad	314	49.5	US\$58- 114	80	22.2
Total	634	100.0	US\$115-171	78	21.6
			Over US \$171	112	31.0
			Total	361	100.0

Source: Migrant Household Survey 2012

The amount of money migrant families spent to prepare, buy and post one or more of these items varies, ranging from US\$28 or less to over US\$171. However, the amount of time

and energy consumed to prepare the food items are not taken into account. A little over a quarter of the respondents spent \$US57 or less, nearly a quarter between US\$58-114, another 21.6 percent between US\$115-171, and around one third spent over US\$171 (Table 6.8). An estimated annual average cost to prepare, buy and post in-kind remittances was US\$85. The findings suggest that around 5 percent of the annual foreign remittance earnings would be returned to the migrant in the form of in-kind remittances annually. However, in recent years due to the rising living costs, some migrants tend to pay for items sent by families left behind. In some cases, these items are sent for commercial purposes – to migrants that run Ethiopian restaurants, supermarkets, etc. in the host country. The large Ethiopian diaspora also creates a market for the export industry, albeit it is only a small amount.

Table 6.9 Summary of remittance inflows and outflows to and from Gondar

Item	Remittances received from abroad (in \$US '000)		Remittances sent abroad (in \$US '000)	
	Survey	City	Survey	City
Official cash	938	25,824	-	-
Unofficial cash	173	4,648	-	-
In-kind	255	4,219	62	777
Total	1,366	34,692	62	777

Source: Migrant household survey 2012

6.3.6. Domestic Remittances

Regarding domestic remittances, a little over a third of the respondents had received them, either in cash or in-kind, while about two-thirds did not. Similarly, a recent study in Ethiopia showed that 22 percent of the adult population received domestic remittances (World Bank 2010). Table 6.1 shows that the annual domestic remittance ranges from Birr 1,200 (US\$68.5) to 22,000 (US\$1,257), with the mean average of Birr 6,314 (US\$361). The average monthly domestic remittance is US\$30.5 (Birr 533) which is more than 8 times lower than foreign remittances, which are \$US252. The amount of remittances that emigrants sent from abroad varies greatly compared to the variation observed in internal remittances, as shown in Table 6.10.

Table 6.10 The distribution of annual domestic and foreign remittances in \$US

Type of remittances	Mean annual	Median	Mode	Standard deviation	Minimum	Maximum
Domestic	361	291	228	233.26	68.5	1,257
Foreign	3,027	1,428	571	4,928.8	57.0	28,571

Source: Migrant household survey, 2012

Those who do not receive domestic remittances were asked for the reasons (Table 6.11). The majority (46.5 percent) stated that they do not receive or expect support from family members living in Ethiopia, as they access sufficient remittances from abroad. Some 17.8 percent had adequate incomes, although nearly a quarter constituted members who were either unemployed or students. Households whose potential remitters earn little income or have their own commitments (dependents) account for 19.6 percent. In 4.5 percent of cases all family members are living abroad.

Table 6.11 Respondents reasons for not receiving domestic remittances

Reasons	Number	Percent
Receive enough money from abroad	165	46.2
Family members are unemployed	64	17.9
Family members have own dependents	49	13.7
Family members are students	40	11.2
We have sufficient income	19	5.3
Family members live outside Ethiopia	16	4.5
Other	4	1.1
Total	357	100.0

Source: Migrant household survey, 2012

This study suggests that the flows of foreign and domestic remittances are inversely related. Over two-thirds of the 409 respondents that claimed foreign remittances as ‘important’, ‘very important’ and ‘extremely important’ for their families, do not receive domestic remittances. However, ‘importance’ does not necessarily imply the amount of money sent, as it depends on other factors, such as family size, assets, alternative income and the timing of remittances. Remittances sent during a crisis undoubtedly are of great importance. It is important to note that in Ethiopia those with paid jobs or who have other sources of income, are socially or morally obliged to share part of their income with parents, siblings and extended family. The flows of foreign remittances not only ease this pressure but also allow potential domestic remitters to use their earnings for their own well-being.

6.4. Patterns of remittance utilisation

Table 6.12 shows how the money that migrants sent was spent. Nearly two-thirds of households spent remittances on food; two out of five on education, and a little over a third on housing and land. Another important area of spending includes clothing (30.5 percent), household durables (29.5 percent) and social events (27.7 percent) including holidays, weddings, funerals, etc. About 8 percent of respondents used remittances to establish or expand businesses, some 7.7 percent for health care and the remaining 3.6 percent for other

purposes such as to repay debts, pay rent and finance migration. The purpose of the latter is to diversify risks through multiplying remittance sources or substituting an ‘old’ remitter with a new one so that the former can slowly retire from having to remit. The World Bank (2010, p.3) nationwide survey in Ethiopia shows that, 59 percent of remittances are used for daily consumption, 29 percent for education, 9 percent for business and only 1 percent for housing. Remittance investment in housing and education is quite large in Gondar compared to the World Bank estimate. Although the distinction between consumption and investment remains debatable (Carling 2007), the majority (61.4) of households spend remittances on daily consumption, while the balance (38.6 percent) spent it productively on education, housing and business. These are often characterised as investments as it enables the household to generate income, build assets and enhance their productive capacity (Ratha 2011; Hugo 2009; Ghosh 2006). The detail of each of these will be discussed in Chapter 7.

Table 6.12 Remittance usage of migrant household respondents*

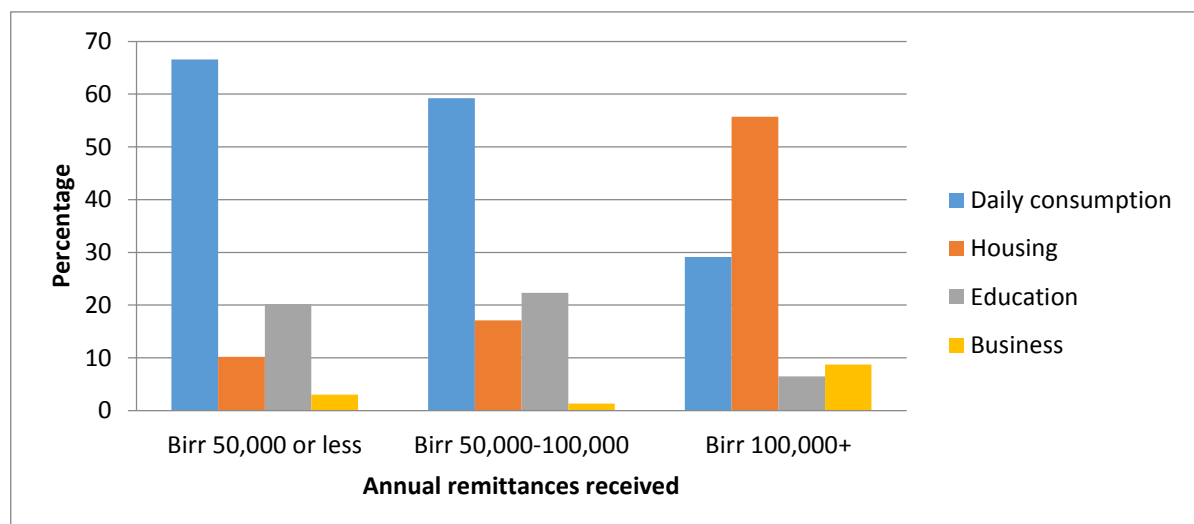
Item of Expenditure	Number	Percent
Food	341	62.7
Education	223	40.9
Housing	188	34.5
Clothes/footwear	166	30.5
Household durables	161	29.5
Special events	151	27.7
Business	43	7.9
Medical expenses	42	7.7
Other	20	3.6

Source: Migrant household survey 2012

* (multiple responses)

Remittance usage significantly varies with the amount of money received. Spending on consumptive and social expenditure falls with increasing amounts of remittance. The lesser the amount received, the higher the tendency to be used for immediate consumption and social events. Interestingly, spending on education is considerably high, irrespective of the amount of remittances received. As Figure 6.12 shows, large remittance earnings are often invested in business and physical assets (i.e. housing, land). Investment in housing increases with larger remittances amounts. The proportion of remittance spending on housing is higher (55.7 percent) among those who have received an annual remittance of Birr 100,000 or over (US\$5,714) compared to 17.1 percent for those whose annual remittances were between Birr 50,000 and Birr 100, 000.

Figure 6.12 Patterns of remittance usage by amount of annual remittance receipt



Source: Migrant household survey 2012

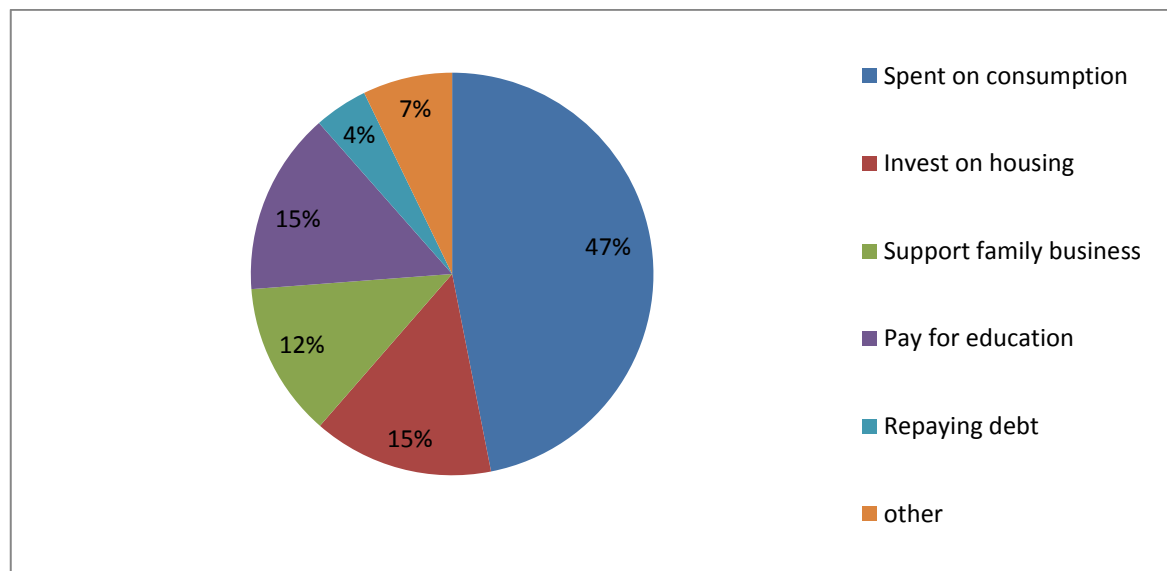
Remittance spending is also influenced by the availability of alternative income sources. Remittance dependent families use the largest proportion (80.2 percent) of remittances for daily consumption and education, and some 11.3 percent of them were used for housing and small business. These households tend to use remittances for many purposes. A similar pattern is also observed in Somalia (Lindley 2009). Households with modest income increasingly use remittances to cope with rising living costs, while remittances sent to financially well-off families are used for limited purposes, such as education, leisure or holidays.

6.5. Saving and the social construction of remittances

It is also of interest to this study to find out whether remittances are saved or not. From the survey nearly three-quarters of migrant families have bank accounts, which is high compared to 30 percent for other households in the city (WFP 2009). However, only a quarter of the respondents save their remittance earnings. Of these, three-quarters save up to one third, 14.5 percent about half and 10.6 percent up to two-thirds of their remittance earnings. Many families reported that the amount of remittances sent was small with nothing left for saving and other productive activities. The relationship between remittances and savings is often indirect, the former help recipients to save income generated from alternative sources. However, migrant families tend to withdraw their savings now and then for consumption purposes. Those respondents who do not save money were asked for the reasons (Figure 6.13). The majority (46.9 percent) reported that all the money received would be spent for subsistence, which is more pronounced among

low income families. Regular remittance receivers are less likely to save. Others do not save because they invest their remittances on education, housing, business, and to repay debt, as shown in Figure 6.13.

Figure 6.13 Percentage distribution of households by reasons for not saving



Source: Migrant household survey 2012

These lack of savings and high expenditure are in part explained by how remittance money is perceived. Lindley (2009, p.1331) noted that ‘migrants are not ‘just labour’, so remittances are not ‘just money’, emphasising the relevance of understanding the social context in which remittances function. Until recently, remittances have been increasingly sent for public holidays, and their meaning is socially constructed in a holiday atmosphere. Locally raised money and remittance money are perceived and spent differently. It seems that with remittance money or ‘dollars’ anything is affordable. On the whole, remittances are hard earned but easily spent money. When diaspora members travel home to visit family, they act or appear rich as they tend to spend extravagantly. This might negatively influence the remittance usage patterns of left home families, in respect to underestimating the value of money, discourage savings, raise spending and further remittance expectations.

The level of appreciation given for migrant remittances varies depending on the migrants’ place of residence, level of perceived and actual risks that they incur during or after migration. Families that receive remittances from relatives residing in Arab and other African countries tend to be more grateful, compared to others who receive them from Western countries. Remittances from Arab and African countries are perceived as money

earned amid risks and through hard work. Remittances from Western countries are assumed to be a tiny portion of income sent by rich diaspora members.

Origin family heads tend to dominate the decision making process in remittance usage. However, people who have emigrated over the past decade, and who are also called the 'DV (Diversity Visa) generation', are more likely than earlier migrants to advise their family on how to wisely use remittances. They tend to have a clear vision in economic terms, and are determined to make the most out of migration, compared to those who fled the late 1970s political turmoil. Moreover, the DV generation are more likely than earlier migrants to understand the state of the left behind family and the social context in which remittances function. This is not only because they departed recently, but also they maintain frequent contact with the remaining family through a range of media, as reported in Chapter 5. Before migration, they had also the advantage of drawing good and bad lessons of remittance usage, and had a clear mindset and arrangements with the remaining family on how remittances are used in the short and long run.

6.6. Conclusion

This chapter has examined remittance inflows, remitting behaviour and utilisation patterns, along with the characteristic of remittance recipient households. The type of relationship between migrants and those who remain home greatly determine remittance flow patterns. It also shows how socio-demographic changes at both ends change remitting behaviour. Remittances are sent to households with different characteristics, ranging from deprived families, to modest and high income families. Interestingly, the amount and frequency of remittances, both in cash and in-kind is intense and the transfer is driven by multiple and interrelated motives. Remittances inflows vary over the course of time, and are increasingly sent beyond the immediate family circle. In-kind remittance flows from Ethiopia to diaspora members are also significant.

The chapter has also shown the inverse relations between internal and foreign remittances flows and how patterns of migration and remittance channels are interrelated. Irregular migrant origin regions often receive remittances through informal channels, while areas where outflow is dominated by regular migrants receive remittances through official channels. Remittances are used for various purposes depending on the characteristics of recipient families and the amount and frequency of remittances sent. The utilisation patterns also differ overtime as household demands and priorities shift along with their financial capacity. The shift is often based not only on what the household possesses or

lacks, but depends on a range of factors, including the social construction of remittances and macro-economic policies. The decision making process over remittance usage is complex as there are competing interests and power hierarchies between the sender and recipients and, most importantly, among recipient families. Remittance usage tends to be of particular interest especially when the remitter or the household heads are female. Remittances sent to households led by females and other female family members are likely to be spent with the entire family in mind, while males tend to spend more on entertainment in the public sphere and on themselves. The next chapter investigates the social and economic impact of migration and remittances on families who remain behind.

CHAPTER 7

IMPACT OF REMITTANCES ON FAMILIES LEFT BEHIND

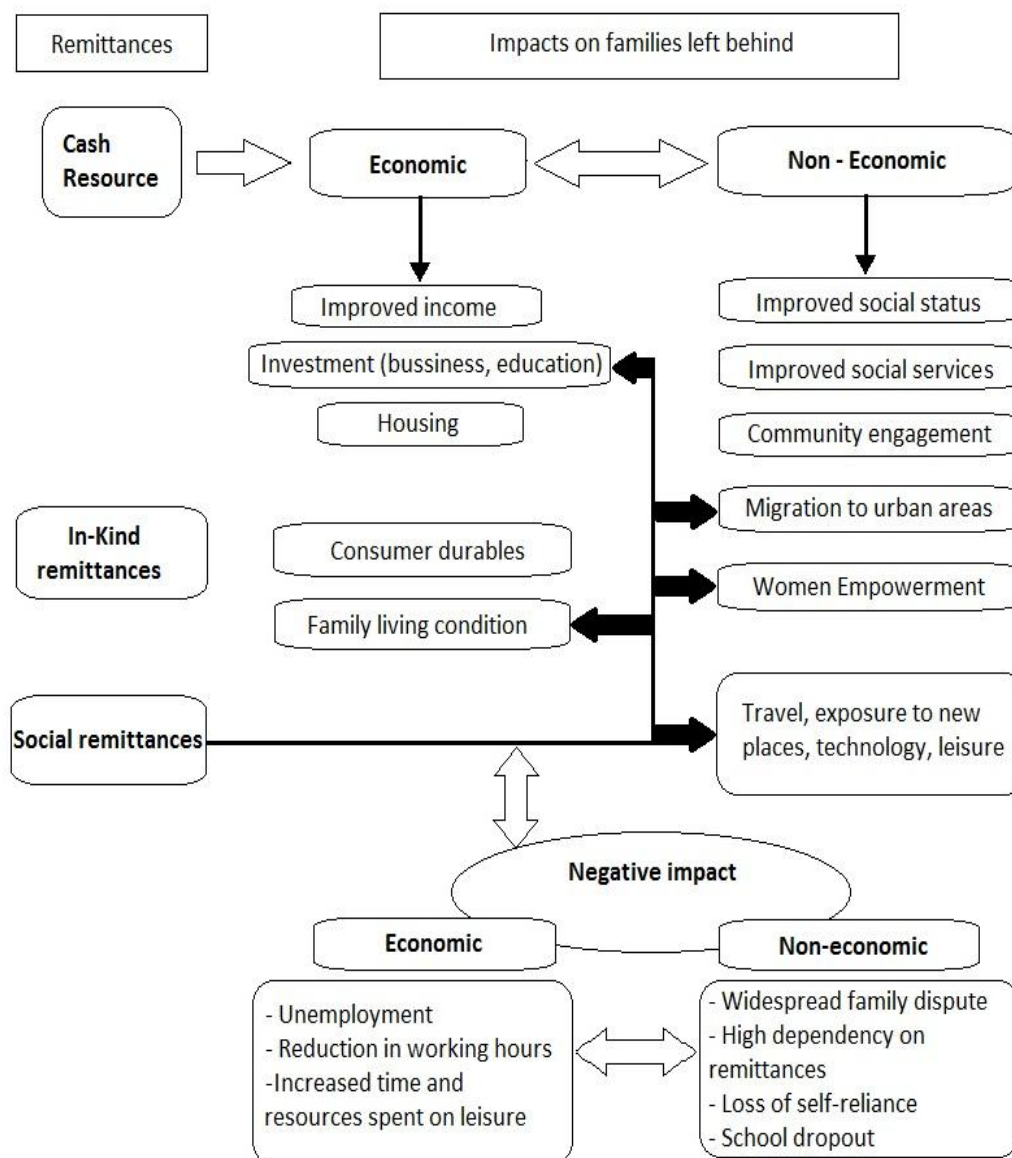
7.1. Introduction

The money immigrants send increasingly affects the economic as well as non-economic dimensions of recipient households (World Bank 2003). However, the economic and social effects are not mutually exclusive. Family wellbeing, for example, rises with improved consumption. This, in turn, will help the family to engage in productive investment in the future (Stalker 2000). When remittances are invested in family health and education it can enhance people's welfare and productive capacity (Carling 2007). The impact of remittances is not only 'complex, context specific and subject to change overtime' (UNDP 2009, p71), but also mixed in terms of patterns of utilisation and consequences.

Figure 7.1 shows that cash and in-kind remittances, combined with ideas and skills, otherwise known as social remittances (Levitt 1998), transferred from relatives abroad can improve the living standards of households. Continuity and change have been observed in the usage and impact of remittances overtime. Although high expenditure on daily consumption and social events has been steady for over two decades, in recent years there has been a change in spending on asset building, investment, and on other productive activities. This trend not only transforms household livelihoods, but also boosts their social status as the transformation creates visible gaps between remittance receiving and non-receiving households in the face of poverty and rising costs of living.

When households invest remittances they are more likely to raise and diversify income and build family assets. These activities boost their social status and increase community engagement, which highlights the extent to which economic and social changes are intertwined, especially in the context of developing economies. Indeed, meeting basic necessities or leading a decent life by itself could be a significant kind of social, if not economic, transformation (Vertovec 2004). These, however, vary depending on geographical location and the length of time that the community has been exposed to migration and its benefits. Change of residence from villages and small towns to cities as a result of remittances is another notable example of social change.

Figure 7.1 Impact of remittances on families left behind



Source: Constructed by author

Figure 7.1 shows that remittances can substantially improve the income of migrant families and reduce poverty. This is consistent with other studies in Ethiopia (Asaminew *et al.* 2009; Aredo 2005) and in other major global remittance destination areas, such as Mexico, and the Philippines (World Bank 2011). However, the reduction of poverty is not sustainable if migrant families become dependent on resources sent from abroad. Migration and remittances can have negative effects on families that are left behind, especially when resources sent from abroad are regarded as the only viable option for sustaining family livelihoods. Many remittance receiving youth not only lacked any incentive to work, but also did not want jobs that paid modest wages and even those with some education tended

to shun jobs such as school teacher. The next section discusses the impact of remittances on recipient households' income, living standards and investment activities. An attempt is also made to compare migrant family assets against those of other residents in Gondar and other major Ethiopian cities. The discussion then moves to explore the non-economic effects of remittances on health, education and social status. Finally, the downside of migration and remittances will be discussed.

7.2. Economic Impacts

7.2.1. Source of Income and Family Livelihoods

As reported in Chapter 6, an overwhelming majority of migrant families receive remittances from relatives living abroad. The effect of remittances varies depending on the patterns of remittance flow and the socio-economic and demographic characteristics of respondents. Table 7.1 shows the main source of income, with respondents reporting up to three sources. A little over a third of households have only one source of income, namely remittances, suggesting that their livelihoods entirely depend on them. Remittances are more regular (i.e. monthly) among these households than for any other group. Of particular note, female-headed families account for 52.3 percent of remittance dependent households.

Table 7.1 Main income source for migrant households (In terms of Importance)

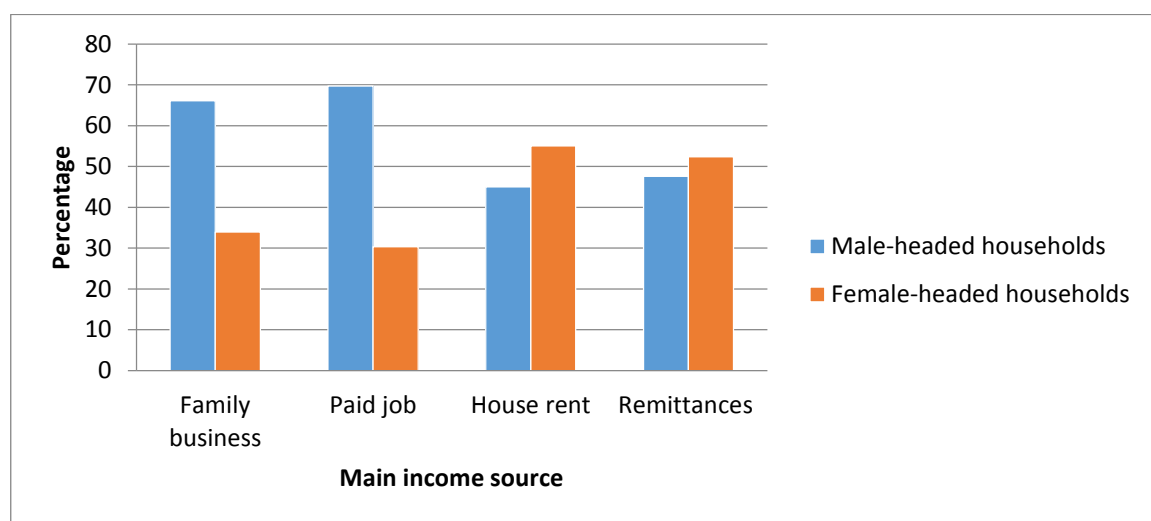
Income source	Primary (%)	Secondary (%)
Business	25.7	5.2
Paid job	26.1	11.7
House rent	11.8	10.3
Remittances	34.5	65.5
Other	1.9	7.3
Total	100.0 (N=544)	100.0 (N=368)

Source: Migrant household survey 2012

The remaining two-thirds of respondents have two or more income sources, including remittances. Male-headed households have diversified income sources, accounting for about two-thirds of households with multiple income sources. Of 344 households (63.2 percent) who regarded remittances as supplementary or secondary income sources, about a quarter sustain a living primarily from business activities, another quarter from paid jobs and some 11.8 percent from renting houses or rooms (Table 7.1). Interestingly, however, these primary livelihood sources have been originally funded through remittances. The survey shows 71.2 percent of those who earn a living from a family business and more than half (54.1 percent) of those from renting out houses, are only able to initiate/expand

business or buy/build houses through remittances. Remittances also fund skills training and education and enable many to establish their own business. Figure 7.2 shows that male-headed households are more likely to supplement a living from salary and family businesses, while house rentals and remittances tend to be more important for female-headed households. In general it was found that migrant families tend to give more credit to local and regular income sources than large remittances sent irregularly. If overall importance was taken into account, remittances are believed to be more profound in building family asset portfolios, compared to locally raised money.

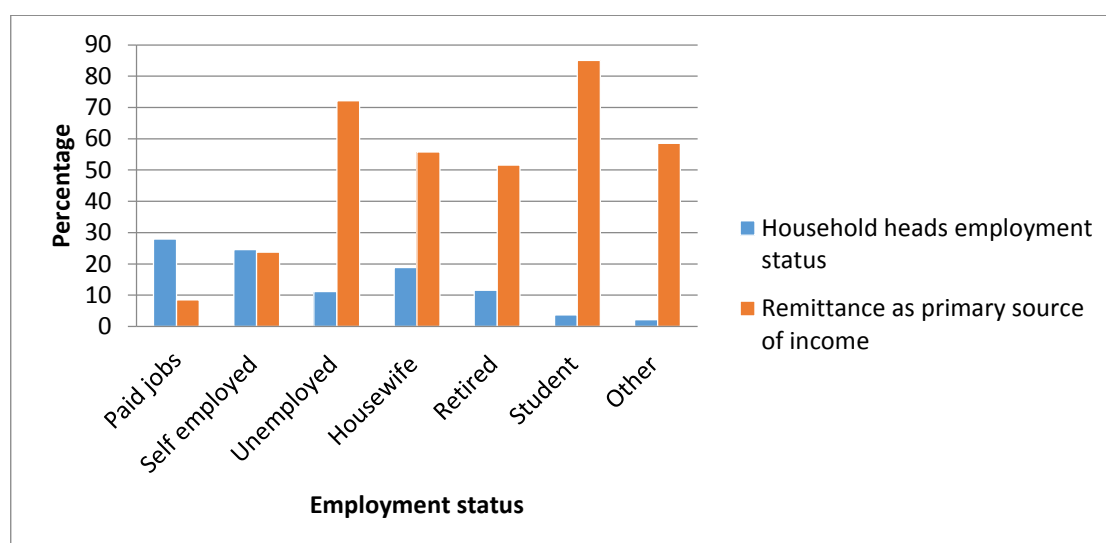
Figure 7.2 Primary income source by sex of household head



Source: Household Survey 2012

The findings show remittances are sent to all family types with low, modest and high incomes. As discussed in Chapter 6, a little over a quarter of household heads were civil servants and another quarter were self-employed and mainly engaged in family businesses. The remainder were households headed by unemployed persons, retirees, housewives (mainly widows), labourers and students, who have little or no income. Not surprisingly, these households were much more likely to be remittance-dependent. Figure 7.3 shows that nearly three-quarters of those households headed by the unemployed, more than half of those headed by females (55.6 percent), and retirees (51.6 percent) were remittance dependence. Furthermore, about a quarter of those households headed by employed people (either self or government) declared remittances as a primary source of income. That means, remittance income can be higher than the income that they receive from paid jobs and business activities.

Figure 7.3 Remittance dependent households by head of the family's employment status



Source: Migrant household survey, 2012

Table 7.2 shows the opinion of migrant households about the importance of remittances to their livelihoods. Most said that they were important, almost half of them declared they were very important or essential, and a very small percent think they are only of low importance or insignificant. Of particular note, remittances tend to be more important among households headed by females (44.2 percent) than those headed by males (25.9 percent). This is mainly because male-headed households tended to have higher levels of education and employment rates compared to their female-headed counterparts.

Table 7.2 Migrants household opinions on level of importance of remittances to their livelihood

Level of importance	Number	Percent
Extremely important	182	33.4
Very important	73	13.4
Moderately important	154	19.8
Slightly important	111	28.3
Low importance	30	5.5
Total	544	100.0

Source: Migrant household survey 2012

A question was asked whether migrant families could meet the current costs of living without receiving remittances. The majority (65.6 percent) of respondents stated that they could not, suggesting that their improved living standards are dependent upon remittances, while a little over a quarter (27.9 percent) believed that they could achieve the same standard of living without remittance support. These households are either well-to-do families or families that hardly benefit from remittances, notably secondary beneficiaries,

and those who receive remittances intermittently, namely during public holidays or only at a time of crisis. Some 6.4 percent could not decide at the time of interview.

Table 7.3 Items that could not be attained without remittance receipt*

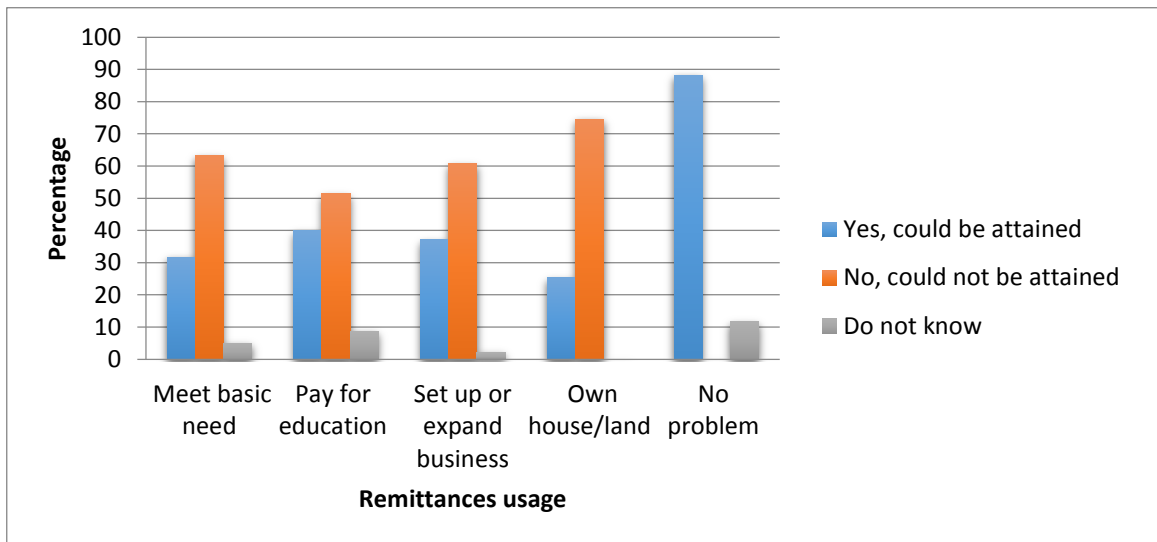
Items could not be attained	Number	Percent
Meet basic needs	231	42.4
Pay for education	120	22.1
Run any sort of business	108	19.8
Own house or plot of land	111	20.4
No problem will occur	94	17.3
Other	6	1.1

Source: Migrant household survey, 2012

* (multiple responses)

Table 7.3 shows the items that would not be able to be purchased if the household was not receiving remittances. The answer is based on a multiple response. Out of 544 households, a substantial proportion (43.5 percent) stated that they would not be able to ensure basic necessities. About 19.8 percent reported they would be unable to set up or expand their business, 22.1 percent could not afford education expenses and another 20.4 percent could not own a house. Nearly three-quarters of those households that invested remittances on housing, and the majority of those who invested on daily consumption (62.3 percent), business activities (60.7 percent) and education (51.4 percent), stated that they would not be able to attain their current living standards without remittances (Figure 7.4). In other words, the majority have limited capacity to invest in housing, business, daily consumption and education with their own savings or locally raised money. Similarly, Berhan and Ayalew (2012) reported that in Gondar 92.8 percent of the income of government employees is allocated for daily subsistence and the remaining 7.2 percent for education. In other words, investments on productive and non-productive assets among government employees are largely non-existent. The present study, on the other hand, shows that, one-third of households headed by employed people are able to invest in education, housing and business due to remittances.

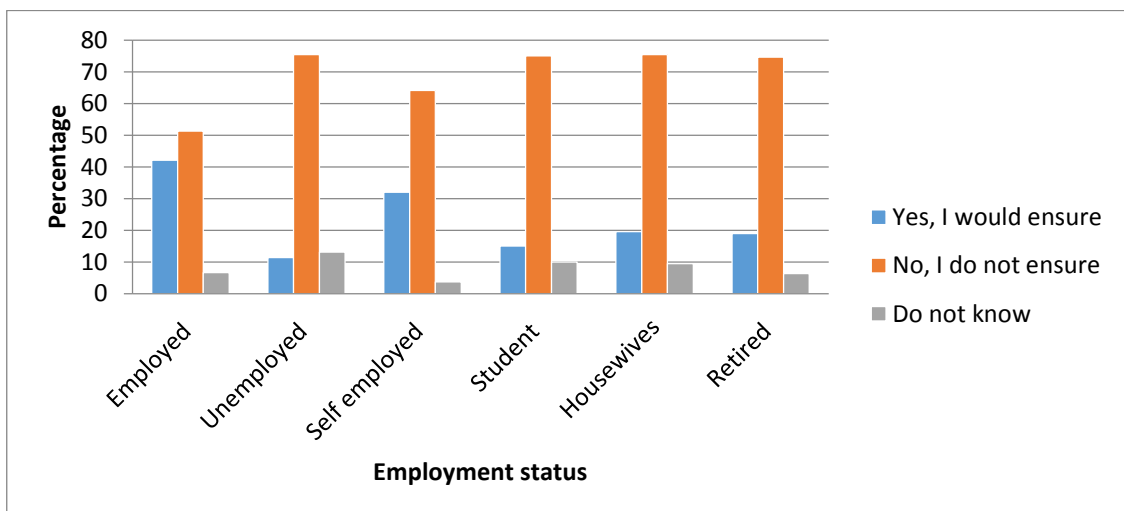
Figure 7.4 Household opinion on whether they can attain their standard of living without receiving remittances by pattern of remittance usage



Source: Migrant household survey, 2012

Perceptions of attaining or not attaining their current standard of living, with or without remittances, also vary by gender. The study findings show that female headed households (74.5 percent) dominate over male headed households (25.7 percent) in the perception of not achieving current living standards without receiving remittances, which also varies by employment status. Figure 7.5 shows about three-quarters of those households headed by unemployed persons, retirees, students, and housewives believe that they couldn't attain their current living standards in the absence of remittances. In Ethiopia, as Alem *et al.* (2012) note, people are less likely to perceive themselves as poor when they have jobs, although their income is often very modest.

Figure 7.5 Household opinion on whether they can attain their current standard of living without accessing remittances by household heads' employment status



Source: Migrant household survey 2012

The survey found that consumption expenditure was high among migrant families, compared to other city residents. Almost all interviewed households, with the exception of 5.4 percent, experienced an increase in expenditure on consumption goods. However, households monthly expenditure ranged from Birr 1,000 (US\$57) to Birr 23,000 (US\$1,315), with the mean average of Birr 3,550 (US\$202), which is twice the average monthly household income of the city, Birr 1,735 (Jenber 2009). In general, their annual average expenditure is three times higher than the city population, Birr 12,737 (Birhan and Ayalew 2012, p.73). Table 7.4 shows the reasons for increasing household expenditure and is based on multiple responses. The most common reasons are rising costs of living (82.3 percent) followed by investments on education, housing, travel and leisure. One in ten interviewed households also used remittances to cover medical expenses. The majority of household savings were spent on food items that have experienced rising costs over the years. Expenditure on social and religious based feasts, travel and leisure was also high. The survey found 18.6 percent of households had one or more members that travelled abroad to visit family. Many households have also travelled to historical and religious destinations within the country. Of particular note, internal tourism is little practiced among the general public in Ethiopia, particularly in the study area (Ali and Dejan 2013).

Table 7.4 Reasons for increasing household expenditure over the years*

Reason	Number	Percent
Rising living costs	448	82.3
Education	218	40.0
Housing	200	36.7
Travel and leisure	105	19.3
Medical expenses	57	10.5
Other	17	3.1

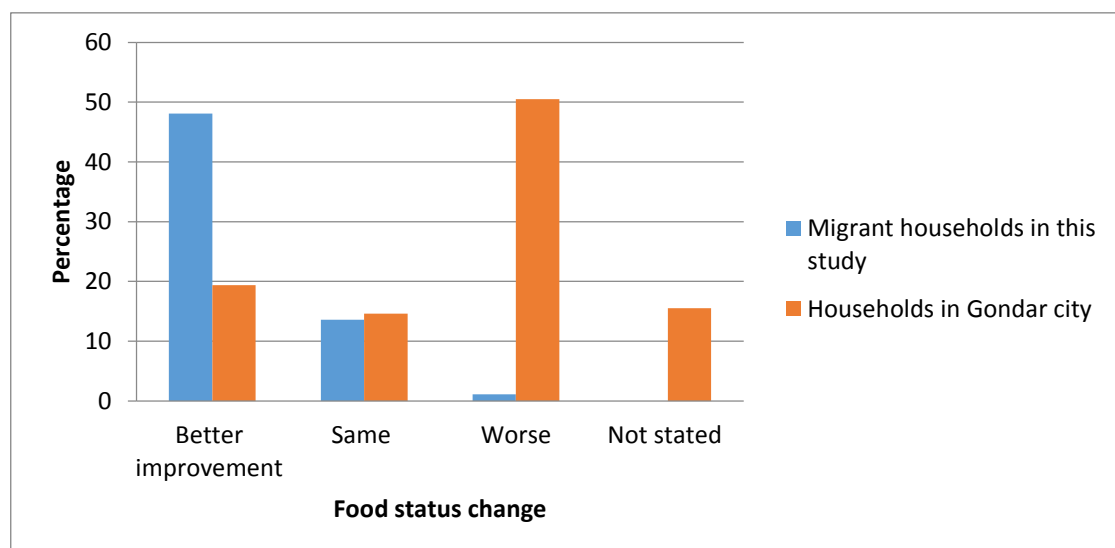
Source: Migrant household survey

*(multiple responses)

Migrant families were asked whether their food situation (in terms of quality and quantity) has changed due to remittance receipts. Out of 544 households, the majority (48.2 percent) observed significant change, 38.2 percent modest changes, and the remaining 13.6 percent observed little or no change. If we only consider those households who have started accessing remittances over the last five years, eight out of ten had seen improvements in their food as they are likely to start from lower consumption. Figure 7.6 shows that remittance recipient households tend to have improved supply of food compared to the non-migrant population. Figure 7.6 also shows that in Gondar the state of food had improved for 19.4 percent of the total households (61,520 households) in the last five years;

it had deteriorated for half of the households and some 14.6 percent observed no change. Nearly 40 percent of households in Gondar face food shortages, and about half had experienced a rise in food prices. Migrant families were less likely to be affected by these price rises for two interrelated reasons. First, remittance inflows serve as a buffer against food prices which tend to increase during hard times, especially among regular recipients. Second, they are more likely than others to purchase food during the harvesting season when prices are reasonable and then store sufficient food for several months. Other studies show that remittances can absorb shortages in Ethiopia (Aredo 2005) and households that receive remittances have ‘a lower likelihood of being in consumption poverty’ (Alem *et al.* 2012, p.9).

Figure 7.6 Comparison of surveyed migrant households and Gondar city residents by change in food status



Source: Household survey 2012; CSA (2011) Welfare Monitoring Survey

The survey findings show about half the respondents believe that the contribution of remittances is limited to consumption, while the other 48.9 percent reported remittances have an effect beyond consumption, as it allows them to invest in both physical and human capital as well as business enterprises. It is important to note that maintaining family subsistence in the context of high inflation and rising living costs by itself, is a considerable achievement, especially in poor countries like Ethiopia. In countries like this scarce resources, including foreign aid, are geared towards the same goal: reducing poverty. However, it is vital to transform the effect of remittances into productive investment to maximize its positive development impacts. About 46 percent of the population of Gondar survives on less than a dollar a day (Birhan and Ayalew 2012, p.73). This figure would,

undoubtedly, be higher if the city did not receive remittances. Other studies (Beyene 2011; Asaminew et al 2009; Aredo 2005) that use panel data echo this finding. Respondents were asked whether or not their overall livelihood had changed due to migration and remittances. Two-fifths of households (40.3 percent) reported the change was significant, another 46.1 moderate, and the remaining 13.6 percent observed little or no change. The latter households include those who did not receive any remittances, secondary beneficiaries, or rich households that do not need support from abroad.

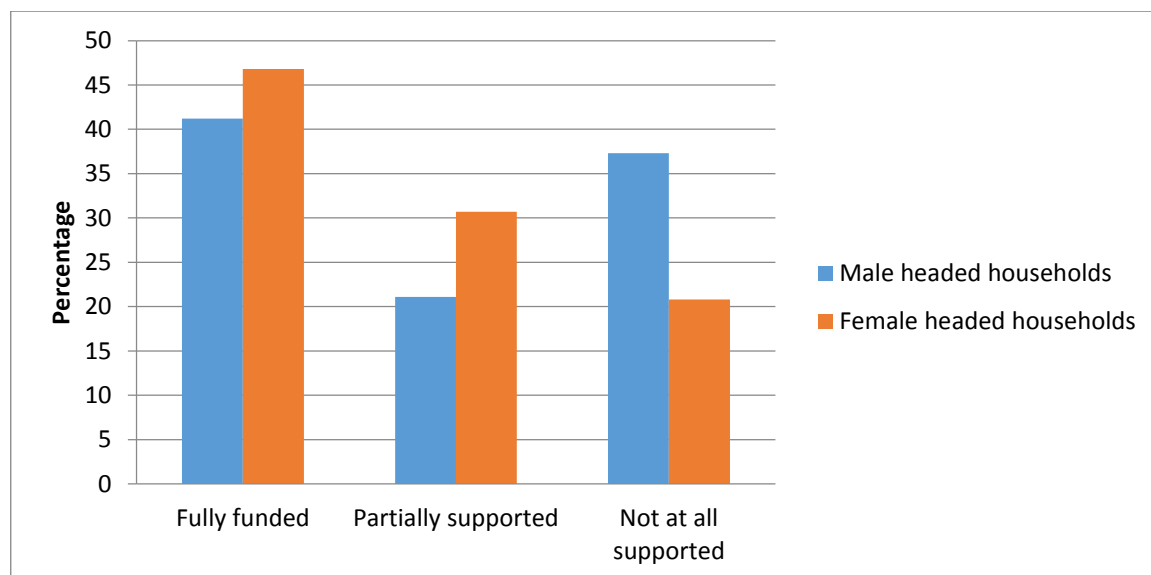
7.2.2. Setting up or expanding business

It has been found in this study that the balance of remittance utilisation has changed from daily subsistence and social events to investment over the past decade. The transition, however, is not an easy one as many households are poor with limited resources. The general trend shows that remittances are initially used to meet daily consumption, together with education, and then move on to fund building assets (e.g., housing, land, consumer durables), and ultimately, business investments. However, this is not to suggest that remittance spending is linear, nor that all households necessarily follow the same path. This depends on their socio-economic and demographic characteristics, the pattern of remittance flows and government policies, among other factors. Out of 544 respondents, 43.6 percent were engaged in some sort of business or income generating activities. Of these, about three-quarters owned one business and the balance ran two or more businesses. Business was the main means of livelihood for two-thirds of these households, while the balance uses them to supplement their income.

The role of remittances in setting up or expanding businesses is significant. The survey showed that the majority (68.1 percent) of households engaged in business activities, initiate or expand their businesses through remittances. Of these, about three-quarters stated that their businesses were fully initiated through remittances, while the remaining one-third received partial support. Figure 7.7 shows that male-headed households dominate over female-headed households in business engagement (64.6 percent against 35.4 percent), but the latter is more likely than the former to own businesses inspired through remittances (78.7 percent against 63.9 percent). Remittances do not only allow recipients to set up or expand businesses, but also serve as insurance in times of loss and rising operating costs due to taxes, maintenance, etc. This in part suggests that business activities can be unreliable. In 31.9 percent of the cases, businesses were neither initiated nor expanded through remittances. These included those who invested in small retail outlets and rich

merchants that may invest large sums of money to finance the migration of members to go abroad to diversify risks. In the latter case, wealth triggers migration, not the other way round.

Figure 7.7 The extent to which remittances support business activities by male and female household head



Source: Migrant household survey 2012

Table 7.5 shows that more than half the migrant families were engaged in trade and merchandising businesses (retail outlets), while a little over a third were in the service sector (public transport, hotel, café, lodge, restaurants, apartment renting, beauty salon, etc.), 5.1 percent were in agriculture and only 2.9 percent were engaged in small scale production or manufacturing activities, including oil mill plants, wood work and metal work. The gender disparity is insignificant when it comes to the type of business engagement, except that female headed households are not engaged in agricultural activity.

Table 7.5 Type of business activities*

Business activity	Number	Percent
Trade/Merchandizing business (retail outlets, shops, stationery, electronic, construction material, spare parts, etc.)	137	53.3
Import-export	6	2.3
Pharmacy	12	4.7
Boutique	17	6.6
Jewellery	2	0.8
Service provision		
Hotel, restaurants, cafe, bar	36	14
Transportation (taxi)	35	13.6
Beauty salon	10	3.9
Renting apartments	9	3.5
Clinic (medical service)	2	0.8
Grinding mill	7	4.4
Tailor	6	2.3
Other (internet, computer maintenance, tour and travel, warehouse, laundry, decoration, etc.)	14	5.4
Manufacturing/production		
Agriculture (sesame, bee hiving, animal fattening and rearing, crop production)	13	5.0
Oil mill plants	1	0.3
Wood and metal work	4	1.5
Bakery	3	1.1
Total	307	

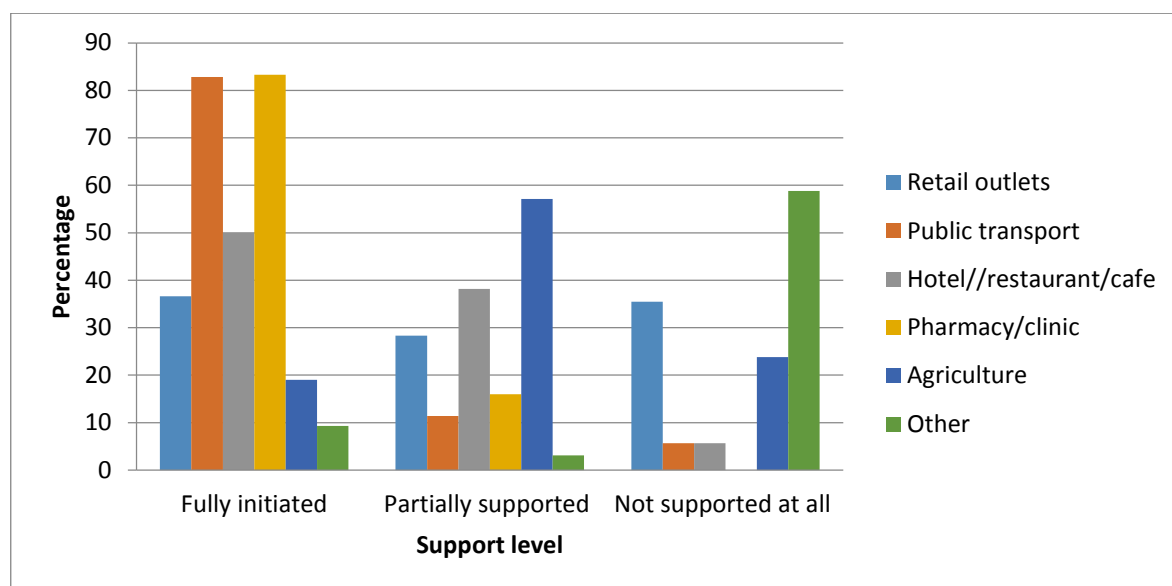
Source: Migrant household survey, 2012

*(multiple responses)

As Figure 7.8 shows, remittances inspire some business activities more than others. The vast majority of those households who fully initiate business through remittances, owned public transport vehicles (82.3 percent) and pharmacies (83.3 percent) and more than half (52.9 percent) owned hotels, cafes, and restaurants. A little over a third of retail outlets, about 19 percent of agriculture and manufacturing activities and some 9.3 percent of other businesses (e.g. grinding mill, Internet cafe, etc.) are also fully funded through remittances. Remittances typically finance public transport activities, both in Gondar and the Hadiya and Kembata regions. The study estimates that at least 40 percent of public transport vehicles (i.e., mini-bus taxis) in Gondar are owned by migrant families. An interview with the Gondar City Transport Bureau indicates that 255 mini-buses and 450 *Bajaj's* (Indian made three wheeler motorcycles) were providing transport services in the city. Although the bureau lacks accurate data, key-informants estimated that more than half the mini-bus taxis operating in the city are financed through remittances. Gondar has the second largest number of taxis in Ethiopia, next only to the capital Addis Ababa. Similarly, in the Hadiya

and Kembata region public transport, notably buses, flourish due to migration and remittances. The purchase of transport vehicles measures the success or failure of migration in the region. The Hadiya Zone Transport Bureau estimated that out of 445 buses owned by five transport associations, about 70 percent were owned and run by returnees and migrant families. The number of buses in Hosanna bus station is almost equivalent to the biggest bus station in Addis Ababa, from where buses dispatch to every single corner of the country.

Figure 7.8 Type of business activities by level of remittance support



Source: Migrant household survey, 2012

The 57 percent of households that do not engage in business were asked why, and about 40 percent reported that they lacked start-up capital, nearly a quarter did not have entrepreneurial skills and another 16.6 percent lacked members who could potentially manage the business. This is either because their members have emigrated, or those who live in Ethiopia are studying, involved in paid jobs or lack any interest to do so. Another 12.3 percent gave other reasons, such as lack of working space and prevalence of corruption, while the remaining 6.5 percent did not know why.

Households that accessed remittances relatively recently show more interest to engage in business, compared to those who have been receiving remittances for many years, notably longer than a decade. The latter tend to be not mentally prepared to sustain a remittance free livelihood. Besides financial constraints and some reluctance, migrant families often have little or no entrepreneurial skills. As shown above, remittance induced businesses do not have a wide scope, nor are they very innovative. They often tend to open a business

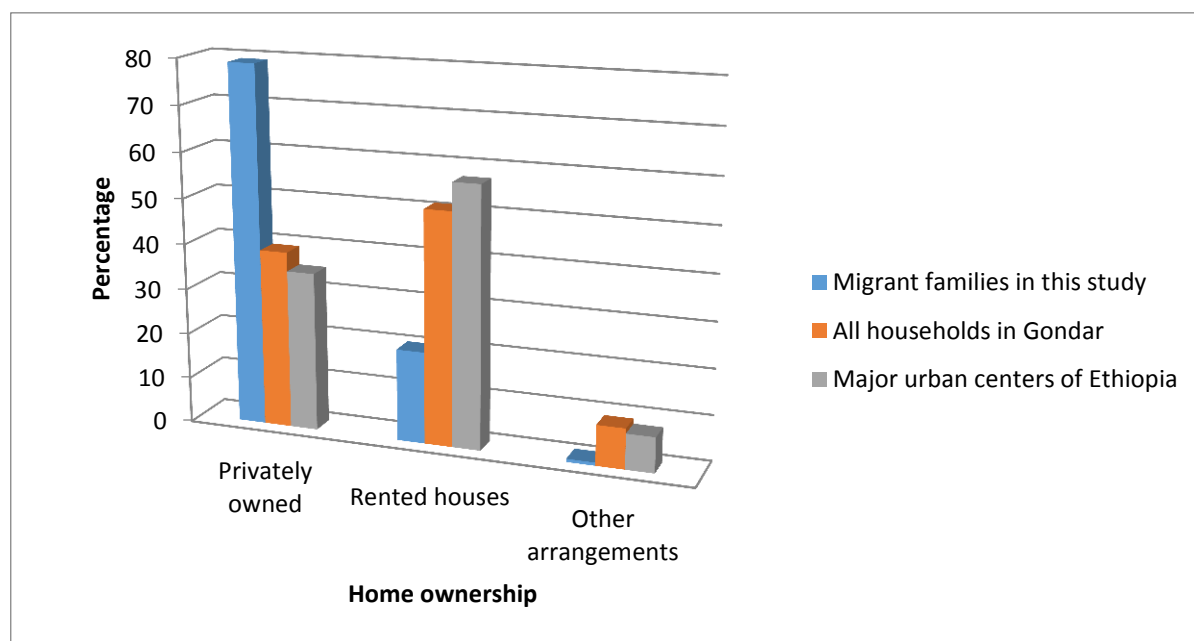
without analysing the potential of the market. Many of them set up business activities not primarily to sustain or transform livelihoods, but to create jobs for unemployed members, with the assumption that this would prevent him/her from the risk of exposure to undesirable behaviour or social evils. Many of those who started businesses opt to work in a more relaxed environment and are less likely to expand or diversify the business. This is mainly because they regard remittances as insurance in case of business failure or loss, and see the business as a supplementary source of income. The contribution of diaspora members appears to be prominent in financing business enterprises, but lags behind in transferring innovative business ideas and practices. Remittances are more likely to be properly used among those families that have been engaged in some sort of business before they start accessing remittances.

7.3. Social Impact

7.3.1. Housing, housing facilities and consumer durables

Housing is the most important investment sector in Gondar for diaspora and families left behind. While a third of respondents in this study invested remittances in housing, the corresponding pattern in the World Bank nationwide survey (2010) was only 1 percent. Figure 7.9 shows that home ownership is disproportionately higher among migrant families in the study (79 percent), compared to only 39 percent and 34.9 percent of households in Gondar and other Ethiopian major cities, respectively. Only 21 percent of respondents do not own a house and live in rented houses. The corresponding figures for the city and other major cities in Ethiopia is 51.6 percent and 57.1 percent respectively (Figure 7.9). Besides housing, remittances have substantially increased the land ownership of transnational families. About 28 percent of respondents owned a plot of land in Gondar or other places in Ethiopia, with over two-thirds owning one plot and a little over a quarter (27.5 percent) two or more plots.

Figure 7.9 Home ownership among migrant households, Gondar and other major cities in Ethiopia



Source: Migrant household survey 2012; CSA (2011) Welfare Monitoring Survey

A question was asked about the contribution of remittances to housing development and of the 544 respondents, 60.7 percent declared that their investment in housing was through remittances. Of these, a little over a third stated that their houses were totally financed through remittances, while 23.8 percent said the contribution was partial. On the other hand, two-fifths of households reported that remittances have little or no effect on housing. Of them, as some 20.9 percent did not still own a house, while the remaining 18.5 percent already owned a house before they started to access remittances. Table 7.6 shows that the picture is different if we only examine those households that own one or more houses. Of 430 respondents that owned a house, about three-quarters stated that their houses were fully or partially funded through remittances. This includes renovation of low standard houses. Only 23.3 percent stated that remittances had nothing to do with their home ownership. Nearly a third of respondents owned one or more additional houses, of these more than half had one, nearly a quarter had two, and the remaining 18.3 percent owned three or more houses in Gondar and other places. Interestingly, these additional houses are increasingly (85.5 percent) funded through remittances. The impact of remittances on housing investment tends to be more significant among low or modest income households, including those headed by females. The survey found that a little more than half of the remittance dependent households were able to own a house or renovate their low standard houses through remittances.

Table 7.6 Household opinion of the importance of remittances on housing

Level of importance	Respondents who own house		Respondents who own extra houses		All respondents	
	Number	Percent	Number	Percent	Number	Percent
Highly important	200	46.5	112	57.4	200	36.7
Important	130	30.2	53	27.1	130	23.8
Of little importance	23	5.3	2	1.1	23	4.2
Not important at all	77	17.9	28	14.3	191	35.1
Total	430	79.0	195	35.8	544	100.0

Source: Migrant household survey

Besides left behind families, many among the diaspora are building houses in their hometown or other places, notably in Addis Ababa. When households were asked whether their diaspora members acquired any property or assets in Ethiopia, more than half (51.6 percent) responded ‘Yes’. Of those who had acquired assets in Ethiopia, nearly three-quarters own a house, a quarter a plot of land, about 22.1 percent a vehicle, notably for commercial purposes. Only 18.3 percent of them bought business shares from local enterprises in Ethiopia. Notably, male migrants (64.4 percent) are more likely than females (45.5 percent) to acquire assets in the home country. Although earlier migrants who had departed in the late 1970s and early 1980s tended to invest in property, recent migrants appear to have focused more on business investments. The survey established that about three-quarters of the diaspora who had acquired assets in Ethiopia resided in North America, some 15.1 percent resided in the Middle East and Africa and the remaining 9.7 percent in Europe, Australia and New Zealand. This is not surprising as the vast majority of emigrants from the study area reside in America.

Table 7.7 Emigrants from surveyed households who own property in Ethiopia*

Type of property owned	Number	Percent
House	206	73.3
Plot of land	96	34.1
Vehicle	62	22.1
Business share	24	8.5
Other	3	1.0

Source: Migrant household survey, 2012

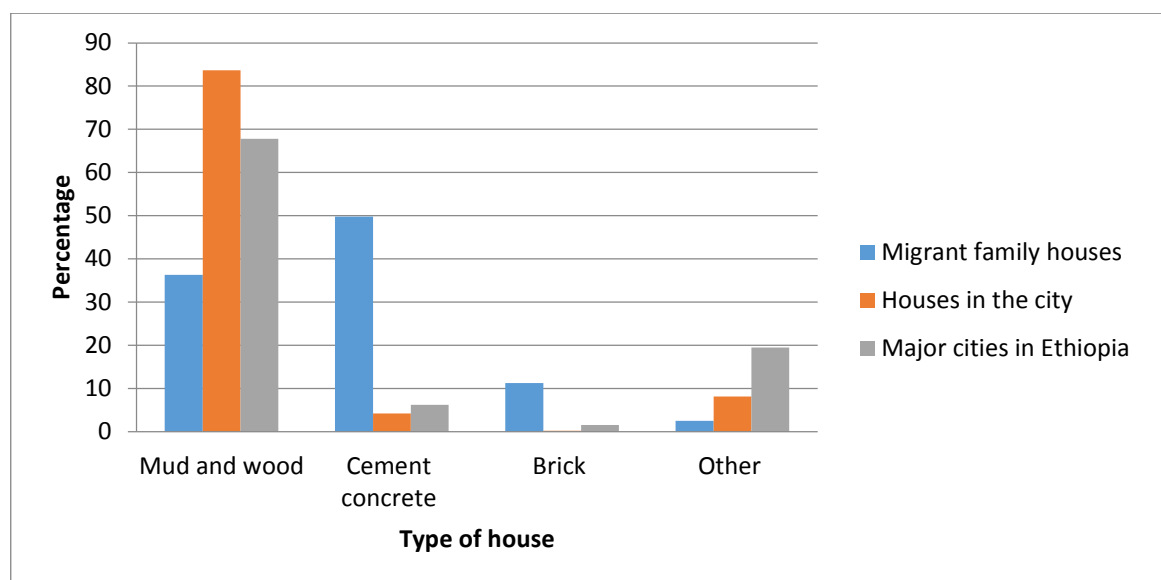
* (multiple responses)

Housing is a big investment, not only because it improves the health and wellbeing of families (Carling 2007), but also has multiplier effects in creating casual jobs and stimulating the local economy (Hugo 2003), and is an important source of income. House rent is a primary source of livelihood for 15 percent of the total households in the study, of these the majority (60.9 percent) are female headed. Most of the houses owned by the diaspora are rented out and the rent money is used by stay behind families. Interestingly, diaspora housing investment is increasingly used to substitute remittances. More than two-thirds of respondents who owned additional houses were renting their houses for residential, office or commercial purposes. The income they received from house rental varies, from US\$8 to US\$2,114 per month. However, the monthly average, after excluding the extreme highest earnings (e.g. apartments rented for trade, office, etc.) is approximately US\$119. Moreover, some 8.5 percent of households used their houses as collateral to secure loans from financial institutions, with the loans used to set up businesses or finance family migration abroad.

Although many households started accessing remittances a long time ago, investment in housing is a more recent phenomenon. About three-quarters of respondent households had bought or built houses in the past decade, of which a little over a third occurred in the past five years. There are several explanations as to why investment in housing has been intensifying in recent years. First, the government offered land for the diaspora free of charge in the mid-2000s and during the Ethiopian Millennium celebration in 2008 (2000 in Ethiopian Calendar). Therefore, many Ethiopians in the diaspora were able to own land and build houses. As the diaspora, especially those from America, built houses in one sector of Gondar city, (i.e., around *Maraki* and *Aba Samuel* area), a vibrant residential area named *America Sefer* (neighbourhood) has emerged as a centre for investment and leisure. Second, while the purchasing power of *Birr* has declined over the years, the value of assets (i.e. housing, land, and vehicles) is consistently appreciating. Third, investment in housing tends to be less risky compared to other forms of investment for the diaspora. Fourthly, remittances have encouraged rural-urban migration, which in turn induces housing investment in urban areas. The survey found that a third of respondents had moved into Gondar from villages and small towns and about 34.4 percent of houses built over the past decade belong to these groups. Finally, the standard of living of left behind families, especially housing (ownership and quality) is used as a 'gauge' to measure the success or failure of the migrant living abroad.

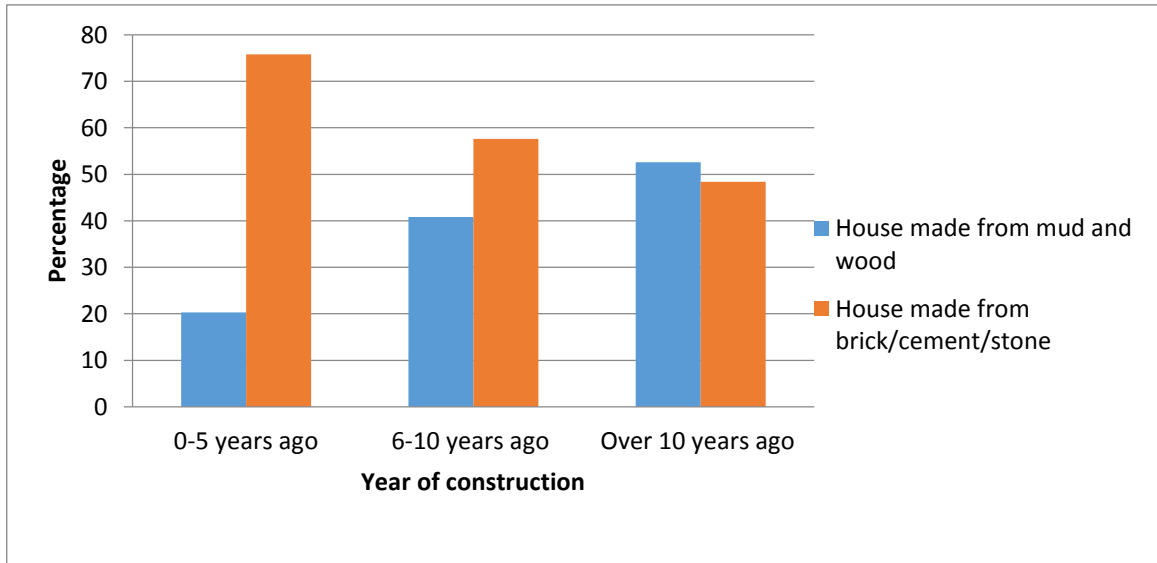
Migration and remittances do not only increase house ownership but also improves the quality of housing. Most of the houses built from remittances are modern villas or one and two story apartments. Remittances increasingly finance houses constructed from concrete (61.1 percent) compared to those constructed from mud and wood (22.4 percent). The total share of houses constructed from concrete or brick in Gondar accounts for only 4.4 percent (Figure 7.10). According to CSA (2011), 83.7 percent of houses in Gondar are constructed from mud, while only 36.3 percent of respondents in the study lived in mud houses and 2.5 percent lived in *ashiwa girf* (houses made from a mix of mud and cement). Houses built over recent years are of higher quality compared to those built many years ago. About two-thirds of houses built in the past decade and 8 out of 10 houses built over the last five years were found to be made from cement or brick (Figure 7.11).

Figure 7.10 Migrant family houses in this study and the city of Gondar by construction materials



Source: Migrant household survey 2012 and Welfare monitoring survey 2011 (CSA 2011)

Figure 7.11 Type of house by year of construction

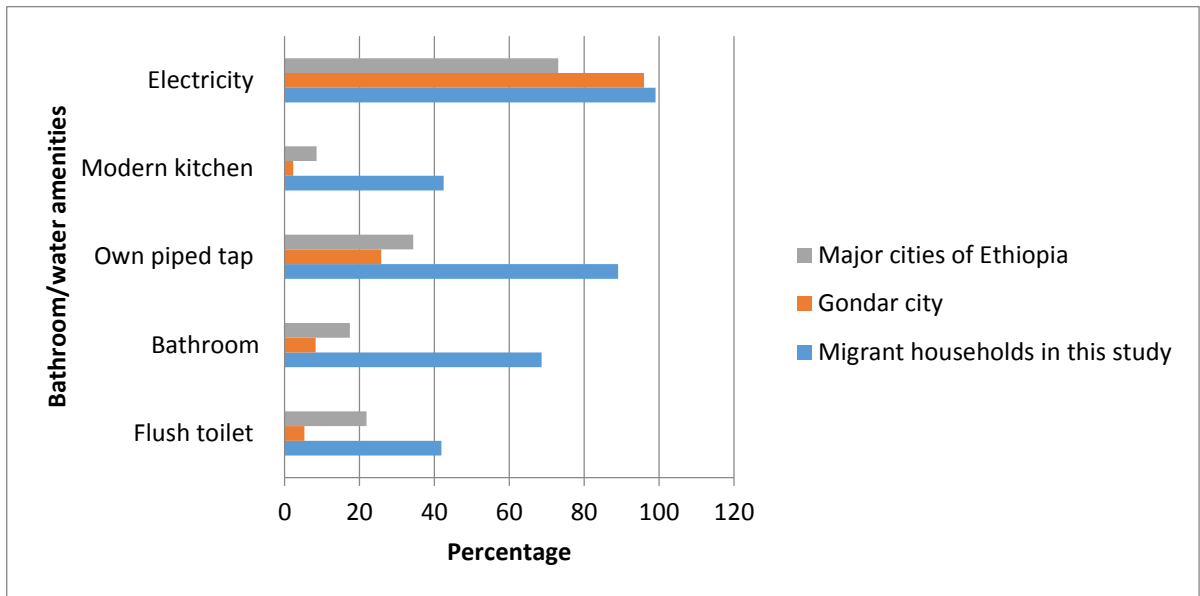


Source: Migrant household survey 2012

Another important aspect is that remittance houses are increasingly equipped with modern facilities and services, compared to those of other residents in Gondar. Figure 7.12 shows that 41.9 percent of houses owned by migrant families have a flush toilet, while the corresponding figure for Gondar and other major urban centres is only 5.3 percent and 21.9 percent respectively. The remaining 58.1 percent of surveyed households use pit latrines. CSA (2011) data show that the majority (68.9 percent) of households in Gondar have access to a pit latrine, about a quarter do not have any toilet facility, thereby use the forest or field, and some 165 households use a bucket and containers.

The proportion of respondents who owned piped water is also disproportionately high among migrant households (89.1 percent), compared to only 25.8 and 34.3 percent in Gondar and other major Ethiopian cities respectively. Figure 7.12 shows that of 485 households with piped water, more than half (56.2 percent) have a tap inside the house and nearly a third one outside the house, the corresponding percentage for the city is only 4.3 and 15.1 percent respectively. About 60 percent of households in Gondar use a shared public tap as a source of drinking water, about 10 percent use a protected well or spring, 5.3 percent an unprotected well or spring and some 1.3 percent use rivers. Remittances considerably improve the access of migrant families to bathroom facilities as nearly two-thirds of households in this study have bathroom facilities at home but the majority (84.6 percent) of households in Gondar and other major cities in Ethiopia (72.7 percent) do not have a fixed place for bathing - neither privately nor shared (Figure 7.15).

Figure 7.12 Distribution of households by house facilities



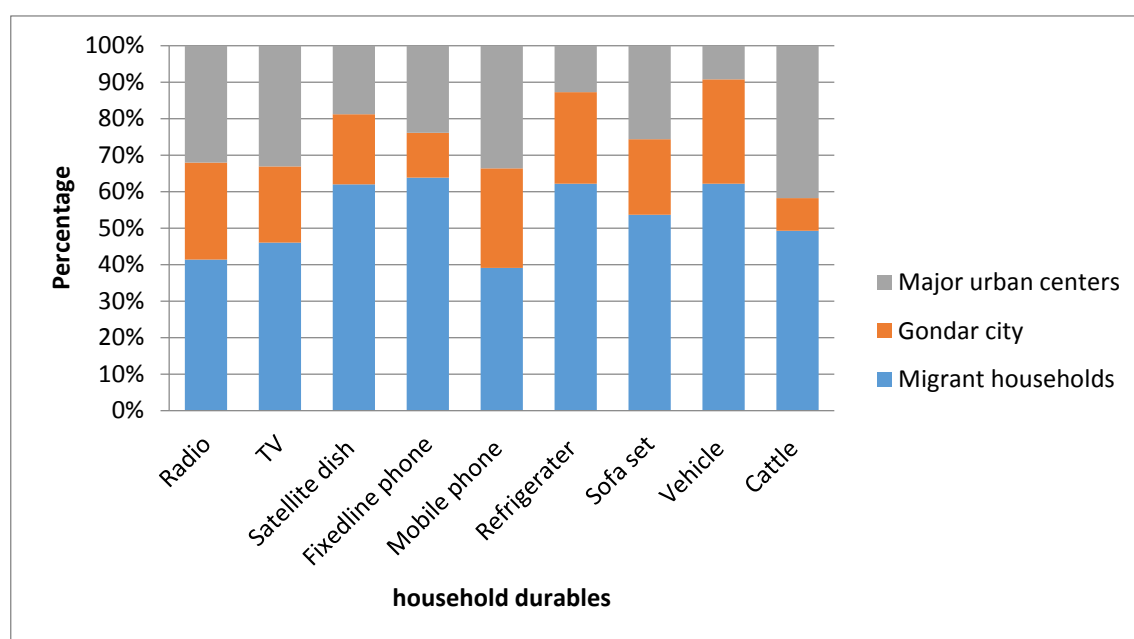
Source: Household survey 2012; data compiled from Welfare Monitoring Survey (CSA 2011)

Almost all interviewed migrant households have access to a kitchen facility. The majority (59 percent) have a traditional kitchen room either inside or outside the housing unit, and the remaining 41 percent have access to a modern kitchen. By comparison, only 2.5 percent of households in Gondar have access to a modern kitchen and a substantial proportion (41.7 percent) do not have a kitchen at all. Around 56 percent of households in Gondar have a traditional kitchen room either inside or outside the housing unit and over one third share the facility with other people (CSA 2011). This suggests that remittances increasingly improve the access of migrant households to clean drinking water, bathroom, and kitchen facilities. This tends to improve family wellbeing.

It was also of interest here to examine the ownership of assets by migrant families as this is a good proxy to measure household wealth. Figure 7.13 shows that the majority of households owned a refrigerator (72.2 percent) and a sofa set (86.6 percent), while the corresponding percent for Gondar is only 14.5 percent and 33 percent respectively. Notably, 8.8 percent of respondents have a private washing machine, which is unthinkable in many Ethiopian households. As reported in Chapter 6, the growing level of household ownership of mobile phones and computers is largely a consequence of migration. The number of respondents with a television (93.8 percent), a radio (92.6 percent) and a satellite dish (72.2 percent) is disproportionately high, while the corresponding percentage for the city was only 60.2 percent, 42 percent and 22.4 percent respectively. This widens

the access of migrant families to information, entertainment and increases their awareness on a wide range of issues, such as health and politics. It has long been recognized that mass media is an important tool of social change, as it broadens peoples' knowledge and horizon of thinking (Schramm 1964). The survey also shows 19.9 percent of respondents possess one or more homestead livestock, notably dairy cattle (either local or hybrid), sheep, and chickens. This is believed to enhance their nutritional intake as they can eat meat and dairy products. The possession of cattle in households in Gondar and other major urban centres was only 3.6 and 16.9 percent respectively.

Figure 7.13 Percentage distribution of migrant families by household durables



Source: Migrant Household survey 2012; CSA (2011) Welfare Monitoring Survey

The opinion of respondents about the impact of remittances on household assets was obtained in the survey and 40 percent of respondents stated that it is very significant, another 40.4 percent fairly important, while the remaining one third stated that it was of little importance or not important at all. The discussion thus far shows that remittances improve migrant family assets, compared to other households in Gondar and other major cities. This is consistent with a WFP (2009) study which noted that the proportion of asset rich households is higher in Gondar than any other city in the region.

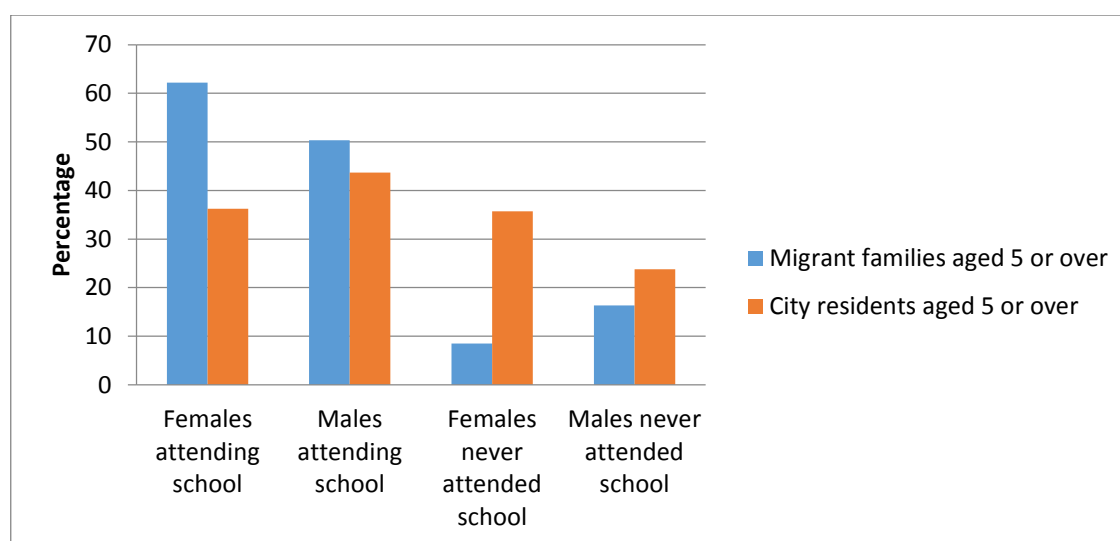
7.3.2. Access to education and health services

Education is another key investment area. A substantial proportion (40.9 percent) of respondents invested remittances on education, especially to send children to private schools and colleges. Remittance spending on education is high irrespective of the amount

received and regardless the economic status of the household. Interestingly, remittances sent to well-to-do families are often specifically for education. Migrant families were asked their opinion on whether or not remittances had improved their access to education. The majority (47.2 percent) reported that remittances had significantly improved their access to education, nearly one-third moderate, about 9 percent claimed they had little impact and the remaining 11.8 percent indicated that they were not important at all.

Figure 7.14 shows that the percentage enrolled in education is high among migrant family members aged 5 or over (56.2 percent), compared to all city residents (39.9 percent). By the same token, while 62.2 percent of female and 50.3 percent of male migrant household members aged 5 or over have attended or are attending school, the corresponding figure for city residents was only 36.2 and 43.7 percent respectively. The study also suggests that access to education is high among female migrant family members compared to their male counterparts.

Figure 7.14 Male and female migrant household members and city residents aged 5 and over by educational status



Source: Migrant household survey 2012, CSA (2007) Census data

Besides improving school enrolments, remittances enable recipient families to attend institutions that are believed to deliver higher quality education. The survey found that out of 2,218 children who lived in 544 sample households, a little over a third have attended or are attending education in private schools or colleges and of these, more than half (52.3 percent) are females. Birhan and Ayalew (2012) reported that the majority of residents in Gondar are not likely to afford education expenses in private schools. The researcher made an attempt to estimate the number of migrant families studying in one of the randomly

chosen private schools in Gondar, *Walia Timirtbet*. In this school, in randomly chosen 22 classes, homeroom teachers asked students whether or not their education is supported through remittances. The findings show that nearly a third of students' education (an average of 19 students from every class, with a class size of 58 students) was inspired through remittances. However, teachers and school principals strongly believed that students are reluctant to reveal their remittance receipt status in front of other students, considerably underestimating the result. They suggested that at least two-thirds of them live in remittance receiving households.

This study found that remittances increasingly improved the access of migrant families to college education, mainly in private institutions. This is more pronounced among those who do not secure a place to study in government universities as regular students (once free but now accessed on a loan basis). Remittances also enable many students to own or access relevant education materials and enable them to acquire particular skills (e.g. computer, English language, driving). As noted above, migrants abroad usually send in-kind remittances to motivate or reward siblings that perform well in their exams. In some cases, good achievement is put as a precondition to receive these items. However, it is not known whether this actually improves educational achievement. Those who aspire to emigrate tend to study particular fields such as nursing or IT, where the demand is believed to be high in the future host country. A valuable assertion has been made by Dustmann and Glitz (2011, p.120) that 'migration decisions and decisions about learning and human capital investments are indeed closely related'.

The health condition of migrant families can be positively influenced by remittances, cash, in-kind and social exchanges. First, it enables them to access or afford the services of quality health care providers when needed, both in Ethiopia and at times abroad. Some 7.7 percent of households use remittances for medical expenses and little over a quarter of respondents had received medicine from diaspora members in the past year or so. This also includes medical equipment, such as blood pressure monitors. When migrant families get ill or need medical treatment, they seek immediate support from relatives abroad. The following quotation taken from Halima, a 58 year old woman, further illustrates this point:

I have 8 children of whom three have been residing in Arab countries for a long time now. Recently, I don't feel healthy. I have been attending my treatment here in Gondar. The medical expense was 7,000 Birr (\$US 400) per week for several months. My daughters abroad paid for all these costs. Alhamdulillah!! Otherwise, I couldn't afford.

The second and perhaps most important health impact of remittances are demonstrated indirectly. As discussed above, the improved family welfare and living standards, such as food and decent housing, with improved hygiene and sanitation facilities, helps to prevent or reduces the risk of exposure to various diseases. This might explain their low reported medical expenditure. Indeed, Ayalew and Birhan (2012) show that, in Gondar, household expenses on medical care is insignificant (only 1 percent of their annual income). However, the explanation they provided is more economic, namely inability to afford medical expenses. Another important point is that stay behind families are exposed to the exchange of ideas with relatives abroad, which is believed to improve family safety, and health practices and is otherwise known as social remittances (Levitt 1998). For example, elders are often urged to visit private clinics for an overall medical check-up, and the youth are encouraged to exercise, and not to expose themselves to alcohol and other substances.

7.3.3. Social status

Remittances do not only augment the income and assets of migrant families, but also boost their social status. Migration and remittance receipt is a well-established wealth and social status indicator in the study area. The number of diaspora members abroad, their place of residence, duration of stay and legal status, as well as the level of benefit harvested from, or improvements resulting from migration, including left behind family visits overseas are all necessary to climb the social ladder. The survey shows that 18.6 percent of households had visited migrant members abroad. Of these, eight out of ten travelled to the US. Domestic tourism, especially to religious destinations is also on the rise which boosts the social and spiritual status of families. Notably, internal tourism is little practiced among the general public in Ethiopia (Ali and Dejan 2013).

Households with members in Western countries, especially in the US and those with multiple members abroad enjoy more respect and improved social status compared to non-migrant families and those with members in non-Western destinations. This is mainly because the benefit of migration is likely to be higher among the former households and their diaspora members. Clearly, being a diaspora member abroad now dominates over other conventional social status indicators, such as high educational attainment or securing high paying jobs. This is due to the fact that remittance recipients can experience improved and higher living standards compared to those with paid jobs who usually struggle to ensure subsistence amid high inflation and rising living costs.

Moving into urban centres from villages and small towns also improves the social status of migrant families and their access to services. Nearly a third of migrant families in the study had moved into Gondar from the surrounding towns and villages. Census data also indicated that migrants make up 41 percent of the total population of the city (206,987) with more than half moving over the last 6 years (CSA 2007). Due to remittances, many villagers in the Hadiya and Kembata region become urban dwellers, notably in Hosanna, Shashemenie, Hawassa and Addis Ababa. Those who remain in the villages also enjoy improved social and material wellbeing. The support that transnational families provide to other people during holidays, weddings, and also in difficult times (i.e. food price rise, illness, accident, death, etc.) and the donations they make to religious institutions, and other community projects, can also influence status. Therefore, they are often perceived to be problem solvers and potential insurers. This will be discussed further in Chapter 8. A little over a quarter of respondent households spent remittances on social events, suggesting their active social engagement.

7.4. Negative impacts

While this section focuses on the adverse effects of migration at the family level, the community wide negative implications will be discussed in Chapter 8. It is important to note that about three-quarters of households saw no negative effects due to the departure of migrant members, and in only 4.4 percent of cases, the departure of family members had left children or elderly without caring support. Many studies including UNDP (2009, p.71) reported that ‘separation is typically a painful decision incurring high emotional costs for both the mover and those left behind’. However, only 14.5 percent of households reported this sentiment, suggesting that the emotional costs due to separation is low in a mature emigrant community where migration is seen or accepted as a way of life. The exposure of the community to migration and associated benefits, notably remittances, along with solid transnational ties and visits could be the explanation. Moreover, the majority did not tend to worry much about the safety of their diaspora members as they resided in Western countries and have legal documents of residence. For new departures, foreign soil is no longer considered as *baed ager* (stranger country) where earlier migrants established a sense of ‘home’. However, families that send members to South Africa and Arab countries tend to incur more emotional stress as the migration pattern and the working conditions of Ethiopian migrants in these countries is associated with higher risks, as reported in Chapter 4.

Most of the adverse effects, however, are related to remittances. A culture of dependency is one of the most notable negative impacts. Out of 544 households, 34.5 percent sustain a living only from remittances, of which about half are headed by unemployed persons aged 18-64 years. Nearly a quarter of households involved sons/daughters aged 18 or over who are neither studying nor engaged in work. This figure is high compared to the rate of unemployment in the city (16.3 percent) and in urban Ethiopia (17.5 percent) (CSA 2007). Table 7.8 shows the reasons why the youth that live in migrant households remain unemployed, with nearly half (47.1 percent) reporting that their members remain reluctant to work as they receive sufficient remittances from abroad or are hoping to join them, some 26.7 percent of them lack job opportunities and another 21.4 percent claimed that they lacked relevant education. The survey found that one in ten interviewed households involved members that quit education due to high migration aspirations or inappropriate remittance usage. The dropout rate is higher among males (55.9 percent) than female members (44.1 percent).

Table 7.8 Reasons for unemployment among young family members

Reason	Number	Percent
Receive sufficient money from relatives abroad	43	33.6
High aspiration to emigrate or in the process	19	14.5
Have no/little education	28	21.4
No job opportunities	35	26.7
Other	5	3.8
Total	131	100.0

Source: Migrant household survey, 2012

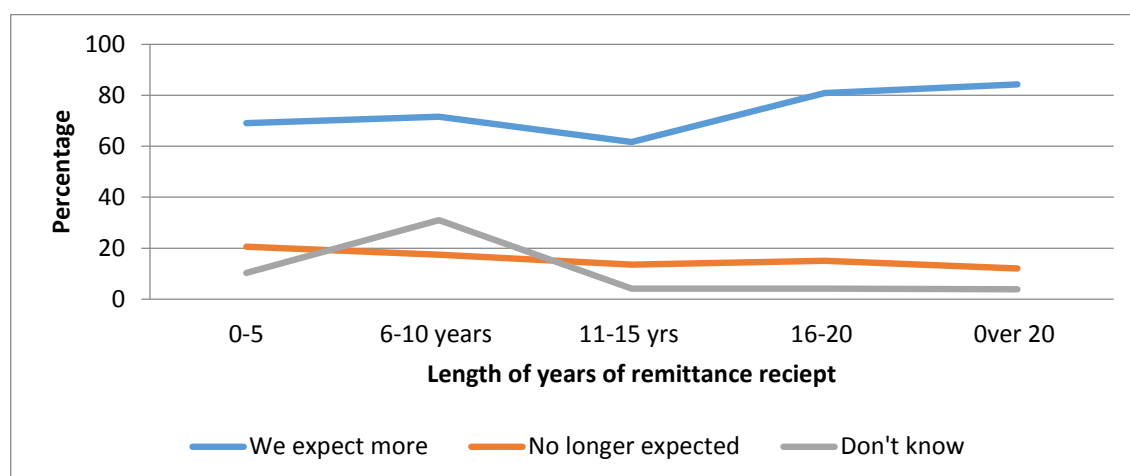
In Gondar, youth remittance recipients who are neither studying nor engaged in paid or unpaid family work are usually named *wetat turetegna* literally means ‘youth pensioners’. They largely use remittances, cash and in-kind, not only to demonstrate ‘modernity’ but because they are a diaspora family or dollar recipient. Globalization and migration, though not mutually exclusive, interact to influence the behaviour and actions of remittance receiving youth. Unemployed members, who tend to use their remittances for leisure and entertainment, tend to be reluctant to find jobs and remain unemployed for extended periods of time. The fear is that if they secure paid jobs, they would lose their remittance earnings, which exceeds the salary they would potentially earn. Many cases demonstrate that migration is not only causing ‘brain drain’ by the departure of skilled people, but remittances sometimes spoil recipient families productivity through reducing the motivation to work and study. Focus group participants reported that misuse of remittance money exposed migrant families, especially the youth, to a range of interrelated health risks, including alcoholism, substance abuse and the risk of HIV infection. A study

(Kebede *et al.* 2005, p.7) conducted on 20,434 youth in Ethiopia showed that *Khat* and alcohol consumption are ‘significantly and independently associated with risky sexual behaviour’. Other studies also corroborate this finding (Ayenew *et al.* 2012).

Many migrant families have developed a mentality that remittances are an endless blessing, and what is received should be consumed, because the next round will inevitably arrive soon. Recipient families are often willing to spend remittances to buy goods or services, which they are less likely to buy with locally raised money or are not willing to spend their own savings. Moreover, remittance recipients do not often bargain when they buy goods or services and hardly resist unfair prices. Regarding inappropriate spending, remitters are not blameless. Many do not tell recipients how hard they work to earn the remittances, and they continually remit without examining how the money is spent. They often strive to fulfil all family demands leaving few responsibilities for those left behind.

Respondents were asked whether they expect further remittances to sustain their livelihood and the majority (71.5 percent) responded ‘yes’. About 19 percent do not need or expect remittances anymore and the remaining 9.2 percent could not decide. Of 390 households who reportedly expect further assistance, half of them seek more assistance, nearly a third only a little and 16.4 percent a lot more. The higher the importance of remittances to livelihoods of recipients the higher their further expectations tend to be. The vast majority (88.8 percent) of those who receive regular remittances sought more support in the future. This is aggravated by the rising living costs and high inflation. Figure 7.15 shows that those families who have been benefiting for a long time have higher expectations compared to those that have started accessing remittances in recent years.

Figure 7.15 Households’ further expectations of remittances by length of remittance receipt



Source: Migrant household survey

Family disputes are another downside of remittances. The diverse and often competing interests in respect to remittance usage and often inappropriate usage of remittances caused disputes among over a third (37 percent) of interviewed households in the past year. Of these, a third were frequently in dispute with two-thirds facing disputes less frequently. About three-quarters of disputes prevail among recipient families, while about 20 percent between the remitter and recipients. Disputes manifested in different ways, ranging from unwillingness to speak to each other, suspending transnational communication, physical and verbal abuse and even divorce and separation. When the conflict becomes intense, migrants employ two alternative remitting strategies. First, instead of sending money to the head of the family to manage, they name portions of remittances with the intended purpose to all recipients. Second, they transfer a lump sum of money to a trusted third party so that the assigned person would distribute the money to the intended recipient(s) on a monthly basis and follow up how it is used. However, disputes with a third party was reported from 13 households (5.9 percent). Remitters often overlook the diverse interests within the family and the social context in which remittances are utilized. Young family members, especially those who are addicted to substances, are often in dispute with families as they tend to sell their own belongings, steal household equipment, and force others to give them money. Disputes between immediate and extended family can occur when the latter receive no or little resources from the migrants or main remittance receiving family.

7.5. Conclusion

Remittances increasingly improve the income of migrant families and their living standards and assets. Regarding the impact of remittances, the study observed both continuity and change overtime. The balance of remittance usage has changed from a focus on daily subsistence and social events to more investment in housing, business, and education over the past decade. However, this is not to suggest that remittance spending or the change observed is linear, nor that all migrant families should follow the same path. This depends on the initial resource basis of the household (i.e. financial, material and human), volume of remittances sent, length of receipt and government policy, among other factors. The emergence of a private sector, expansion of infrastructure, and an incentive package from the government, mainly free land for the Ethiopian diaspora, have tended to reinforce remittance investment.

Overall, in Gondar, depending on the household dynamics, remittances can make families wealthy, lift many others out of poverty and prevent low or modest income families, including widows and retirees, from being pushed into poverty amid rising living costs and

inflation. Migration and remittances have improved the access of left behind families to education and health, and increases their exposure to technology, new places and culture, both within and outside Ethiopia. It also boosts their social status. However, migration and remittances can reduce people's aspirations to work and study, increase unemployment and school dropout rates, as well as lead to family disputes. These negative impacts are mainly caused by poor remittance management along with the absence of government support at the grassroots level. The next chapter discusses the community impact of migration, diaspora engagement and remittances.

CHAPTER 8

THE COMMUNITY-WIDE IMPACT OF MIGRATION AND REMITTANCES

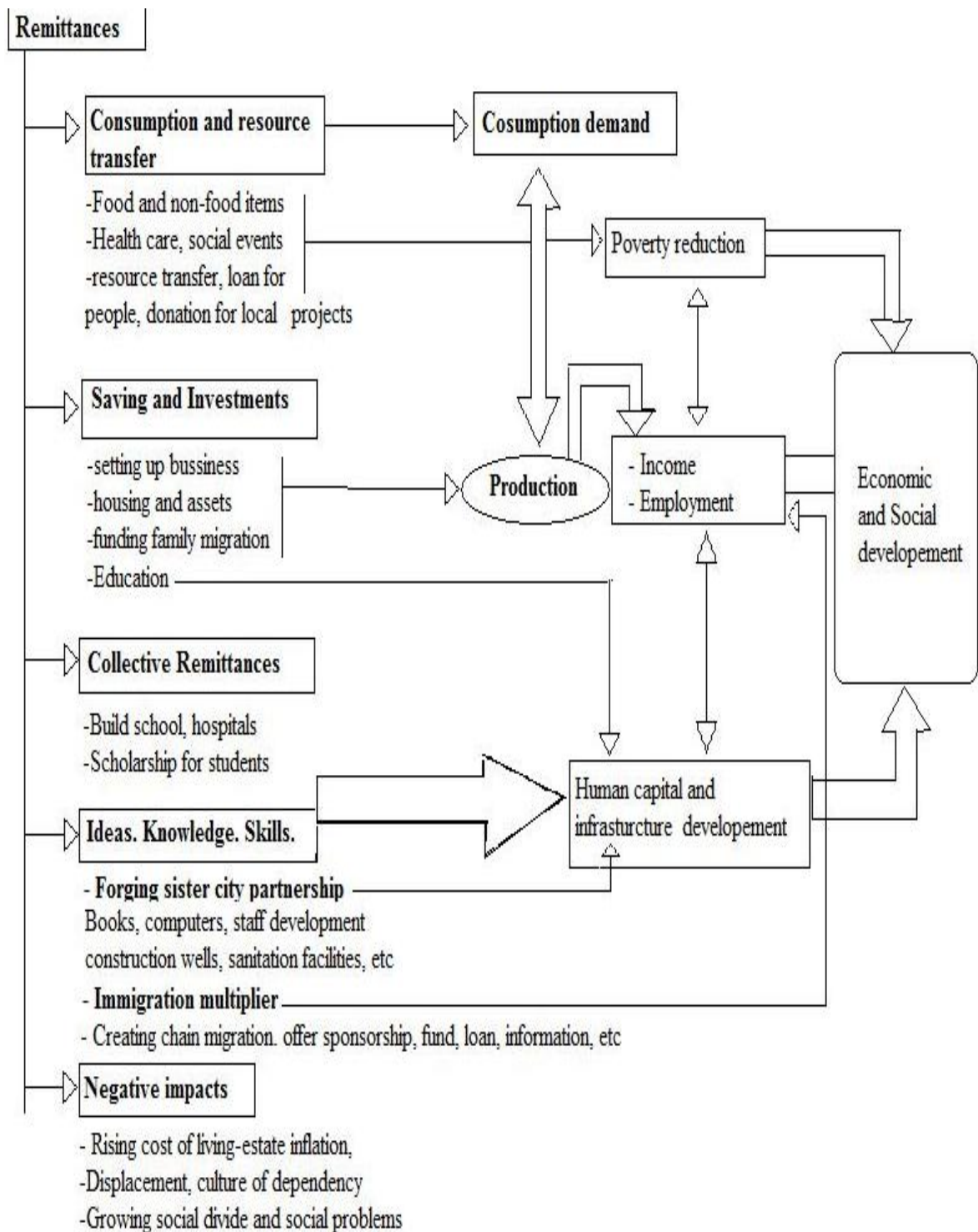
8.1. Introduction

As reported in Chapter 7, migrant families use remittances to meet daily subsistence, and invest in productive and non-productive sectors. A legitimate question to ask is how remittances are linked to the local economy and what benefits and adverse effects are caused in the community of origin. The development impact of remittances can be better explained if its community-wide multiplier effect is captured (Hugo 2003; Taylor 1999). This chapter examines the impact of migration and remittances on the community. Figure 8.1 also shows how remittance in-flow, both individual and collective, and its utilisation can impact on migrant origin areas over the short and long term. Origin communities can significantly benefit from the different resources that migrants send collectively. The Gondar Development and Cooperation Organisation (GDCO), a HTA established by the Gondar native diaspora in the US, has been providing economic support for disadvantaged students and building the capacity of schools and hospitals in Gondar. The interplay of different factors, such as the characteristics of emigrants, notably their education, income and legal status at destinations, can determine the extent to which they engage in home community development. Rural areas in south Ethiopia send low-skilled migrants predominantly to South Africa through irregular channels and hardly benefit from migrant organisations. They tend to be emerging migrant communities where the outflow has been recent, and HTAs tend to develop as migration outflow mature as Somerville *et al.* (2008) noted.

The diaspora can also play an important role in ‘twinning’ Gondar with foreign cities. This partnership helps channel resources from rich to poor cities and benefits migrant origin areas. The level of benefit depends, however, on the type of projects implemented and whether the partnerships address the strategic needs and priorities of local residents. When remittances are invested in business it provides jobs, goods, and services. This also promotes the tourism sector and improves rural-urban linkage. Figure 8.1 shows that that high consumption induced through remittances can create a market for local producers, such as farmers and service providers so that it can stimulate the local economy. This is also observed in other studies in Asia (e.g., Barai 2012; Taylor 1999). Inter-household

resource transfers, especially in the form of loans increasingly help local inhabitants to meet basic needs; cope with crises; set up businesses, and send children to school. Transnational families increasingly support, facilitate and create migration opportunities for local inhabitants other than their families.

Figure 8.1 Community-wide multiplier effects of migration and remittances



Source: Adapted from Barai 2012

As demonstrated in Figure 8.1, remittances can cause negative effects through widening income disparity, intensifying living costs and local inflation, creating new social layers, and a socio-spatial divide between migrant and non-migrant families. Policy measures related to the diaspora that are based on political rather than economic motives, can exacerbate some of these problems, notably inflation in land and house prices. The next section will discuss the various ways that origin communities can obtain benefits from migration, and the different ways in which remittances are tied to the local economy. The chapter then moves to discuss the impacts on migrant sending areas of HTAs alongside the benefits of city-to-city partnerships. The final section will discuss the negative economic effects and social costs that migration and remittances have caused in communities of origin.

8.2. Inter-household resource transfer and community engagement

The transfer of resources from migrant families and their diaspora members to other households was found to be quite significant. Nearly three-quarters of respondents in Gondar stated their relatives abroad sent remittances to people other than their immediate families, of whom the majority (70.5 percent) were extended family, 3.7 percent were family in-laws, and a little over a quarter were neighbours and friends. This transfer is often based on reciprocity and altruistic motives. In the Hadiya and Kambata region, villagers, including those who do not send members away, increasingly receive remittances, especially during *Meskel* and other social events, notably weddings and funerals. Communal values and norms that are based on reciprocity are reinforced through migration. As migrants tend to be financially better-off than those who remain behind, the resource transfer and expectations of support from abroad, particularly during these events is growing. As Faist (2010) argues, immigrants are increasingly reproducing the local tradition in the transnational social spaces. Organizing these social events is costly and also takes up a large portion of family savings. Many villagers tend to organize these events through selling their property and obtaining loans. As the school opening season and major holidays often converge, some parents force children to drop out of school or postpone the year of enrolment. However, over recent years, remittances that are sent for these events enable many villagers, including non-migrant families, to avoid debt traps, to keep children from dropping out of school, and to celebrate holidays, with less frustration.

Focus group discussions with migrant and non-migrant families in Gondar, Hadiya and Kambata regions showed that migrant families increasingly share their resources with

other households not only during crises (illness, accident, death, crop failure, etc.), but also in good times (holidays, weddings, and members' emigration abroad). Resources can be transferred in the form of cash, food, materials or equipment which otherwise requires large sums of money to buy or rent. This allows persons to save or spend meagre resources for other essential purposes. Another study done in Ethiopia also corroborates this finding. Beyene (2012, p.19) found that a '100 Birr additional remittance leads to a 0.63 percent' increase in the likelihood of transferring resources to other households that do not receive remittances. Beyene (2012, p.22) also reported that resource transfers from remittance recipients to non-recipients considerably improve the welfare of the latter, so that remittances become 'more equalizing (or less unequalizing) and more poverty reducing'.

The survey found that families receiving remittances are key sources of loans for local inhabitants. Some 60 percent of respondents had lent money to other people in the year prior to the survey. Although loan recipients constitute both migrant and non-migrant households, the former tend to be more ready than the latter to access loans from the household surveyed (53.5 percent against 45.7 percent). The explanation is that they believed that they could repay the loan in a short period of time, and that they were potential loan providers in the future. This might also suggest that there is a poor saving culture, and that there are intense social interactions between households that send migrants away. Local inhabitants obtained loans not only to meet daily consumption and cope with crises, but also to invest in productive activities. Table 8.1 shows that about a third of them use the loans to purchase food, about 22 percent to pay for medical expenses, another 12.1 percent to pay for education. Nearly one in ten households surveyed used the loans to start or expand business and some used the loan to organize holidays, weddings and *Tezkar* (feast to commemorate the dead).

Table 8.1 Purpose of loan fund of respondents who had used loans*

Purpose	Number	Percent
Purchase food	123	34.1
Medical expenses	78	21.6
To start or expand business	39	10.8
Education	44	12.2
Finance migration	21	5.8
Social expenditure	29	8.1
Other	9	2.6
Don't know	17	4.9

Source: Migrant household survey

* (multiple responses)

In Ethiopia, formal financial institutions do not provide loans for non-investment purposes and if available the complex procedures (i.e. collateral) and high interest rates, put them out of the reach of low or modest income households. According to Gobezie and Garber (2007, p.28), only 10-15 percent of the poor have access to loan and credit schemes in the Amhara region, including the study area. Given this, the financial services that migrant families make available is an important indirect benefit of migration to migrant origin communities. Loan funds help to overcome financial difficulties, and avoid *arata abedaries* (individuals that lend money with high interest rates, as high as 100 percent), but they also enable them to cope with sudden crises. According to CSA (2011), in 2010, 10.3 percent of households (6,353) in Gondar have experienced such crises, notably food price rises and shortage of food. Illness of family members and theft was also a considerable challenge, as shown in Table 8.2. Many of those households that suffered from food shortage or food price rise received support from friends and relatives. Well-to-do families, notably families receiving remittance, are likely to provide such support. Beyene (2012, p.24), suggests that Ethiopian households ‘insure each other by sharing the remittance money they receive from relatives abroad’. From the household surveyed it was found that respondents coped through switching to cheap and less favoured food items, reduce the number or size of meals, and diversify their income sources (CSA 2011).

Table 8.2 Major crises of households in Gondar

Type of crisis	Number	Percent
Price rise of food items	3,092	48.7
Shortage of food	1,180	18.6
Illness	624	9.8
Theft/robbery/violence	578	9.0
Death of family member	358	5.6
Loss of job and reduce income	390	6.1
Other	131	2.1
Total	6,353	100.0

Source: Data compiled from Welfare Monitoring survey CSA 2011

Another notable way of inter-household resource transfer is through helping other people meet education costs. The survey found that out of 544 households, over a third provided education support for non-family members, of these about half support one person, and the remained two or more people. Households headed by females (45 percent) are slightly more likely to provide such support compared to their male headed counterparts (38.1percent). The multiplier effect of migration is evident in the education sector, not only through improving access among children and youth that live in non-migrant households,

but also through investment in building the capacity of public schools through collective remittances, which is discussed later.

Besides creating casual job opportunities, migrant families considerably support education among housemaids who often migrate to the city from villages and small towns. Out of the 544 households, 62.7 percent have housemaids and the majority (68.9 percent) of them attend educational institutions, with nearly 60 percent receiving financial support from their employers. The remaining 31.7 percent do not attend school because they may not want to or due to the lack of support from employers. About 8 percent of households claimed that they allow housemaids to go to school but do not cover their education expenses. Of particular note, allowing maids to go to school does not only require spending money, but as many respondents claimed, the time maids spent on education, both in school and at home, also compromised the quality of the service they delivered.

Table 8.3 Education support for housemaids of respondents

Type of support	Number	Percent
We cover her education expense	205	59.6
Pays for her education	28	8.1
She doesn't attend school	106	30.8
Other	5	1.5
Total	344	100.0

Source: Migrant household Survey

8.3. Increased chain migration opportunities

Transnational families increasingly support, facilitate and create migration opportunities for local inhabitants other than their families. A question was asked whether migrant families or diaspora members support non-family members to emigrate abroad, and if so in what way. Table 8.4 shows that the majority (68.7 percent) of respondents had provided support in one way or another. Transnational arranged marriage is one of the most important areas where migration and associated benefits were multiplied to local inhabitants. Of 544 households, about 42 percent have been involved in arranging marriages for diaspora relatives, and one in ten of those interviewed sent members abroad as part of marriage migration. Other support was through arranging sponsorship for future migrants, notably DV migrants. Almost a third of respondents reported that their diaspora members had sponsored at least one DV lottery winner, as shown in Table 8.3. This is crucial as DV emigrants are required to have a U.S based sponsor – who sign the family

sponsorship form, show bank accounts, and cover their living expenses for a couple of months. The diaspora who fled the country in the late 1970s and early 1980s, often sponsor DV lottery winners, who were not yet born or were very young at the time they fled Ethiopia. Migrant families in Gondar play an important role in connecting recent departures with that of long-term emigrants, as these two generations of emigrants are less likely to know each other. In other words, they serve as an entry point to begin accessing the supporting transnational migrant networks. Table 8.3 also shows that nearly a quarter of households or their diaspora members provided loans for other families that enabled them to emigrate abroad. Some 4.9 percent of respondents stated that they have provided other people with relevant migration information. Notably, providing information is hardly regarded as a support worth mentioning among migrant families. Clearly, however, they are an important source of information and inspiration. Since migration and life abroad is a daily topic of conversation in Gondar, Hadiya and Kembata villages, information is spread informally.

Table 8.4 The type of support households provided to other people before or during migration

Type of support provided	Number	Percent
Arrange sponsorship for DV lottery winners	118	31.5
Arrange transnational marriage	158	42.2
Lending or offering money	83	22.2
Relevant migration information	15	4.0
Total	374	100.0

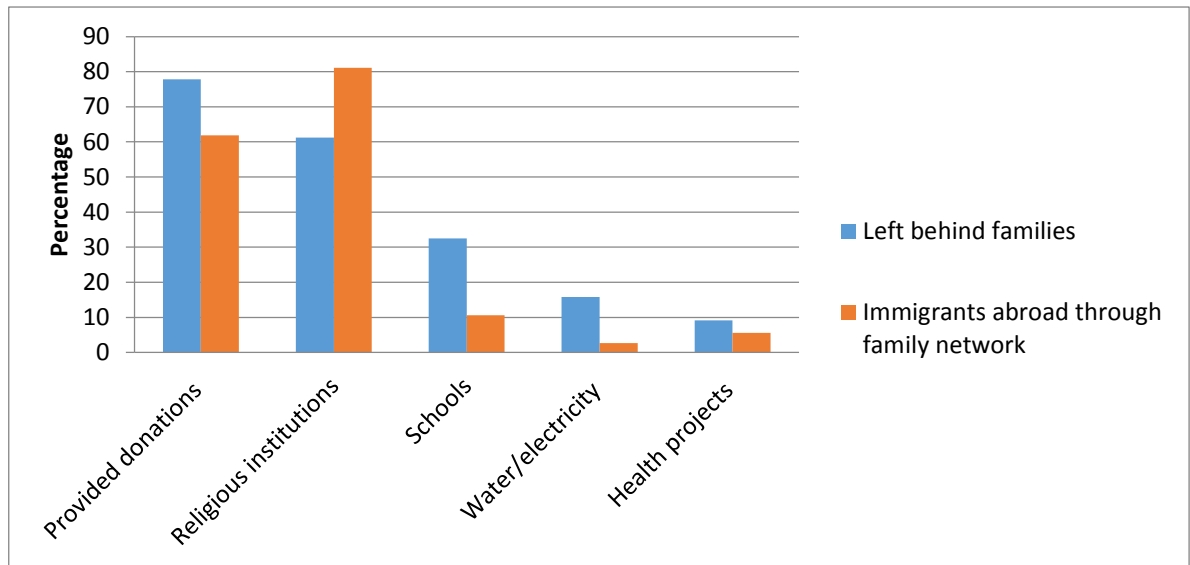
Source: Migrant household survey 2012

Although not emphasised in the migration literature, community engagement of remittance receiving families is of considerable benefit in making finances available for churches, schools, road, and water projects, that are often constrained by limited local government budgets. A question was asked whether or not migrant families provide support to community projects in the year prior to the survey. The majority (77.8 percent) claimed to have provided donations for community projects in Gondar or surrounding areas over the last year, with nearly a quarter who had supported one project, about 40 percent two projects, and some 13.8 percent three or more projects.

Figure 8.2 shows that religious institutions are the major beneficiaries (60.2 percent), followed by schools (32.4 percent). About 15 percent of respondents provided support for

water and electricity projects, and some 9.2 percent have supported health (i.e., hospital and clinic) projects. However, the engagement of non-migrant families in such activities is not known.

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



Source: Migrant household survey, 2012
 *(multiple responses)

However, limited participation in collective remittances does not imply low community engagement among the diaspora as they frequently send donations to community projects through their families. Many do this as they have more trust in family networks over government and NGO structures, as the following quotation taken from an interview with Zeru, a school teacher in Gondar, illustrates:

..my big brother, Adam, who lives in Frankfurt, is a musician (guitar player). He left the country when their band went for a concert tour in Europe. Besides supporting us Adam has been supporting 22 children from poor families since 2006. Adam started this support by himself, but later 3 of his friends have joined him. In order to cover childrens education expenses, they send US\$565 monthly. I am responsible to manage this project, and of course receive \$US65 per month as allowance.

Figure 8.3 also shows that some 60 percent of respondents stated that their diaspora members had sent money or in-kind items to one or more projects over the last year. Of these, the vast majority (81.1 percent) went to religious institutions, while the remaining 18.9 percent were sent to other projects, such as schools and health centres. Emigrants sent donations to local churches with different motives, notably to receive blessings, to boost the status of left behind families, and as an expression of gratitude when they believe that their prayers have been answered, including fulfilling their migration aspirations. This

donation might also be based on long-term objectives of boosting local status which can be necessary for eventual return.

8.4. Job opportunity, market linkages and city landscape

As reported in Chapter 7, substantial proportions (43.5 percent) of households are engaged in some form of business activity. These households have created jobs for some 1,070 people, including family members (i.e., 4.2 employees each on average). The survey found that 84 percent of these households have five or less employees, of which over two-thirds have three or less. Those who are engaged in hotels and in agriculture have created a significant number of jobs; despite the fact that the latter is seasonal. However, it does not mean that all these jobs are created through businesses financed through remittances. Table 8.5 also shows that almost half of the jobs are created by businesses fully funded by remittances, about a quarter by partially funded businesses and another quarter are created by businesses that have not been established nor expanded through remittances. If domestic servants are included, the number of jobs created rises as 62.7 percent of respondents said that they employed females to assist them in the domestic sphere, with some of them having more than one maid.

Table 8.5 Distribution of businesses of migrant households by number of employees

Remittance inspired and non-inspired Businesses	Number of Employees	
	Number	Percent
Business fully funded by remittances	483	45.6
Arrange transnational marriage	305	28.2
Lending or offering money	282	26.2
Total	1,070	100.0

Source: Migrant household survey 2012

Table 8.6 shows that migrants abroad also own businesses in Ethiopia which also creates job opportunities for local inhabitants, albeit in small numbers. Out of 544 households, 15.4 percent reported that their family members have investments in Ethiopia. Most of those who are engaged in business tend to opt to invest in their home town (60 percent), about a quarter in Addis Ababa and some 6.8 percent in other places. The survey found over a third of them invested in hotels, nearly a quarter in real-estate development, 13 percent in agriculture, and another 12 percent in public transport sector. Diaspora investment varies by gender and place of residence. Male emigrants accounted for about 65 percent of diaspora investors in this study, and about 75 percent of these investors were

residing in, or had returned from the US, about 18 percent from Canada and Europe, and the remaining 6.9 percent from Israel and Africa.

Table 8.6 Households whose diaspora members engaged in investment

Type of investment	Number	Percent
Hotel and Lodge	32	38.0
Real-estate	21	25.0
Agriculture	11	13.0
Public transport	10	11.9
Factory	4	4.7
Other	6	7.1
Total	84	100.0

Source: Migrant household survey 2012

Despite Gondar’s huge potential for producing cash crops, namely sesame and cotton, diaspora engagement is quite small in much needed agriculture and the agro-processing industry. Table 8.7 shows the pattern of diaspora investment in the study area. Data obtained from the North Gondar Investment Bureau indicates that, between 1993 and 2012, only 130 diaspora members, mainly from North America, had taken investment licences to invest in the province. Of these, only 5.3 percent are operational or under implementation with an estimated budget of Birr over 16 million. This means that most diaspora take no further steps after obtaining investment licenses. However, those who are in operation have created some 393 jobs, so if all investment projects were implemented there could be estimated 14,117 permanent and temporary jobs (Table 8.7). It has been reported that (EIA 2012) diaspora investment accounts for only 10 percent of the total investment undertaken by Ethiopian investors in Ethiopia. A combination of factors hinder diaspora investment in the study area which includes, poor supply of investment inputs (i.e. land), inadequate infrastructure (e.g. water, roads, and electricity), poor financial support, along with corruption and a lack of transparency. A study by Chacko and Gebre (2012, p.504) in Ethiopia show that diaspora disengagement is ‘exacerbated by frequent changes in government policies and sectoral priorities’.

Table 8.7 Diaspora Investment Projects in North Gondar Zone, 1993 to 2012

Sector	Licensed investment				Operational			Under implementation		
	Number	Capital In Million Birr	Temporary jobs	Permanent jobs	Number	Capital In Million Birr	Job opportunity	Number	Capital In Million Birr	Job opportunity
Agriculture	72	148.4	6,826	4,315	1	0.737	119	-		
Industry	8	37.2	150	194	1	5.34	154	-		
Construction	14	33.5	85	173	-			1	3.25	30
Social services	10	24.5	124	20	-			1	0.76	10
Hotel	24	145.8	1642	653	1	2.0	30	2	4.5	50
Trade	2	4.5	20	55	-			-		
Total	130		8707	5410	3	8.0	303	4	8.5	90

Source: North Gondar Investment Bureau, 2012

On the other hand, interviews with experts of Gondar city investment bureau show that many diaspora engage in investment with trade licenses and many investors do not necessarily seek investment licenses but still engage in investment. Over the last decade and half, the diaspora, mainly from the US, established 66 business enterprises in the city alone, with most investment concentrated in the service sector. The survey found that 12.5 percent of migrant families or diaspora members had invested in hotels, lodges, cafés and restaurants in the city. Data obtained from Gondar City Culture and Tourism Bureau also indicate that nearly a third (8 out of 25) first class hotels in the city are owned by returnees or the diaspora. The equivalent amount is believed to be state owned. Moreover, remittance induced investment in the service sector promotes the tourism sector in the region. In addition, the diaspora engagement through home visits and growing tourist flows is an incentive to other entrepreneurs to invest in the service sector. Williams and Hall (2000, p.7) also noted that ‘many forms of migration generate tourism flows, in particular through the geographical extension of friendship and kinship networks’.

Due to its administrative and geographical importance, but also trade, tourism and remittance flows, Gondar experiences large in-flows and out-flows of people throughout the year. The substantial investment of the diaspora and left behind families in the service sector, especially in public transport, increasingly support or facilitate this circulation of people and goods, thereby stimulating the local economy. As noted in Chapter 7, migrant families and return migrants in the Hadiya and Kembata region invest in buses which

substantially improve transportation in the region. This is also believed to intensify the rural-urban socio-economic linkages. However, poor investment on road infrastructure reduces the otherwise large potential.

Remittance induced investment has made goods and services available for the local market, ranging from retail outlets and schools to transport and recreation centres, which has directly created job opportunities. Remittance recipient families who spend on food and non-food items, notably housing, education, and consumer durables, do not only encourage business to flourish in the city, but also create job opportunities and market linkages with the surrounding villages and towns, suggesting that the positive multiplier effect of migration is valuable (Hugo 2003; Taylor 1999; Adelman and Taylor 1996). The surrounding farmers, for example, can sell whatever items they produce for good prices, including cereals, crops, vegetables, cattle, firewood and charcoal. The effect of remittances on the local economy is significant given that migrant families and many people in Ethiopia consume locally produced food, as there are few multinational food companies or retail outlets. Yet, the country continues to import foodstuff from abroad and this reduces the benefits of the multiplier effects. World Bank (2012) data show that food constitutes 14 percent of the total imports in Ethiopia.

Housing investment by migrant families and diaspora has also created considerable job opportunities for local people who work on construction sites and mine sand from local rivers, crush stone sand, and transport them to construction sites. The jobs created, however, are seasonal. An interview with local contractors (engineers) indicated that houses are overwhelmingly built from materials supplied from within the region or other places within the country. For example, wood and sand are supplied from surrounding villages, sand and concrete blockettes from Bahir Dar; cement from Ambo and Tigray. Undoubtedly, this stimulates the local economy when remittance recipients consume goods which are locally produced or largely made from local inputs (Hugo 2003).

In Ethiopia, real-estate companies are concentrated in Addis Ababa, but recently they have expanded to regional cities such as Gondar. In Gondar, three real estate developers, namely Yaynie real-estate, Quara, and Aba-Samuel have emerged in recent years, due to the diaspora and families left behind as potential market sources. This provides considerable job opportunities for local communities, and creates markets for local construction material suppliers. Remittance funded modern houses and the expansion of real estate in the city,

has led other entrepreneurs to open modern furniture and electronics stores. In other words, the 'consumption demand triggers investments by other households or by firms' (Taylor 1999, p.65). However, modern furniture workshops in the study area sometimes use expensive imported materials, including those from Australia. In Ethiopia, the production capacity of factories, such as cement, steel and ceramics, are less likely to keep pace with the growing construction demand in the country. Migrant families are also increasingly purchasing imported consumer durables which reduce the development impact of migration.

Similarly, due to significant investment in children's education, the number of private schools, from nursery, primary through secondary and post-secondary, has dramatically grown over the past decade. Data obtained from Gondar City Education Bureau indicate that the city has 20 private schools, with about 609 staff. In the 1990s there were only 2 private schools. At least a quarter of these schools are fully or partially funded through remittances, owned by returnees, diaspora, or families left behind. The high demand becomes an incentive for entrepreneurs to invest in the education sector and this creates jobs for teachers and administrative staff, reduces the burden on public schools and improves the quality of education.

Remittances also create market linkages beyond the region. The city of Gondar has been the preferred location for nationwide trade fair organizing companies in Ethiopia. Many companies are more willing to participate if the trade fair is organized in Gondar than in any other regional city. The explanation is that companies that participate in the trade fair are more likely to sell large quantities of products there. Besides being a trade hub of the region, the city is inhabited by people with higher purchasing power due to remittances. Overall, as Taylor (1999, p.72) noted, these 'market linkages transmit the impact of remittances from the households receiving them to others in the local, regional, or national economy'. However, neither migrant families nor other merchants are able to fully exploit the demand that remittances has created for a number of reasons. First, the high remittance induced demand enables many merchants to sell goods quickly with a high profit. Second, as many business owners themselves receive remittances they tend to be reluctant to scale up and grow their business activities. The third is that they lack basic entrepreneurial skills. Businesses are limited in scope, innovation and are less adapted to local demand, especially to meet the demands of transnational families and tourists.

Remittance-induced investments and other private investments, which are partly reinforced through migration and remittances, such as banks, schools, and real-estate, have dramatically changed the city’s physical and social landscape. Remittance inspired rural-urban migration in part explains the expansion and population growth in the city. The survey found that a third of respondent households have moved to Gondar from villages and towns within the province. Census data show that, in Gondar, migrants account for about 41 percent of the total population of the city (206,987), of whom more than half have moved to the city over the last 6 years (Table 8.8). Females account for the largest (54.5 percent) proportion of those who have recently moved to the city.

Table 8.8 Migrants in Gondar city by length of residence

Sex of migrants	Number of migrants	Length of residence					
		Less than one year	1-2 years	3-4 years	5-6 years	7-9 years	10+
Male	39,395	4,997	7, 285	6,084	4,019	3,755	13,255
Female	47,207	5,314	7,317	6,692	4,847	4,555	18,482
Total	86,602	10, 311	14,602	12,776	8, 866	8,310	31, 737

Source: Compiled from 2007 Population and Housing census (CSA 2007)

On the other hand, remittance inspired investments tend to alter the social landscape of the city. For example, established businesses and public enterprises are named after ancient emperors and princesses that represent the city’s long history, while emerging investments are often named after cities or areas where migrant members reside or have returned. To mention some: Florida Hotel, Miami Boutique, New York café, Rotterdam Bar, Dallas Boutique, Atlanta restaurant, Lodge Du Chateau, Mississippi Pool, and Liverpool Pool. The statue of Atse Tewodros, ancient king of Ethiopia, erected at the centre of the city in 2008, was partly funded by the diaspora which is an exception.

8.5 Sister Cities: Migrants role in forging people to people partnerships

The emergence of sister city relationships is mostly associated with the notion of the 1950s people-to-people partnership, which was championed by Eisenhower, the then president of the US (Hepler 1994; Sister Cities International), and is seen as a means of extending ‘care across space’ or ‘care at a distance’ (Clark 2011). However, Cremer *et al.* (2001, p.380) claimed that the ‘roots of the sister cities phenomenon can be traced back more directly to the aftermath of the second world war and the help British cities gave European cities devastated by the conflict’.

Interestingly, the study finding shows that emigrants play an important role in linking their hometown (i.e., Gondar) with that of host cities. Gondar has been ‘twinned’ with four foreign cities, namely Corvallis, Oregon; Montgomery county, Maryland, US; Rishon LeZion, Israel and Vincennes, France, and with two local cities, namely Hawassa and Mekelle. As a result, the municipality, unlike other cities in Ethiopia, has uniquely formed a sub-office that is responsible to manage the sister city partnership. Data obtained from the Addis Ababa City Government show that Addis Ababa has 15 sister cities around the World, including the latest signed in December 2013 with Washington DC. It is not a mere coincidence that the sister city partnership is formed between Gondar and other cities in the US and Israel, where migrants native to Gondar overwhelmingly reside. For example, the partnership with Corvallis that was forged in 2005 was envisioned by a Gondar native immigrant who works in the Corvallis city council as the following quotation suggests:

...the initiative to develop a relationship with Gondar originated with a City of Corvallis staff member who has an Ethiopian heritage and was raised in the Gondar region. Because of his continuing interest in Ethiopia, he maintained an understanding of many of the needs of Gondar and Ethiopia in general. He envisioned a partnership between interested community volunteers in Corvallis and a governmental authority in Ethiopia and decided to pursue the idea. Other staff members soon joined this effort (www.sistercities.corvallis.or.us).

By the same token, the collective effort of the Ethiopian diaspora was critical to twin Gondar with Montgomery County in 2011. According to the Montgomery Sister Cities Association report (2012) the diaspora from nine African countries competed to forge ties between their hometown and Montgomery County. However, the city of Gondar was chosen as Montgomery’s first sister city from the continent due to the active engagement of Ethiopian immigrants.

The sister city associations are engaged in alleviating the city’s socio-economic problems. Besides constructing 11 wells, and 8 toilet and shower facilities in Gondar, the Corvallis Sister Cities Association planted more than 300,000 trees to rehabilitate the *Angereb* watershed, the city’s main source of water. This will considerably improve the people’s access to clean drinking water and sanitation facilities thereby reducing the risk of exposure to water-borne and other diseases. The sister city partnership is also engaged in restoring and rehabilitating historical heritages, building the capacity of primary schools, notably *Tsadiku Yohannis*, through setting up libraries, computer laboratories; supplying teaching materials, and funding the further education of teachers. This would also help improve the quality of education, and contribute to the regions human resource

development. This is an important example, indicating that migrant sending societies benefit from sending migrants away.

8.6. Hometown Association: Gondar Development and Cooperation Organization

8.6.1 Introduction

The first generation emigrants from the Gondar region have established a HTA in the US named Gondar Development and Cooperation Organisation (GDCO). GDCO was established in 1992 – the period (i.e. late 1980s and early 1990s) when HTAs became popular across the world (Lacroix 2010; Orozco 2000). GDCO, a province-wide HTA, has opened local liaison offices in eight states of the US where migrants native to Gondar are concentrated. The highly skilled community members are active in establishing and running GDCO. Currently, 8 out of 12 council members and advisory committees, for example, have a PhD or MD (www.gdco.info). GDCO is an organisation that allows Gondar native emigrants to ‘maintain ties with and materially support their places of origin’ (Orozco and Rouse 2007, p.1). Besides, it facilitates the integration of new emigrants, and promotes Ethiopia’s rich history and culture among second generation immigrants. That means GDCO is addressing concerns both in the host country and community of origin. Since its inception, the HTA has liaised with a local NGO, named Gondar Relief Rehabilitation and Development Association (GRRDA), which is responsible for implementing projects. The GDCO 2012 report indicates that the HTA raised between \$US12,000-14,000 annually from its members and other organisations in the US and Canada. This figure is more or less similar to the budget of many Latino HTAs, which is less than \$US20,000 a year (Orozco and Rouse 2007). As the GDCO transfer funds to local partners through official channels, it makes little foreign currency available. Once arrived, the local partners implements and follows up projects at the grass root level. The two organizations maintain transnational ties through telephone and the exchange of annual reports. The transnational partnerships help reduce the administrative expenses, limiting them to only 10 percent including salary for 15 employees.

8.6.2 Impact

The HTA has been providing economic support for students, and strengthening the capacity of education and health institutions since the mid-1990s. In the late 1990s, with an estimated cost of over US\$100,000, the HTA has built a two-story building (10 additional classrooms) for Fasiledes secondary school. Besides, the HTA has been providing

computers and books for schools around the province (Lisane Gondar 2010). Table 8.9 shows that between 1996 and 2012, a total of 2,311 students benefitted from the scholarship scheme of whom, about half are females. The number of students benefiting from the scholarship scheme has quadrupled from 76 in 1996 to 300 in 2012, the number of schools increased from 20 in 1996 to 30 in 2012 and the monthly stipend doubled from Birr 60 in 2003 to 150 in 2012 (Lisane Gondar 2010). However, given the substantial devaluation of the local currency overtime, the monthly allowance has not improved.

The scholarship schemes help students to alleviate economic difficulties, prevent them from dropping out of school, improve their academic performance and build their self-esteem in the face of poverty and gender inequality. The HTA annual reports (from 2007 to 2012) show that almost all scholarship recipients were able to join universities with good grades, and many of them are working in hospitals, universities and law firms, etc. This is not surprising given that the project recruits outstanding students, who are economically underprivileged.

Table 8.9 Scholarship support by number of recipient students, schools, and annual budget

Fiscal Year	Number of students	Number of schools	Fund in \$US
1996	76	20	-
1997-2003	735 (105 students each year)	20	-
2004/5	150	26	-
2006/2007	150	26	-
2007/8	300	26	30,000
2009/10	300	26	31,000
2010/11	300	26	27,000
2011/12	300	30	33,000
Total	2,311	-	-

Source: Compiled from GDCO report; Lisane Gondar (2010)

The HTA has also engaged in improving health infrastructure. The idea of building a referral hospital, which is under construction, was envisioned by three parties, namely GRRDA, the University of Gondar, and GDCO. Although the diaspora and their associations were believed to be the main funding sources for this project, their contribution is small. So far, the HTA has contributed over ETB 1.5 million (US\$175,000). It is vital to see the diaspora and their associations as an important component, but not as the sole agent of development. Somerville *et al* (2008, p.19) also argued that HTAs ‘can complement, but cannot substitute for other efforts to engage migrants in development’. However, emigrant participation goes beyond sending money. An emigrant native to the

region, for example, did the design work for the hospital project that was worth over ETB 800,000 (\$US 92, 000) free of charge (ENA 2007), though it was not used due to a change in project plans.

The HTA is also engaged in knowledge and skill transfer to local medical professionals, notably to those working in the University Hospital. Diaspora medical personnel often visit Ethiopia to treat patients that suffer from certain diseases free of charge. In Ethiopia, the practice of knowledge and skills transfer is more considerable in the health sector than any other sector. For example, over 119 Ethiopian health professionals from North America were mobilized by IOM's 'migration for development in Ethiopia' programme to provide health treatment, and share their experiences to local health professionals (IOM 2010). Between 1999 and 2012, the Ethiopian North American Health Professional Association (ENAHPA) have provided support for over 10,000 people in Ethiopia, including patients, orphans and health professionals (www.enahpa.org). In addition, some 45 Ethiopian health professionals voluntarily engaged in the effort to combat HIV/AIDS between 2006 and 2010 (Wolde-Giorgis and Terazzas 2011). On the other hand, as reported elsewhere, Ethiopia has lost many of its academic and medical personnel to foreign countries (Berhan 2008; Aredo 2000). The knowledge transfer scheme is not without problems. Some of the issues associated with the transfer: include the manifestation of power hierarchies, mismatch between priorities and interests in the type of skills needed. Once in Ethiopia, some give more attention to personal and family matters than the reason that let them visit the country. In the training sessions, diaspora professionals tend to overemphasize their personal achievements and their privileges in the host institutions, thereby their role in motivating local professionals to emigrate tend to be higher, compared to the skills and knowledge they transfer. Getahun (2007) also noted that, in Ethiopia the social ties and interactions between the diaspora and local health professionals have intensified the emigration of the latter. In some cases, such visits have depressed local medical staff and reinforce their aspirations to emigrate abroad.

The social and political context in which Ethiopian migrant organisations function differ from other HTAs. GDCO's potential is constrained by several factors, which include financial, political, and administrative elements. The partnership is only small between diaspora organisations and other development actors in Ethiopia, mainly the state. The majority of Ethiopian diaspora are believed to support opposition parties which was evident during the 2005 election (Smith 2007). The function of the HTA and diaspora

investment should be seen in a broader framework as the government tends to fail to reconcile the conflict of interests while dealing with the diaspora. On the one hand, there is huge interest to mobilise diaspora resources, especially ‘migradollars’, on the other, little determination to allow the diaspora to engage in the overall democratisation and nation building process in the country. Many regional and local government officials hardly see the diaspora as genuine development partners. They tend to perceive them as ‘rent seekers’ in pejorative terms, who want to maximize their own benefits, not that of the society, through taking advantage and abusing privileges offered by the government.

It was found that the participation of local inhabitants and diaspora members in HTAs is quite small. An interview with the GRRDA head in Gondar showed that, the organisation has about 1,100 local members, of these about 850 are active and attend annual meetings and pay membership fees on a monthly basis (US\$0.11). Regarding the diaspora, only about 200 volunteers actively engage in GDCO activities. Anecdotal evidence suggests that about 60,000 Gondar native migrants reside in America. Based on the household survey, an estimated 20,916 migrant natives to the city resided in the US. If a quarter of these engage in collective remittances, they could conceivably donate US\$0.5 million per year (\$100 per year x 5000 members), which is very large compared to the current \$US12,000-14,000 annual budget. As the HTA primarily relies on members voluntary funding, which is also diminishing overtime, the future of the scholarship scheme is uncertain. The delay in the transfer of funds also negatively affects the lives and education performance of beneficiary students.

8. 7. Negative impacts on home communities

8.7.1. Rising living costs and local inflation

The rising costs of living are one of the most notable adverse effects of remittances to migrant sending areas. Life is expensive in Hosanna compared to other big cities located within a 115 kilometre distance (i.e. Hawassa - the regions capital and Jimma, a city with an estimated population of 350,000- fourfold than Hosanna town). Similarly, living expenses are much higher in Gondar than any other big city in the region and it is comparable with that of Addis Ababa, the capital city. Remittance receiving families have higher purchasing power than other residents. Migrant families neither bargain nor resist unfair prices while buying goods and services. In Hosanna, those families who receive remittances from South Africa are named ‘ene yihunie metu’ (literally means those people

who agree to purchase goods for any price). This is explained by the easily spendable nature of remittances (Gosh, 2006).

The supply-side hardly meets the high and growing demand for food and non-food items, which is partly induced through remittances. Whenever a particular good is in short supply, especially in the holiday season, remittance receiving families tend to purchase the good by paying more than what is asked. This information will spread informally so that the price becomes a new initial price. Dewett (2005, p. 602) rightly argued that inflation is ‘propagated by buyers or groups of buyers to the initial price rise so that further rise in price is induced’. The volume of money dumped in Gondar and Hosanna from abroad and high consumption demand, especially among remittance recipient families, has caused local inflation, on top of high national inflation. Admassie (2013) suggests that, in Ethiopia, the rising inflation on food prices is more explained by local factors than international markets. The reasons include the growing ‘aggregate demand for food, perhaps because of increased private consumption, remittances, and investments in poverty oriented sectors’ (Admassie 2013, p.1).

The rising living costs induced by remittances has put more pressure on disadvantaged families, and has forced many civil servants to migrate out of the city, and an increasing number of employees are seeking to relocate their work places to other towns/cities within the region. Birhan and Ayalew (2012) also reported that the rise in price of consumer goods in Gondar is not comparable with the pay of government employees. Remittance are not, however, the only reason responsible for the rising living costs. The newly built Ethio-Sudanese highway and the appreciation of the Sudan Pound against the Ethiopian Birr have shifted the direction of trade to the Sudan, away from Gondar and Addis Ababa. Low agricultural productivity combined with the growing export of agricultural products to the Sudan, often illegally, reduces the supply of products at local markets, exacerbating the cost of living in the Gondar region (Birhan and Ayalew 2012).

8.7.2. Socio-economic divide

Having a migrant member abroad and receiving remittances is one of the major indicators of wealth or social status in the study areas. In other words, ‘haves and have-nots’ are often defined in terms of accessing and not accessing remittances. Despite the fact that migration opportunities are trickling down to low and modest income families overtime, the income disparity is growing. However, although Gondar is a mature migrant community, the socio-economic divide has become more visible over the past decade. While the majority

of households struggle to survive in the face of growing living costs, remittance receiving families tend to have improved living standards. The remarkable shift in patterns of remittance usage, from consumption and social expenditure to investment has widened the gap. For example, as reported in chapter 7, due to remittances a wealthy residential suburb named *America Sefer* (neighbourhood) has emerged. This emerging suburb, what we call the 'New Gondar', has become a centre for investment and leisure, which is beyond the reach of low and modest income residents. This means that migration and remittances have created a new socio-spatial divide in the city. In these areas the lifestyle tends to shift from 'traditional', which is characterized by intense social interaction to 'modern' where the social space is increasingly narrowed. The big concrete fences built around the houses increasingly limit the everyday interactions of neighbours. Unlike the main city, *America Sefer* residents are less likely to interact and engage in local institutions (e.g., *Iddir*, *Iqub*, etc.). Urbanity is one of the major indicators of social status or upward mobility in the study area or elsewhere in the country.

The social layer between migrant and non-migrant families is also increasingly reflected in public spaces and social events. Remittances allow migrant families to buy commodities that seem to be unaffordable for the general public. They tend to be distinct in appearance. The role of in-kind remittances is significant in this regard, as high quality items sent from abroad are either expensive or unavailable in the local markets. Another important distinction is that remittance receiving families increasingly send their children to private schools rather than public schools. The way social events (public holidays, weddings, funerals, and 'Tezkar') are celebrated clearly tells whether the household is a remittance recipient or not. Demonstrating one's wealth and social status through social expenditure is not a new phenomenon. However, these events are increasingly commercialized over recent years and tend to magnify the division. Migration and remittances have not only altered local traditions and standards, but also considerably change the way social events are perceived and practiced. Remittance receipt tends to become an important criterion to choose a potential marriage partner. Many parents in Gondar prefer their daughters or sons to marry a diaspora member or families left behind, as they know that this could create migration opportunities or provide access to remittances. On the other hand, migrant families opt to establish marriage with others with similar characteristics or with non-migrants in well-to-do families, as this helps them avoid a new group that would increasingly compete for remittances.

8.7.3. Political implications

Remittances also have political implications on the community of origin. Focus group participants reported that local government officials often favour diaspora and the families left behind, expecting money in return. Anecdotal evidence suggests that the diaspora tend to corrupt local officials (offer cash and other gifts) to maximize personal benefits or facilitate their issues in the face of ill-functioning local bureaucracies. Similarly, a recent study conducted in 111 countries suggests that ‘remittances increase corruption, especially in non-OECD countries’ (Berdiev *et al.*, 2013, p.185). Diaspora incentive packages, such as free land induced housing investment in Gondar, are increasingly subject to abuse and corruption. The uncoordinated work of government structures at all levels allows many migrants to receive land from different cities, and to then have sold it to other people. On top of that, most of the land allocated for diaspora and local investors are not yet developed or have remained abandoned for several years. As a result, urban land becomes scarce and its value substantially appreciated. The city council of Gondar has serious land shortages, and has even terminated providing land on a lease basis. The expansion of housing and other investment projects have also caused some displacement among locals that live in urban hinterlands.

The interest and involvement of migrant families in local politics has decreased, partly due to remittances that help them overcome economic, administrative and other difficulties with which other inhabitants are struggling. They tend to follow the political situation of a country where their member(s) reside, or their remittances originate from. As reported in Chapter 5, transnational families seldom discuss national, regional and local political issues. In times of political crisis, the agenda is more about safety concerns. A report of focus group participants in Gondar shows that once a highly revolutionized society, with high political engagement, it has become passive in the political arena. However, other reasons, such as the legacy of the 1970s Red Terror, the initial cause of massive emigration, and the narrow political space in Ethiopia, has led many of them to shy away from political engagement.

8.7.4. Conclusion

The extensive outflow of migrants from the region and the money they send home, both individually and collectively, affects the economic and social fabric of migrant source regions, both in positive and negative ways. Cash and non-cash resources are increasingly transferred from transnational families to households that do not send migrants away.

These resources not only serve as a buffer against economic crises but are also used to set up businesses, send children to school, and finance the migration of other members to go abroad. It is also evident that non-migrant families are able to access, and increasingly benefit from, the supporting chain migration networks. This is especially pronounced through arranging transnational marriage, facilitating sponsorship opportunities, and in the provision of information and money.

Remittances are stimulating the local economy through creating forward and backward linkages with the tourism, agriculture, education and health sectors. The high consumption demand for food and non-food items has also created a market for farmers, service providers, real-estate companies, and other entrepreneurs within the study area and beyond. However, the opportunities are often not properly utilized, mainly because of a low supply of products, lack of entrepreneurship skills, and limited financial and institutional support.

The collective funding provided by migrants and the sister-city partnership that emigrants forge, help to channel resources to origin communities. GDCO have made a considerable contribution in building human capital resources, and expanding education and health infrastructure in Gondar. However, HTAs tend to benefit urban more than rural areas, and mature more than emerging migrant communities. Political distrust and poor partnerships increasingly limit the potential of migrant organisations. Migration and remittances have some negative implications, when they cause an increase in income disparity, intensify costs of living and increase local inflation. They can also create new social layers and a socio-spatial divide between migrant and non-migrant families. This gap has become more visible when remittances are increasingly being invested in businesses, education and housing in recent years. The next chapter will draw conclusions, highlight some policy implications and explore areas for future research.

CHAPTER 9

IMPLICATIONS AND CONCLUSIONS

9.1. Introduction

This study has examined the social and economic impact of international migration on families and communities left behind in Ethiopia. The money that migrants send, individually and collectively, and other transnational engagements of the diaspora, have become an area of increasing research and policy interest over recent years, although it has not been studied to a great extent in Ethiopia and Sub-Saharan Africa. Findings from the survey administered to 544 migrant households, information collected through interviews with key respondents; through observation, and focus group discussions, have provided a deeper understanding of why people move out of Ethiopia, how this movement impacts on families and communities left behind, and whether this varies over time for particular areas. This final chapter draws together the conclusions of the study and synthesises the empirical findings in light of the research questions posed at the outset. Finally, it discusses the implications for theory and policy. A final section outlines the limitations of the study and suggests possible areas for further research.

9.2. The trends, patterns and determinants of international migration

The first objective here was to examine the trends, patterns and processes of cross-border mobility and the drivers of this movement. In Ethiopia conflict and political instability are identified as the main causes of international migration since the mid-1970s, although they have been less significant after the military government was overthrown in 1991. This study belies a popular assumption that the Ethiopian diaspora is largely made of persons who had fled the military dictatorship in the late 1970s. However, it is evident from the study that other reasons, such as economic, social factors as well as an increasing array of opportunities abroad over the past decade. Ethiopian emigrants who arrived in the US after 2000 account for the largest proportion (57.7 percent) of all Ethiopians residing in America (Camarota 2012). Ethiopia generated a huge refugee outflow in the late 1970s and 1980s, but, at the same time, there have been massive successive repatriation campaigns. Education was the main driver of migration from Ethiopia before the 1974 revolution, due to an assumption that the knowledge and skills students acquire in Western countries would be useful to build and modernize the country upon their return. That means migration during the Imperial regime in Ethiopia equated to a ‘brain gain’ which is

consistent with the 1950s and 1960s modernization theory (Kearney 1986). This assumption seems to have been borne out as the rate of return was significant as noted in Chapter 4.

International migration has increased especially in the last decade, and become more complex. Recent migration is also associated with the ‘feminization of migration’ whereby females mainly from the Amhara and Oromiya regions are increasingly moving towards Arab countries and outnumbering their male counterparts. The source of migrants has also expanded from urban centres to include rural areas, making them an important source of low-skilled labour for the international labour market. It is also characterised by its irregularity. There has also been an intensification of skilled migration with the departure of qualified citizens in search of better opportunities to Western countries and in other emerging economies in Africa. Another dimension to this movement has been student migration for higher education in Western countries. The primary motive behind migration is to move out of poverty and to improve family living standards through remittances if family members are left behind. Migration tends to be a household strategy, as the New Economics of Labour Migration theory argues (Lucas and Stark 1985). The intensified levels of labour migration to Arab countries and South Africa can be explained by poverty and population pressure coupled with the scarcity of farmland, unemployment, low productivity, and the rising cost of agricultural inputs, together with the role of social networks. The utility of remittances, the high social status accorded returnees and the relative fall in migration costs, especially to Arab countries, has also facilitated this movement. At the macro level, the government has been playing an important role in escalating this movement through making passports easily accessible, ratifying agreements with labour receiving countries, and granting licenses for hundreds of labour recruiting agents in Addis Ababa and other major cities. However, this does not reduce the level of irregular labour migration which can be as important as documented outflows.

As reported in Chapter 4, the *qey shibir* (Red Terror) campaign which was carried out in the late 1970s has led to a massive exodus of people from Ethiopia. The severity of the *qey shibir* campaign in Gondar and its geographical proximity to the Ethio-Sudanese border paved the way for many, especially males, to flee Ethiopia. However, it is a myth that conflict is the main reason for emigration from this region, with the number of migrants who have left the country over the past decade being comparable to the outflows in the preceding decades combined. Once started by political instability, cross-border mobility

has been increasingly driven by chain migration, the DV (diversity visa) programme, a quest for a better life, relative deprivation, and to obtain better education. As Massey *et al.* (1993) noted, the study findings demonstrate that the causes that initiate international movement and sustain it over time differ considerably. As the largest proportions of refugees were resettled in the US, it has been maintained as a popular destination over time, with two-thirds of respondents having one or more family members residing there.

In Gondar, migration has become a social process and an integral feature of life, so that the opportunities to emigrate have expanded to non-migrant households, including low income families. This suggests that once migration is added to a community's social capital it is more likely than other forms of capital to induce migration (De Haas 2011; Haug 2008). The migrant network not only increases the aspirations and capabilities of persons to migrate but also shapes the decision making process, which is made at different levels and in complex scenarios. It was also found that migration is not always driven by economic factors. In Gondar where social status is increasingly defined through migration, many well-to-do families send members abroad not only as a source of remittances but as a source of pride. However, the departure of these 'social migrants' can also be a strategy to diversify risk over the longer term. This suggests that migration is a social process on the one hand, and wealth is both a cause and consequence of migration on the other.

9.3 Dynamics of transnational ties and communications

The second objective of this study was to examine the dynamics of transnational family relations, the communication media employed, and the implications for resource transfers across national borders. The study findings show that migrants connect strongly with the country and community of origin and the transnational social field is a space increasingly used to advance emotional wellbeing and, less often, to transfer skills and knowledge. It was found that migrant families maintain intense transnational ties not only through a range of communication media but also by visiting each other in Ethiopia and overseas. Over three-quarters of households had been visited by diaspora members in recent years and nearly a fifth of respondents periodically travel abroad to visit diaspora members. Travelling abroad to visit families also tends to boost the social status of households and has become an indicator of success among transnational families. However, these reverse visits are increasingly influenced by difficulties in acquiring visas especially among youth. The underlying assumption is that they may not return once they leave Ethiopia. Transnational visits are motivated by a range of factors. Besides creating a platform to

exchange ideas and experiences (Levitt 1998), transnational visiting is an important element in tourism in both Gondar and Ethiopia as a whole. It is an important strategy used to maintain ties not only with families left behind, but also with the wider community.

The telephone is the most popular method of communication among families. In fact, for more than half the respondents it serves as the sole means of communication. The demographic characteristics of transnational families and their ability to access new communication media, determines the types of media employed and explains why Ethiopian migrants often adopt multiple media links. Migrants tend to adopt the Internet to communicate with young and educated family members, while the telephone is used to communicate with older illiterate family members. In this digital age, the younger generation tend to mediate transnational communication and this emerging role tends to provide them with a new 'voice' and acceptance in the patriarchal family system. In Gondar where many households adopt 'transnational' living, transnational communication has become an area where intergenerational power hierarchies are negotiated.

It is important to note that significant differences have been observed in terms of access to and use of transnational communication media. Internet based communication is not prevalent among households that have members in the global South, mainly because absent members are low-skilled and their access is limited. Families with members in Western countries tend to adopt new communication media and are more likely than others to maintain frequent ties so they tend to exchange ideas over issues as diverse as business, education, health, politics, lifestyle, and culture. This gives them the chance to discuss in depth the challenges they face as well as to avoid family disputes and other negative impacts that can be caused by separation or improper remittance usage. Unlike their Asian counterparts (Asis 2006; Larsen *et al.* 2006), Ethiopian emigrants rarely use text messaging. Although the importance of letters as a means of communication has declined over time, traditional postal services are still used to transfer in-kind remittances to and from Ethiopia. It was found that cash and in-kind remittances increasingly improve the communication media owned by migrant families, which is disproportionately higher than for all residents in Gondar and in other major urban centres. However, the poor ICT infrastructure in Ethiopia, and in the study areas in particular, limits the transnational family ties and associated benefits (i.e., social remittances).

9.4. Trends and patterns of remittance flow and characteristics of recipients

The third objective was to examine the trends, patterns and determinants of remittance flows and the characteristics of recipients. In Ethiopia, remittances are increasingly transferred from youthful household members who move abroad to parents and siblings who remain behind. It was found that only a small proportion of migrants leave their spouse and children behind in Ethiopia – unlike the cases indicated in the classical labour migration theory (Todaro 1969; Lee 1966; Lewis 1954). In this study the remittance relationship was complex and involved layers of hierarchies involving family structures, the relationship between sender and recipient, together with the pattern of remittance flows, including the amount, frequency, and timing of remittances. Remittance recipients were categorised into primary, secondary and tertiary beneficiary groups to unravel some of the complexity. The amount and frequency of remittances tended to decline across beneficiary levels, suggesting that this relationship greatly determines the pattern of remittance flow. This beneficiary level, however, is not static, nor do emigrants necessarily remit to all these groups. The level of benefit also varied among members in the household. Socio-economic change for both the migrant and recipient, including change of marital status, income and employment, considerably influenced remitting behaviour among the households interviewed for this study.

In Ethiopia, remittances predominantly flow to urban centres rather than rural areas. This is because the urban centres have been an important source of international migrants and many villagers have moved to urban areas as a result of remittance flows. Remittances tend to encourage rural-urban migration and remittance channels vary according to the type of migration. In Gondar, remittances are mostly transferred through official channels but in the Hadiya and Kembata region, where migrants predominantly depart to South Africa as irregular migrants, remittances are sent through informal channels. This tends to deny the country sources of foreign currency and also limits domestic resource mobilization, circular migration and diaspora investment. More importantly, it was found that internal and foreign remittance flows are inversely related.

The frequency and intensity of remittance flows was high in Gondar where migration has been significant for over three decades. All but 12 respondents (from 544 households) stated that they had received remittances in the past year. The amount of remittances sent

for consumption is similar among households but variation is high when remittances are sent for investment. The average monthly remittance amount was \$US252, which was sent on average seven times a year. The mean annual remittance was estimated at Birr 52,975 (\$US1,764). This is three times larger than the World Bank (2010) study in Ethiopia, which estimated remittances to be \$US600. This is largely because an overwhelming majority of migrants from Gondar reside in America and investment related flows have grown in recent years. Remittances are double the city government's annual budget and more than ten times higher than the city's tourism revenue, a key revenue generating sector.

The flow of in-kind items is also substantial. This flow is multidirectional and predominantly transferred through unofficial channels, mainly due to high mailing costs. Three-quarters of respondents had received electronic equipment, clothing, footwear, and medicine from relatives abroad in the last year and two-thirds sent food items and cultural clothes/footwear to diaspora members. The latter is driven by reciprocity or to increase the chance of future remittances and are sometimes sent for commercial purposes. The Ethiopian diaspora tend to promote the export sector, albeit at a low level. Levine (2004) also noted that due to the presence of the Ethiopian community, Israel has been a key export destination for Ethiopian food items.

9.5. Impact of migration on families left behind

9.5.1. Economic Impact

Remittances are used for various purposes depending on the characteristics of recipient families and the amount and frequency of remittances sent. The utilisation patterns also differ overtime as household demands and priorities shift along with their financial capacity. The economic condition of migrant families has been found to be significantly improved by migration and remittances. It was found that remittances are the primary, and often the only, source of income for more than a third of migrant families. Of these families, the majority were led by females and retirees. In general, remittances sent on a regular basis allowed low or modest income families to escape poverty amid rising living costs and inflation. On the other hand, income from paid jobs, businesses, and house rent, constitute the principal source of household income among some two-thirds of respondents. A most interesting finding from the survey, however, was that these primary livelihood sources were originally funded through remittances. As such, the majority (70 percent) of households engaged in business and more than half of those that sustain a living from renting out houses, originally obtained the money through remittances. Acquiring the

relevant education or skills through remittances allows many to secure paid jobs or start their own business. Put simply, remittances allowed them to ‘diversify their sources of income while providing a much needed source of savings and capital for investment’ (Ratha and Plaza 2011, p.49). Acquiring the relevant education or skills through remittances allows many to secure paid jobs or start their own business. Put simply, remittances allowed them to ‘diversify their sources of income while providing a much needed source of savings and capital for investment’ (Ratha and Plaza 2011, p.49).

Rising living costs and inflation have resulted in many families being forced to spend a substantial proportion of their remittances on family subsistence. This limits investment and savings. Indeed, high expenditure is partly explained by the socially constructed meaning of remittances - a tiny portion of income sent by rich diaspora members which is meant for leisure and entertainment. In many cases, it was found that remittances were used to address ‘false’ needs, which were not justified by family priorities but rather included expenditure on social events to signal social status and success among transnational families. However, this does not mean all families spend their remittances too readily. Migrant family wellbeing was found to improve significantly as a result of remittances. However, given that wellbeing is a ‘function of the gap between current consumption and previous levels experienced by the household’ (Magrabi et al. 1991, p.15), the perceived high level of consumption might still be low in absolute terms. Nonetheless, remittance receiving households were more likely to be better off than other households in Gondar, where over a third faced food shortages and about half had experienced crises related to rising food prices a year prior to the survey (CSA 2011). This is consistent with the study of Aredo (2005), which reported that remittances are increasingly seen as a shock absorber in urban Ethiopia. A study (Jenber 2009) on urban poverty in Gondar also shows that remittance receiving households are less likely to be poor than their non-recipient counterparts.

Remittances not only insure migrants against poverty, but also increasingly enable them to accrue assets and invest in education and businesses, as well as finance the migration of other family members. In the absence of remittances a substantial proportion of households would not be able to ensure basic necessities. It was found that one-fifth of the respondents would be unable to continue or expand a business, about a quarter would be unable to afford educational expenses, and another fifth would be unable to own a house. This means the majority of households have only limited capacity to invest in productive and non-

productive assets with their own savings or with locally raised money. Remittances not only allow recipients to set up or expand businesses, they also serve as insurance in times of loss and rising operating costs due to taxes and maintenance. However, many remittance-based businesses run by family members, tend to lack the necessary skills or interest and can be inefficient and unproductive. Remittances are often used to expand existing businesses or diversify into other activities, when sent to families who have prior experience and seek to improve themselves.

The survey also found that spending on education is high, irrespective of the amount of remittances received. Remittances allowed many families to access education, especially in private institutions. However, while it is not known whether this actually improves educational achievement, it was evident that housing and land ownership was significantly improved by migration and remittances. Houses built with remittances are equipped with modern facilities and services. Many are constructed from concrete and have piped water, bathroom facilities, modern kitchens and flush toilets. Generally, fewer households in the city had these facilities. Clearly, as Zarate-Hoyos (2004, p.564) noted, this has a ‘positive impact on hygiene, physical wellbeing, raising labour productivity, and enhancing property values’. Therefore, the health impacts of remittances are mainly achieved indirectly by improving family welfare and living conditions which in turn prevent or reduce the risk of exposure to disease. This might explain the low reported medical expenditure among respondents. When needed, remittances and medicine can be sent urgently and on some occasions patients are able to access better treatment abroad. On the whole, remittances serve as health insurance in Ethiopia where most of the population are unable to afford medical expenses and are not insured by the government.

9.5.2. Social Impacts

The departure of migrants and the money they send home can affect the social standing of recipient families, as other studies in Africa have shown (e.g. Akesson 2011; Peter 2009; Bracking 2003). Moreover, remittances have become more important than traditional criteria defining wealth and social status in Ethiopia. It was found that migration boosts the social status of movers and their families that are left behind, as they are widely accepted and exhibit greater community engagement. However, higher social status is accorded to families who have members in Western countries (i.e. US), compared to those with members in non-western destinations.

Internal migration, especially rural-urban migration, which can be induced by international migration and remittances, is a notable social change. Remittances were found to have financed almost a third of respondents in their move to Gondar from small towns and villages. This is also true in Hadiya and Kembata villages where migrant families increasingly moved to Hosanna, Shashemenie and Addis Ababa, which is more pronounced when migrants return home from South Africa. This mobility not only improves their assets and access to quality health, education, and electricity, but also exposes them to new technology such as, mobile phones, computers and the Internet.

Due to migration, many females become breadwinners in the transnational family which tends to increase their social status, as has been noted elsewhere (Hugo 2003). Despite this, their traditional gender roles tend to be perpetuated in destination countries. However, the labour and skills of women are more valuable (in terms of wages) when they migrate than if they remain in Ethiopia.

The survey established that remittances increasingly serve as a disincentive to engage in work. Nearly a quarter of households had adult family members who were not engaged in study or work, which was more pronounced among males than females. However, this is not totally attributable to remittances but also due to low educational attainment and a lack of local job opportunities. Of particular note, the negative effect of remittances on education is small compared to its largely positive role in financing education. High aspirations to emigrate or setting emigration as the only viable option tends to influence the lives of many men and women in the study area - financially, socially, and psychologically. Aspirations to emigrate tended to delay marriage, especially among females. It was found that levels of dependency tend to increase with increasing years of exposure to remittances, and that the negative effects are often due to improper remittance management not the absence of migrant members.

9.6. Collective remittances, diaspora engagement, and multiplier effects

The study examined the community impact of migration and remittances and it was clear that the impact of remittances went beyond households that send migrants. About three-quarters of respondents stated that their relatives abroad sent remittances to people other than their household, including non-relatives and neighbours. Besides this direct benefit, migrant origin communities benefit from inter-household resource transfers and the transnational engagement with the diaspora. Remittance receiving families can be a key source of loans for locals who have no reliable income or are not insured by the

government. These resources not only serve as a buffer against economic crises but are also used to set up businesses, send children to school, pay for medical expenses and finance the migration abroad of other family members. This is an important contribution as these families are less likely to access loans from banks due to a lack of collateral and high interest rates. The inter-household resource transfer, especially during public holidays, weddings, and crises (e.g. funerals, illness, losing jobs, food price rise, etc.) were found to be highly significant. A study by Beyene (2012) in Ethiopia also shows that the money migrants send home is an 'important determinant of private inter-household transfer, with a one Birr additional remittance, leads to a .16 Birr increase in net transfer given'.

Migrant families and their diaspora members also provide donations for local institutions, churches, schools, roads and water projects that are often constrained by limited local government budgets. This study found that family networks are increasingly used to channel donations to origin communities compared to hometown associations, with religious institutions the main beneficiaries. Massey *et al.* (1998) argues that transnational migrant networks are identified as an important social field where the benefit of migration is multiplied to the community. This benefit is not limited to migrant families but is also increasingly accessible to other residents as people are tied to each other in their everyday lives. Many people were given the opportunity to emigrate or access remittances by establishing marriages with transnational families, receiving relevant information and obtaining sponsorship opportunities. The latter is typical for Diversity Visa (DV) emigrants.

It was found that remittance investment created small market and employment opportunities. These stimulate the local economy through creating linkages between different sectors, notably tourism, agriculture and education. Nearly a third of the first class hotels in Gondar and more than half the public transport vehicles are owned and run by migrant families, returnees or the diaspora. These investments, along with frequent visits from diaspora, promote tourism. A substantial investment in public transport vehicles does not only alleviate transport problems in the Hadiya and Kambata region, home to an estimated 1.9 million population (CSA, 2007), it also improves the social, economic and trade linkages between areas within and beyond the region, especially the rural-urban sector.

The survey showed that inadequate infrastructure, the limited financial capacity and entrepreneurial skills within the diaspora, combined with political distrust and corruption

has led to increasing diaspora disengagement. The diaspora incentive package, combined with investment projects that remained abandoned for several years, has left the city with severe land supply shortages and real-estate inflation. It has also displaced many farmers from their land and has altered the social fabric of the city in many ways.

It can be argued that the demand side seems more profound than the supply side in stimulating the local economy. The study findings suggest that remittances have a positive multiplier effect through creating a market for local farmers, service providers and other entrepreneurs within and beyond the Amhara region. The multiplier effect of remittances on the local economy is significant given that migrant families and many people in Ethiopia consume locally produced food and build houses using local construction materials. However, the positive multiplier effects are limited by the lack of entrepreneurial skills, poor infrastructure together with low productivity of food and non-food items, which has led to the heavy reliance on imports. It should be emphasised, however, that the increased demand driven by remittances will not lead to local economic development nor will it be a long lasting solution to reduce poverty. The high remittance-induced demand, combined with low productivity and high population growth has contributed to rising living costs which are a challenge for non-migrant families.

The findings confirm that the impact of migration on the community is increasingly manifested through the transnational engagement of migrants through investment, collective remittances, knowledge and skills transfers. This benefit is more pronounced among mature urban migrant sending communities than emerging rural sending areas. Although individual remittances tend to increase inequality between recipients and non-recipients, collective remittances play a role in addressing these gaps as the resources are invested in community development and thus reach the underprivileged section of the community. The HTA has been supporting economically disadvantaged students (a total of 2,311 students between 1996 and 2012) as well as improving education and health infrastructure. Funds available through the HTA enabled the Fasiledes School in Gondar to build a two-story building in the late 1990s, showing that this is an important contribution in human capital development which reduces the gender disparity in education and help reduce poverty in the long run. However, this potential is seriously constrained by the limited engagement of the diaspora in collective remittances and poor transnational partnerships between migrant organisations and local government, especially in matching funds and integrating their work. Besides sending funds, the HTA has been providing

medical equipment, books, computers, training for local medical staff, and voluntary professional services for patients. This study suggests that skilled migrants are more likely than others to participate in collective remittances and give back to origin communities. Moreover, in Ethiopia, the practice of knowledge and skills transfer is greater in the health sector more than any other sector. This sector has been most affected by 'brain drain' and is thus receiving considerable benefits from diaspora professionals. However, the skills transfer scheme by no means fully compensates the damage caused by the loss of health professionals, and often also triggers further outflows of skilled personnel.

Migrants abroad are also benefiting origin communities through forging cooperative linkages between Gondar and host cities. The sister city partnership that migrants have established is alleviating the socio-economic problems of the city and its residents. One of the most notable advantages of sister city partnerships, unlike other projects, is that the cooperation is a long-term venture (Clark 2011; Cremer *et al*, 2001), and therefore more likely to benefit the entire community, including the underprivileged.

9.7. Implications for theory

The findings of this study confirm that the different forms of migration and the complex migratory flows from Ethiopia cannot be captured by a single migration theory. Yet, some of the implications of the study findings are discussed in the context of the New Economics of Labour Migration (NELM), which was relevant to analyse the causes and consequences of migration at the household level. It is important to note that conceptualizing households as the unit of analysis is not an easy task and must take into account the diverse ways in which households are structured in terms of cultural, spatial and temporal dimensions, and where the complicated layers of power dynamics are embedded, including gender and intergenerational relations (Evans 1991; Guyer 1981). The implications are that the household, though important as the unit of analysis, must be viewed alongside meso and macro level factors, as well as through a transnational lens. This study confirms that migrants, as NELM proposes, are not just motivated by earning more at the destination, but also because their remittances diversify the sources of income available to their families left at home, and provide insurance against the risk of origin-based income sources failing. However, this study demonstrates that in many cases the decision making process goes beyond the household migration decision model that is proposed by NELM. This is because Ethiopian migrants realise their aspirations to migrate through negotiating their decisions with a number of people and local institutions, which

enables them to overcome financial and non-financial resource constraints during and after migration. Of particular note, NELM is somewhat economically deterministic, ignoring the social dimensions of migration. In other words, migration should not only be seen from an economic perspective because people migrate for all kinds of reasons – social status, life style, to escape abuse, etc. (noted in Chapter 5).

Another theoretical implication is that future remittances, which are used as collateral to obtain loans from relatives and *arata abedaries* (individuals that provide loans with high interest - as high as 100 percent), are increasingly used to finance migration. This finding implies that migration should not always be explained through relative deprivation as NELM states, but is also a process that occurs as a result of wealth and to move out of absolute deprivation. There is also a need to emphasise the financing of migration as an important variable in theorising people's mobility. On some occasions, wealthy families fund the migration of poor relatives and non-relatives (e.g. house maids, neighbours) altruistically, suggesting the importance of reciprocity and social capital in financing migration decisions.

A massive outflow of female domestic labour from Ethiopia to the Gulf and Arab countries is not only explained by factors associated with the economic situation in Ethiopia. It is also the result of a shift in demand away from Asian domestic workers who tend to seek higher wages, to cheap labour source countries such as Ethiopia, and other countries in Horn of Africa. Ethiopian migrants are often undocumented and their human rights tend not to be protected in the destination countries compared to their Asian counterparts (Fernandez 2010). This underlines not only the complexity of human mobility across national borders but also indicates the importance of conceptualizing this movement in a broader global perspective, going beyond the traditional push-pull factors embedded in origin and destination countries. Although policies that migrant receiving countries adopt increasingly shape the pattern of migratory flows (Hugo 2012), the role and policy perspective of sending countries must not be ignored. Policy shifts in Ethiopia from a command to market driven economy in the mid-1990s, intensified labour outflows as migration barriers were substantially reduced. It was important for government to ratify labour migration agreements with labour receiving countries, to grant licenses for labour recruiting agents and to make passports accessible in Addis Ababa and other regional cities. This suggests that border restrictions should not always be seen from the perspective of the migrant receiving countries perspective, but also from that of origin countries.

The findings of this study confirm the significance of transnational social networks in reinforcing migration through not only raising people's aspiration and capabilities to migrate, but also smoothing post arrival processes and mobilizing resources across nation-borders. This is equally important in both regular and irregular migration process. The thesis also confirms that the boundaries between regular and irregular migration and that of voluntary and forced migration are extremely blurred, as the motives of migration vary considerably over time. It is therefore important to unpack the determinants of migration as they can change along the way. Otherwise, it is oversimplifying the complicated story and hiding it under the shadow of the underlying structural factors. It is also important to note that a universal explanation such as structural problems hides the agency and diverse motives of migrants.

Remittances need to be seen not only as a consequence of migration, but also as the main driver of the movement. The study confirmed that migrants sent money out of altruistic, insurance and investment motives as noted in the remittance literature. However, the act of remitting rarely involved a single driver and, rather, was a mixture of personal and family considerations. The motives of remittance sending also varied overtime, reflecting distinct aims and intentions over the short and long term. The findings underline the fact that factors lying beyond the household, notably meso and macro-level factors, considerably determine the motives and purpose of remittances. This indicates that micro-level factors by themselves are inadequate to explain the motives behind remittances, especially when they are sent for investment. It was found that investment related remittance flows are positively associated with diaspora incentive packages, particularly the provision of free land for the diaspora. Micro level remittance studies which are often conducted at either the sending or receiving end are less likely to fully explain why migrants send money, because they fail to capture detailed information about the circumstances of transnational families. Another important point is that the remittance literature often relates informal remittance flows to the cost of remittances, and not so much with the patterns of migration. This study found that remittance channels and patterns of migration are increasingly interrelated. The implication is that remittance costs are not the sole explanation for informal remittance flows, as a lack of documentation in a host country (e.g. South Africa) increasingly shapes remittance flow patterns to origin families in South Ethiopia.

Like other studies (e.g. Simati and Gibson 2001; Brown 1998), this thesis provides ample evidence to reject the remittance decay hypothesis, which suggests the amount of

remittances decline with the length of stay of migrants abroad. Some studies (e.g. *Bollard et al.* 2010) suggested that the remittance decay hypothesis is likely to work when immigrants stay for over two decades. However, the findings in this study do not demonstrate this, as one in five families receiving remittances sent migrants abroad well over two decades ago. It was found that remittances do not decline or end when the majority of household members or the whole family moved abroad as some studies suggest (e.g., *Grieco* 2004). Rather, the study showed that the horizon of remittances tends to expand to friends, extended family and local institutions (e.g., churches, mosques, schools, etc.).

There is a great deal of discussion on the extent to which remittances are used for consumption versus the extent to which they are invested in productive activity (*Yang* 2011). The study confirms that research needs to go beyond this rigid dichotomy, as the consumption sector is by no means unproductive, nor is it mutually exclusive with productive sectors. Housing investment, which is often assumed to be unproductive, was an important source of income for a considerable proportion of the respondents. Moreover, remittance-induced consumption demand stimulates the local economy through creating jobs and a market for local producers and service providers. This implies that it is unwise to dismiss the consumption role of remittances without examining the multiplier effects to areas of migrant origin, as noted by *Hugo* (2003) and *Taylor* (1999). Moreover, the study has found evidence that many migrant families have transformed from a 'consuming' to an 'investing' entity over time. The implications for theory is that the micro-level effect of remittances is subject to change over time, suggesting that remittance studies need to adopt a longitudinal approach to capture the continuity and change in remittance usage, and factors that enable this change. This change also renders the productive-unproductive debate less relevant with regard to the micro level role of remittances. Research also needs to add cultural depth in explaining remittance usage and address how the social construction of remittance money in origin communities influences remittance spending behaviour.

The findings of this thesis confirm that the nexus between migration and development is embedded in the engagement of migrants transnationally. However, the role of origin communities in constructing and reconstructing this transnational network is often ignored in the theorization of transnationalism. This might be partly because the notion of transnationalism is often studied from the perspective of migrant host countries with origin

communities shown to be passive recipients of remittances. The further implication is that as transnational activities are embedded across national borders, the role and function of the different actors in the country and community of origin, need to be emphasised to fully understand and conceptualise the notion of transnationalism. Otherwise, our understanding remains partial.

Regarding the transfer of social remittances (Levitt 1998), the study findings suggest that there is a need to clearly identify the level or unit of analysis - whether household or institution level, and how these two levels are interrelated. When the analysis is at the household level its transferability needs to be critically examined to establish the extent to which these ideas and experiences would be applicable without bringing about macro-level change in the wider society. To begin with, transnational family relations are increasingly used as a strategy to advance emotional wellbeing, not often to transfer skills and knowledge at a family level. Even so, many of the ideas that the diaspora raises, for instance human rights and gender equality, tend to be superficial or less transferable; as this needs macro-level social transformation and well-thought out intervention strategies, to help build on the existing situation without necessarily displacing local realities. It is also important to note that living abroad does not necessarily make migrants skillful and knowledgeable, nor that all ideas and experiences acquired in host countries are important or desirable for migrant origin communities. De Haas (2010) argues that the idea of skill and knowledge transfer, often from migrants residing in the global North to families left behind in developing countries, is based on neoliberal thinking and assumptions and is disputable. It is not easy to establish whether the changes brought about are due to migration (i.e. social remittances) or globalization or both, especially in the urban context of Ethiopia. However, the study showed that skills and knowledge transfer schemes carried out at schools, universities, hospitals etc. play a significant role in building local capacity. This indicates the importance of institutionalising the notion of social remittances. Another finding of this study which has major theoretical implications is that the diaspora are involved in linking institutions which operate in host and origin countries. This occurred through the formation of sister-city partnerships which channel monetary and non-monetary resources from the former to the latter. This thesis recognises the role of diasporas as public diplomats which adds a new dynamism to diaspora engagement and calls migration research to include the public diplomatic role of migrants and the diaspora. This would be of use to further conceptualise the migration-development nexus. Elements

that need consideration in this regard relate to whether these partnerships address the strategic needs and priorities of origin communities.

9.8. Implications for policy

The government of Ethiopia recognizes the importance of migration and has shown renewed interest in the diaspora since the early 2000s through forming new institutions and taking different legislative measures culminating in the development of a comprehensive diaspora policy in 2013. As reported in Chapter 1, in order to engage the Ethiopian diaspora the government has been offering tax and custom incentives, opening foreign currency bank accounts and providing urban plots. The effort that the government has made to engage the Ethiopian diaspora is commendable despite frequent changes to policy measures and practices. However, many of the incentive packages offered for the diaspora have been terminated since the mid-2000s. One of the first ever diaspora policy granted Ethiopians was the opportunity to participate in elections, which must be properly implemented as this could increase the engagement of the diaspora in development. This will be important to help overcome the political distrust observed between the diaspora and the Ethiopian government.

The study findings emphasise that policy makers need to maximise the development potential of migration and minimize its negative effects. For example, it highlights new areas of intervention and identifies some of the limitations of the previous diaspora-related policies and practices and their adverse effects. The government of Ethiopia tends to approach the issue of diaspora in a political sense rather than from a development perspective. Many of the previous diaspora related policy practices, notably diaspora incentive packages, were politically motivated, as the government sought political support from the diaspora which is the backbone of opposition parties. The essence of privileging the diaspora with political - not economic – motives, not only imposes an unnecessary burden on the country's scarce resources, it also widens the socio-economic gap created by migration and the impact of remittances. This further implies that migration, or living outside the country, should not be seen as a necessary thing to receive a special privilege in a home country, nor to be regarded as a valuable citizen, and policies that attempt to engage the diaspora need to be more focused on development. Clearly, the Ethiopian diaspora have accumulated knowledge and experience, but also capital that could be of use for the country and community of origin. However, their level of human capital, finance, and assets vary significantly. Ethiopian policy makers should, therefore, recognize and take

this diversity into account when attempting to engage the diaspora in development. It is also important to note that diaspora policy needs to be formulated according research-based evidence. There is a need to compile and organise sufficient data about the size of the diaspora, their place of residence and their skills.

Similarly, in order to be able to reduce the exposure of diaspora incentive packages to corruption and abuse, the capacity of municipalities and institutions dealing with diaspora issues and their implementation strategies need to be addressed. Institutions created to deal with diaspora-related issues by the Ministry of Foreign Affairs of Ethiopia should not necessarily follow the existing administrative structure (e.g. being stationed in regional capitals, such as Bahir Dar and Hawassa, which are not known for sending migrants away). Rather, it would be more useful if they were based in major migrant origin areas (e.g., Gondar).

Ethiopian policy makers need to find ways to engage the diaspora, especially those with high qualifications, including the second generation immigrants. This could be achieved through promoting temporary return, and increasing their participation in the policy making process, regardless of their political opinions. Providing incentives, for example, abolishing taxes for personal belongings to include vehicles, facilitating employment and easing the (re) integration process might increase return flows. However, the notion of retaining local professionals (potential skilled migrants) must not be ignored. It is important to note that imposing migration barriers upon local professionals is not an appropriate solution, rather, it would be more useful if attempts are made to improve their income, living and working conditions in Ethiopia. This might include helping them (e.g. medical doctors) to own houses and vehicles through long-term loan schemes.

As reported in Chapter 4, Ethiopian labour migrants are often low-skilled, undocumented, and receive low wages and, as such, are often assumed to send fewer remittances, mostly through informal channels, making them less likely to be a source of foreign currency. Moreover, their transnational role in shaping the political landscape of the country is small compared to migrants residing in the global North. As a result, low-skilled migrants are of marginal interest among policy makers and their vulnerability to various forms of abuse and exploitation has continued over the years. It is important to note that the largest proportion of Ethiopians migrating to the Middle East and other African countries originate from relatively deprived families and, as a result, migration tends to improve the welfare of

the less privileged sections of society, including the rural poor. It is, therefore, high time that Ethiopian policy makers gain greater insights into the complicated patterns of migration occurring in the region, so they can establish a coherent policy to maximize the benefits of migration and ensure the protection of migrants and their human rights, both during and after departure. It is also important to train and equip domestic migrants with the required skills so that they can be more competitive in the international labour market and their wages at the destination can be improved. Irregular migration and human rights violations are interrelated, though migrating through the official channels does not necessarily ensure protection. The detention and deportation of migrants, especially those from Arab countries, not only negatively influences migration investment, but also destroys the livelihoods of low-income families who rely on remittances for a living. This highlights the need to design rehabilitative and reintegrating policies that not only target deported migrants but also their families.

Regional and local government structures need to design strategies to further channel migrant funds into investment. Although remittances are money for individuals, the sustainability of remittances is often ignored by transnational families and must be addressed through promoting savings, enhancing entrepreneurship skills, providing working space, loans and smoothing the bureaucracy. It was found that the diasporas financial capacity is limited. Therefore it is important to facilitate collaboration among diaspora investors and provide them with meaningful financial and technical support so that their skills, knowledge, and financial resources can be mobilised more efficiently and effectively. Diaspora investment in any sector will yield benefits for the community of origin, but could also generate jobs, and increase productivity if invested in agriculture (e.g. cash crops like cotton and sesame in Gondar), and if small and medium scale agro-processing industries are encouraged. It is also important to encourage remittance investments within sectors in which particular migrant origin areas specialise (e.g., tourism and cash crop farms in Gondar; grain farms in Hadiya). However, urging the diaspora to invest only in few sectors might also discourage investment altogether. In order to encourage remittance investment, it is vital to build infrastructure (e.g., roads, water supply, electricity), strengthen institutional capacity, and to ensure transparency in migrant origin areas and nationally. Without addressing this, as De Haas (2007, p.27) claimed, ‘migrants and remittances can neither be blamed for a lack of development nor be expected to trigger take-off development’.

It is also important to reduce the adverse effects of remittances at a community and family level. As reported earlier, most of the negative impacts observed at the family level were due to the mismanagement of remittances and not due to the absence of migrant members. This suggests that local level policy interventions and practices are needed, especially in regard to remittance management. This could be achieved through providing training for migrant families, especially the youth, and encouraging them to create their own jobs.

It is also important to improve the remittance infrastructure. Of particular note, the Ethiopian Postal Service Enterprise reaches out to the majority of the population in Ethiopia, including those who reside in small towns and often do not have access to banking services. The implication is that the post office, as well as regional and local microfinance institutions, have immense potential to channel remittances to families living in small towns and rural villages. Indeed, the Ethiopian post office has recognised this potential but as yet do not have permission to engage in this activity. The study suggests that reducing mailing costs can also facilitate in-kind remittance flows through official channels. Expansion of telecommunication and financial infrastructure in rural areas will facilitate transnational ties, and migrant resource flows. The penetration of mobile networks in Ethiopia is also increasing, as is the potential for adopting this technology as a means of remittance transfer. Ethiopian policy makers and financial institutions need to unleash this potential by drawing lessons from neighbouring Kenya, and at the same time improve access and the quality of the telecom sector.

Another policy implication from this study is that the Ethiopian diaspora should be targeted as public diplomats or ambassadors, not merely as a source of remittance flows. Their public diplomacy is not necessarily limited to establishing sister city partnerships between host and home cities, as done by the Gondar native Ethiopian diaspora in the US, but also in promoting trade, investment and tourism. It is necessary to scale up this initiative and provide all round support for emigrants and their organisations. Irregular outflows, lack of information and documentations at destination and the poor partnership between Ethiopian migrant organisations and local government significantly limit the transnational engagement of migrants. Of particular note, local institutions such as *Iqub* (traditional saving association) which is commonly practiced in Ethiopia are now adopted by migrants residing in South Africa. Those who engage in *Iqub*, for example, send collective remittances back home during weddings or funerals. These informal institutions

have high potential for growth and to engage in collective remittances if they receive the required support. Somerville *et al* (2008, p.19) noted that HTAs usually grow from small informal organisations. However, as the diaspora and their organisations often have limited budgets, regional and local development actors in Ethiopia should not rely on them when designing projects (like that of the hospital project in Gondar). In other words, it is vital to see the diaspora and their associations as an important component, but not as the sole agent of development.

9.9. Limitations of the study

This research, which has drawn empirical evidence from an under researched region, has contributed to an understanding on the impact of migration and remittances on families and communities left behind, and shed new insights into the dynamics of diaspora engagement and transnationalism. However, it is not without its limitations and the following section discusses these and suggests areas for future research.

In order to analyse the impact of migration, this study has collected information on migrant households. However, it is essential also to compare these findings with households that do not send migrants away. Being able to compare the households receiving remittances with those who do not would make the role of remittances clearer. Another limitation is that due to the absence of a comprehensive sampling frame, sample units were not drawn randomly. Small scale studies often do not have sufficient budgets to overcome this problem, and hence a recommendation is made to the Ethiopian Central Statistical Agency to include international migration, including return flows as an important variable while carrying out census and other surveys. The three consecutive censuses in Ethiopia which were conducted in 1984, 1994, and 2007 have not collected data on international migration and remittances. This would be useful to estimate the number of Ethiopian migrants living abroad, the volume of remittances and return flows. Reverse remittance flows, from Ethiopia to migrants abroad, especially in the form of in-kind items should also be captured. The census made an attempt to collect data on internal migration but it did not clearly show the origin of the migrant so that the direction of the movement cannot be established. Remittance data that the national bank collects should also be further disaggregated by regions, towns, remittance source areas and gender. It would be useful if relevant government organisations at all levels compile diaspora disaggregated data, while giving investment licenses, plots of land, and compile tourism reports.

The survey has collected information about the level of education of migrants, but fails to capture whether this achievement was made before or after migration. Moreover, information on migrants employment and their occupations before and after migration was also not collected. These elements should be incorporated, as it would help to weigh the benefits and adverse effects of migration both at the micro and macro level. Studies conducted at the place of destination might have a better chance of collecting the income and employment data of migrants, as families in Ethiopia are less likely to know their diaspora members income and employment status. The latter are often reluctant to tell their occupation, especially if they are engaged in low status jobs. As the study employed qualitative techniques in Hadiya and Kembata region it couldn't estimate the volume of remittance flows. This would be possible if a household survey was carried out.

9.10. Recommendations for future research

This study has shown the different roles that remittances play in mature and emerging emigrant communities, both in urban and rural contexts. However, more research is needed, especially in the villages, as they become an emerging source of low-skilled labour for the international market. This would significantly contribute to an understanding of the importance of the role of remittances in Ethiopia and how they impact across cultures.

The determinants and patterns of migration vary depending on the gender and educational status of migrants and their place of origin within Ethiopia. It would be useful if future research investigates the determinants and impacts of the different emigration patterns in Ethiopia. Of particular value would be research investigating the determinants and patterns of domestic labour outflows to the Gulf and Arab countries from the Amhara and Oromiya regions of Ethiopia, and those migrating to South Africa from the villages of South Ethiopia. Integrating gender, social network analysis and the views of informal agents, returnees, migrants, and families left behind will help to provide a deeper understanding on the causes of the movement and the decision making processes. It would also useful to examine the working conditions of these migrants in destination countries, especially by comparing them with migrants originating from other countries in Africa and Asia. This would help to inform policy to ensure migrant safety and increase their competitiveness in the international labor market.

As reported above, remittances are increasingly sent through informal channels in the Hadiya and Kembata region. However, the volume of money transferred and its impact are

not fully known. Further research is recommended to fully capture the patterns of emigration and remittance flows. It would be useful to carry out a large scale random household survey to estimate the scale of emigration, volume of remittance flows, and to compare the impacts on households receiving remittances with those who do not. It is also important to investigate return flows, investment, and the multiplier effects of remittances at the village level and its role in fostering rural-urban linkages.

In Gondar, more research is needed on the living standards of migrant and non-migrant families and remittance-funded business activities, which tend to generate local employment. The latter could be examined in terms of how and why they are established, how they function, their profitability and impact on the local economy. Inter-household resource transfers and the multiplier effects of remittances, and the market linkages within the region and beyond, are also important avenues for further research.

More research attention should also be focused on the two way interrelationship between international migration and internal migration, which is one of the interesting findings from this study. Future researchers should approach this issue through investigating how internal migration is used as a strategy to create networks and finance international migration. Moreover another question is how international remittances trigger internal mobility among families left behind and how these flows affect the remitting behaviour of domestic migrants. As is true in other African countries (Jolly and Reeves 2005), gender is usually not integrated into migration studies, although the pattern, causes and consequences of migration were found to be highly gendered in Ethiopia and require more serious research attention and interpretation.

In this study, both continuity and change have been observed in the usage and impact of remittances over time. More research is needed to capture the changing role and use of remittances, which would be best achieved through longitudinal research. This can be approached through following up a group of samples over time and incorporating the macro, meso, and micro level factors that inhibit or enable these changes. Migration and remittances were found to change the cultural, social and economic landscape of cities and villages where many migrants originate. This change was found to be both positive and negative. In Ethiopia, especially in Gondar, migration and remittances not only become an important criterion to choose a potential marriage partner, but also change the ways in which social events, such as weddings, funerals, and Tezkar are perceived and practiced.

More study is needed on how migration and transnationalism, together with globalization, influences local lives, cultures and traditions. Indeed, a shift in focus from primarily economic to the often overlooked social context.

Comparing the role of migration and remittances in communities where migration is recent and in more mature migrant communities is an important avenue for future research. As reported above, there has been a relatively small diaspora investment in Ethiopia and in the study areas in particular. Further research is recommended to investigate the reasons why diaspora investment is small and why it is so limited in scope, both in terms of sector (i.e., real-estate and service) and location. Researchers need to examine policy rhetoric and reality gaps at federal, regional and local levels, and need to involve the experience of diaspora members who are engaged in investment, along with their motivations. This would better inform policy and help to reduce investment barriers and promote investment among the diaspora.

As this research was done from the perspective of remittance receiving families, it would be interesting to examine how migration and the supporting families back home affect the development and wellbeing of Ethiopian migrants living abroad. The study found that despite its huge potential, diaspora engagement in collective remittances remains relatively small. The reasons why only some diaspora members are involved in HTAs, but many are not, are also not known. It would be useful if future studies explore why the participation of the Ethiopian diaspora is generally weak in this regard, and why some migrants from particular areas engage in HTAs while others do not. It would also be useful to consider the role of return migration and the part the diaspora tourism plays in local development, especially in major migrant origin areas in Ethiopia.

9.11. Conclusion

This study has demonstrated that the money that migrants have sent home has not only significantly improved the welfare of their families but also their asset portfolios, access to education and setting up businesses. Migration and remittances have had significant positive impacts but it was found that there are also negative effects. However, the more that remittances are invested, the greater that positive effects will be. Accordingly, it is recommended that local and regional governments should design strategies to further channel migrant funds into investments. It is important to address the issue of collective remittances and other transnational diaspora engagements, which are likely to reduce the

income inequality between households that remittances might cause. If the opportunities provided by remittances are not exploited or managed in a systematic way, migrant origin communities could be characterised by greater income inequality, an intensified social divide, substance abuse, alcoholism and serious security problems. This depends on how well or how poorly, the policy intervention is designed and implemented. Policies dealing with the diaspora need to be more development focused and should recognize diaspora diversity as well as the social impacts. Moreover, while focusing on harnessing diaspora resources, the return and retention of skilled migrants should not be ignored. Policy should not only focus on the economic advantages of migration but also address the human rights of migrants, especially those who are low-skilled. More research is needed to bridge the gap in knowledge that exists in Ethiopia relating to the migration-development nexus. This will enable the development of a more comprehensive policy by government to maximise the benefit of migration and remittances within and beyond the family.

APPENDICES

Appendix 1 – Ethics Clearance



RESEARCH BRANCH
RESEARCH ETHICS AND COMPLIANCE UNIT

BEVERLEY DOBBS
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CRICOS Provider Number 00123M

17 August 2011

Professor G Hugo
School of Social Sciences

Dear Professor Hugo

PROJECT NO: H-184-2011

The social and economic impacts of migrant remittances to home communities in Ethiopia

I write to advise you that on behalf of the Human Research Ethics Committee I have approved the above project. Please refer to the enclosed endorsement sheet for further details and conditions that may be applicable to this approval.

The ethics expiry date for this project is: 30 September 2012

Where possible, participants taking part in the study should be given a copy of the Information Sheet and the signed Consent Form to retain.

Please note that any changes to the project which might affect its continued ethical acceptability will invalidate the project's approval. In such cases an amended protocol must be submitted to the Committee for further approval. It is a condition of approval that you immediately report anything which might warrant review of ethical approval including (a) serious or unexpected adverse effects on participants (b) proposed changes in the protocol; and (c) unforeseen events that might affect continued ethical acceptability of the project. It is also a condition of approval that you inform the Committee, giving reasons, if the project is discontinued before the expected date of completion.

A reporting form is available from the Committee's website. This may be used to renew ethical approval or report on project status including completion.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'GHC'.

PROFESSOR GARRETT CULLITY
Convenor
Human Research Ethics Committee

Appendix 2- Participant Information Sheet

Dear Participants,

Household Survey on the impact of remittances on migrant families in Ethiopia.

I am Girmachew Zewdu, a PhD student at the Department of Geography, Environment and Population in Adelaide University, South Australia. As you may know the amount of money sent by migrants abroad is increasing from time to time in Ethiopia in general, in Gondar in particular. But little is known about how the money is used and what impacts it has on recipient families and local inhabitants. I am, therefore, undertaking a research on the social and economic impacts of remittances on migrant families and local communities, as part of my PhD project. The study also aims to examine the extent to which diasporas hometown associations participate in and contribute for community development. In so doing, the study attempts to fill in the gap of knowledge in the country and inform policy makers to maximize the development potential of remittances and other diaspora resources to the community of origin.

In order to gain insight on the issue it is important to collect data from households that have one or more migrant family member outside Ethiopia at least for one year. That is why we are asking you to participate in this survey. Participation is completely on voluntary basis so that you can volunteer or you can avoid it. But, your participation is highly appreciated. Please note that the head of the household will participate in the survey but in their absence the elder member of the family (18+) could participate. We want you to know that participating in the survey has no risk, all the information provided remains strictly confidential while reporting, publicizing and storing records. You can avoid any question if you don't want to answer. If you agree to participate you will be kindly asked to fill in the consent form just to make sure that you are agreed.

The data will be reported systematically in a way that no survey participant can be identified or tracked individually. For example, no real names and addresses will be mentioned. Research data and project records are to be retained at the Department of Geography, Environment and Population for a minimum period of 5 years from the date of publication. The study results will be disseminated through the Website of Adelaide University, academic journals, and copies of the research will be given to relevant higher institutions, government and international organisations operating in Ethiopia. Attempts

will also be made to report the research results back to the study area community. The interview may take half an hour and we really appreciate for giving us your precious time. If you have any questions during the data collection and afterwards, please feel free to contact me and my supervisors, Professor Graeme Hugo and Dr. Diane Rudd, University of Adelaide.

Thank You,

Girmachew Zewdu

PhD candidate

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Appendix 3: Questionnaire in English

The Social and economic impact of remittances on home communities in Ethiopia

❖ Questionnaire prepared for migrant households in Gondar, Ethiopia

My name is.....We are investigating the impact of remittances on migrant households and its implication for local development in Gondar, Ethiopia. In order to better understand the remittance landscape your participation in the survey is extremely important. Please note that all your responses will remain strictly confidential, and will only be analysed collectively. Thank you for your time and willingness to participate in the survey.

Part 1. Personal and demographic details of migrant sending household heads

1. Gender (head of HH)	2. Religion	3. Marital status	4. Age range	5. Education (highest level attained)	6. employment status
<input type="checkbox"/> Male <input type="checkbox"/> Female	Orthodox <input type="checkbox"/> Muslim <input type="checkbox"/> Protestant <input type="checkbox"/> Catholic <input type="checkbox"/> Other <input type="checkbox"/>	<input type="checkbox"/> Single <input type="checkbox"/> <input type="checkbox"/> Married <input type="checkbox"/> <input type="checkbox"/> divorced <input type="checkbox"/> <input type="checkbox"/> Separated <input type="checkbox"/> <input type="checkbox"/> Widowed <input type="checkbox"/> other <input type="checkbox"/>	<input type="checkbox"/> Under 18 <input type="checkbox"/> 18-24 <input type="checkbox"/> 25-34 <input type="checkbox"/> 35-49 <input type="checkbox"/> 50-64 <input type="checkbox"/> 65+	<input type="checkbox"/> Don't read & write <input type="checkbox"/> Read and write <input type="checkbox"/> Primary school <input type="checkbox"/> Secondary school <input type="checkbox"/> College <input type="checkbox"/> University degree & above	<input type="checkbox"/> employed <input type="checkbox"/> unemployed <input type="checkbox"/> self employed <input type="checkbox"/> student <input type="checkbox"/> housewife <input type="checkbox"/> labourer <input type="checkbox"/> retired other, specify
7. How many people live in your HH including you? _____	8. How many children do you have? 1. None 2. 1-3 3. 4-6 4. 7-9 5. 10+	9. Did you live elsewhere before your current place of resident? _____	10. Main source of HH income? 1. family business 2. monthly salary 3. renting houses 4. remittances 5. wage work 6. other, specify	11. How important remittances are to your HH? 1. very very important 2. very important 3. important 4. fairly important 5. less important	

Part Two

II. Personal and demographic details of household members living in Ethiopia

12. No of children living in Ethiopia	13. By gender (give numbers)		14. By education		15. By employment (give numbers)		16. self-employment by sector (give numbers)	
	Gender	No	highest level completed	No	Employment status	No	Engaged in	No
	Male		1.no formal school 2.school drop out 3.primary school 4.secondary school 5.college 6. university 7.kid		1.employed 2.unemployed 3.self employed 4.student 5. other		1.taxi/minibus/bus 2.shop/boutique 3.cafe'/bar/restaurant 4.retail 5.other,specify	
	Female		1.no formal school 2.school drop out 3.primary school 4.secondary school 5.college 6. university 7.kid		1.employed 2.unemployed 3.self employed 4.student 5. other		1.taxi/minibus/bus 2.shop/boutique 3.cafe'/bar/restaurant 4.retail 5.other,specify	

Part Three

III. Remittances flow and utilisation

17. Have you ever received money from relatives abroad?

1. Yes

2. No (go to next section)

a) If yes, for how long have you been receiving money from abroad? -----

1. 0-5 years

4. 16- 20 years

2. 6-10 years

5. 21-30 years

3. 11-15

6. Over 30 years

b) Based on your experience, the amount of money transferred to your family over time is

1. Increasing

3. Almost similar

2. Decreasing

4. Vary, up and down

Part 4: Migrant members characteristics

	23. Senders relation with head of HH?	A. Gender	B. Age	C. when did the migrant left Ethiopia?	D. highest level of education attained
Sender 1	1. son/daughter 2. sister/brother 3. father/mother 4. spouse 5. aunt/uncle 6. in-laws	1. male 2. Female	1. <18 2. 18-24 3. 25-34 4. 35-49 5. 50-64 6. 65+	1. 0-5 years ago 2. 6-10years 3. 11-20 years 4. 21-30 years 5. over 30years ago	1. No school 2. Primary school 3. Secondary school 4. some college 5. University
Sender 2					
Sender 3					
Sender 4					
Sender 5					
	E. Gender	Number of children	Country of residence	Legal status at country of destination	
Sender 1	1. single 2. married 3. widowed 4. divorced 4. separated 5. other	1. no 2. 1-2 3. 3-4 4. 4+	1. America 2. Europe 3. Arab 4. Australia 5. Africa 6. Israel 7. Canada	1. got citizenship 2. got PR 3. refugee 4. other	
Sender 2					
Sender 3					
Sender 4					
Sender 5					

24. In the last two years, did you receive goods (in kind) other than cash from abroad?

1. Yes

2. No (go to 26)

a) If yes, what kind of goods or materials have you received in the last two years? (you can give more than 1 answer)

1. Vehicles

5. Medicine

2. computer

6. Mobile

3. clothing/footwear

7. TV/ DVD players

4. Jewelry taxi

8. photo/video camera

9. other, specify _____

b) How do you receive these items?

1. through post office
2. family members brought with them
3. family members send it through friends or relative
4. other, specify

25. Do family members who have paid jobs in Ethiopia give money to your household?

1. Yes
2. No (go to c)
3. No one has paid jobs
4. other, specify

26. If yes, how much money did you receive from relatives living in Ethiopia in the last one year? _____

27. If No, why do you think is the reason?

- A. because your HH receive enough money from abroad
- B. because the family has enough income
- C. because they have their own dependents
- D. because they earn little income
- E. other, specify

28. Is there any family member who is over 18 who do not work? 1. Yes 2. No

A. If Yes, why do you think is the reason for not working?

1. got enough remittances
2. no/little education
3. got no job opportunity
4. Have no/less interest to be employed or create own job
5. have high interest to go abroad or are in process to migrate
6. attending school/ college
7. Other, specify

29. Do you or your family member engage in any business or income generating activity?

1. Yes
2. No

30. If yes, what is the nature of the business? _____

A. How many people employed in this business, including your family members?

31. For what purpose(s) do you use a substantial size of the remitted money for? (Put in terms of order)

1. Clothing and footwear
2. Buy/ build/improve house
3. Education expenses (school, college)
4. Food purchase
5. Buy household equipment
6. Repay debts
7. Special events (weddings, funerals, holiday)
8. Health care/medicine
9. other

35. If you receive remittances in the future, do you have any specific plan on how to spend them?

- | | |
|-------------------------------|---------------------------------|
| 1. Just to fulfil basic needs | 5. For family members education |
| 2. Purchase or build houses | 6. Don't know |
| 3. Start/expand business | 7. Other, specify |
| 4. To save | |

36. Who make decisions on how to spend the remitted money?

- | | |
|----------------------|--------------------------------|
| 1. Sender | 3. Sender & receiver negotiate |
| 2. Receiving HH head | 4. Other, specify |

a) Do women member of the family involve in deciding on how to spend the money for?

- | | |
|--------|------|
| 1. Yes | 2.No |
|--------|------|

b) Did you face any family dispute or conflict over remittance utilisation?

- | | |
|---------------|---------------|
| 1. Yes, often | 3. Never |
| 2. Sometimes | 4. Don't know |

37. In the last 12 months, did you send any gift items or goods to a migrant living abroad?

- | | |
|--------|-------|
| 1. Yes | 2. No |
|--------|-------|

a) If yes, what are the items sent?

- | | |
|----------------------------------|-------------------------------|
| 1. Cultural clothes and footwear | 4. Food/food items |
| 2. Music/ song CDS | 5. Cash |
| 3. Books | 6. Medicine 7. Other, specify |

a) How many times do you send this item(s) in the past one year?

- | | |
|----------|-----------------------|
| 1. Once | 3. Three times |
| 2. Twice | 4. Four or more times |

b) How do you send these items?

- | | |
|---|------------------------------------|
| 1. Through post office | 3. Through someone who went abroad |
| 2. A migrant take it with him/her upon return | 4. Other, specify |

C) Converted into money, what would be the total value of goods you have sent in the last one year?

- | | |
|-----------------------|-------------------|
| 1. Less than 500 birr | 4. 2001-3000 |
| 2. 501-1000 | 5. Over 3000 birr |
| 3. 1000-2000 | |

38. How many people, including yourself, benefit from the money you receive from abroad?

- | | | |
|--------|----------|------------|
| 1. 1-3 | 3. 7-10 | |
| 2. 4-6 | 4. 11-15 | 5. Over 15 |

39. How many children attend school or college in private institutions?

1. M _____ 2. F _____

a) Is there a family member who quit education or employment as a result of future migration plans or intentions?

1. Yes 2. No

b) Other than your own children, how many people do you help to go to school thus far?

1. M _____ 2. F _____

c) Do you cover education expenses for your housemaid?

1. Yes 2. No 3. Don't have housemaid

40. Do you own a house? 1. Yes 2. No (*go to J*)

a) Materials made from

1. Mud 2. Cement/brick/stone 3. Other, specify

b) When did your family buy or construct the house?

1. 0-5 years ago
2. 6-10 years ago
3. 11-20 years ago
4. 20-30 years ago
5. over 30 years ago

	A) Does your house has the following facilities	Yes	No			Yes	No
1	Flush toilet			10	Vehicle (bajaj, minibus, automobile, truck)		
2	Shower (bathroom)			11	Radio		
3	Piped water inside the house			12	TV		
4	Piped water outside the house			13	Satellite Dish		
5	Kitchen sink			14	Fridge		
6	Electricity			15	Laundry		
7	Landline telephone			16	Sofa		
8	Mobile phone			17	Internet		
9	Computer			18	Cow, sheep, goat, chicken		

41. Other than the one you live on, do your family own any other houses?

1. Yes 2. No

a) If yes, how many?

1. 1

3. 3

2. 2

4. 4 and more

b) do you have plot of land 1. Yes 2) No

c) If yes, how many?

1. 1

2. 2

3. 3

4. 4 and more

d) Do you rent a house or rooms?

1. Yes

2. No (go to 42)

e) If yes, how much do you get per month from renting rooms or houses? -----

f) How you ever use your house as collateral to borrow money or start business?

1. Yes

2. No

42. What will happen to the family if you receive no remittances?

1. Unable to meet basic needs

2. Unable to pay for children's education

3. Unable to run any sort of business or income generating activity

4. Unable to own house or plot of land

5. No problem will occur

6. Other, specify

43. How do you meet basic needs and utilities where remittances are absent?

1. Remittances never interrupted

5. we will use earnings from family business

2. We will spend our savings

6. we have enough asset or property

3. We will borrow money

7. We spend monthly salary

4. we reduce expenditure

8. other, specify

44. Do your family need or expect further assistance (remittances) to sustain family livelihood?

1. Yes, we need/ expect more

2. No, not anymore

3. don't know

a) If yes, how much do you need?

1. Little

3. A lot more

2. More

4. Other, specify

45. Have you ever lent money to your neighbours or other relatives?

1. Yes

2. No (go to 44)

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