# ZAMBIA NATIONAL REMITTANCES STUDY

REPORT

REPUBLIC OF ZAMBIA
Ministry of Foreign Affairs and International Cooperation

IOM
UN MIGRATION

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This study was commissioned with support from IOM under the Building the Capacity of the Government of Zambia to Maximize Development Potential of the Diaspora project.

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REPORT

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**REPUBLIC OF ZAMBIA**
Ministry of Foreign Affairs and International Cooperation

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# LIST OF ACRONYMS AND ABBREVIATIONS

| | |
|---|---|
| **BNR** | National Bank of Rwanda |
| **DGD** | Diaspora General Directorate (Rwanda) |
| **eBoP** | electronic balance of payments |
| **ETB** | Ethiopian birr |
| **FDI** | foreign direct investment |
| **GBP** | Great Britain pound sterling |
| **ICT** | information and communications technology |
| **IOM** | International Organization for Migration |
| **KNOMAD** | Global Knowledge Partnership on Migration and Development (World Bank) |
| **KWD** | Kuwaiti dinar |
| **LMIC** | low- and medium-income country |
| **MFA** | Ministry of Foreign Affairs (Ethiopia) |
| **MFAIC** | Ministry of Foreign Affairs and International Cooperation (Zambia) |
| **MFARI** | Ministry of Foreign Affairs and Regional Integration (Ghana) |
| **MIDA** | Migration for Development in Africa |
| **MINAFFET** | Ministry of External Relations and Internal Cooperation (Rwanda) |
| **MMPIP** | Ministry of Macro-Economic Planning and Investment Promotion (Zimbabwe) |
| **MHAIS** | Ministry of Home Affairs (now Ministry of Home Affairs and Internal Security) |
| **MTM i-MAP** | Interactive Map on Migration in Africa, the Middle East and Mediterranean |
| **MTO** | money transfer organization |
| **NGO** | non-governmental organization |
| **ODA** | official development assistance |
| **OECD** | Organisation for Economic Co-operation and Development |

| | |
|---|---|
| **RACC** | Rwanda-American Chamber of Commerce |
| **RBZ** | Reserve Bank of Zimbabwe |
| **RCA** | Rwanda Convention Association |
| **RDMF** | Rwandan Diaspora Mutual Fund |
| **RGDN** | Rwanda Global Diaspora Network |
| **SADC** | Southern Africa Development Community |
| **SDG** | Sustainable Development Goal |
| **ToR** | terms of reference |
| **UNDP** | United Nations Development Programme |
| **USD** | United States dollars |
| **VSO** | Voluntary Service Overseas |
| **YoY** | year-on-year change |

# EXECUTIVE SUMMARY

This *Zambia National Remittances Study* was commissioned by MFAIC under the Building the Capacity of the Government of Zambia to Maximize Development Potential of the Diaspora project. IOM, with financial support from the IOM Development Fund, supports the project. The project seeks, among other outcomes, to improve the Government's knowledge of the Zambian diaspora and diaspora remittances.

For slightly over a decade, the Government of Zambia has increasingly recognized the important role migration and diaspora engagement could play in national development. In 2010, the Government of Zambia commissioned, with IOM support, an online diaspora survey of Zambian migrants who reside in the United Kingdom and South Africa (at the time the two top destination countries for Zambian migrants). The 2010/2011 Diaspora Survey found that the Zambian diaspora were keen to participate in national development through different channels that included sending remittances to their home country. However, the respondents in that survey expressed their desire for dual citizenship and government leadership in terms of resolving some outstanding challenges that affected their productive participation in national development. The challenges included the following: (a) absence of a formal government diaspora affairs administration institution; (b) dearth of information on investment and other opportunities in Zambia; (c) apathy and rent seeking behaviour in the civil service; (d) shortages of employment opportunities; and (e) difficulties to access credit, land and reliable business partners.

The Government of Zambia has since addressed some of the challenges. The 2016 Constitution Amendment Act provided for dual citizenship. In 2019, the Zambia Diaspora Policy was launched and, with it, a Diaspora Coordinating Desk at MFAIC was created to provide a formal institution to coordinate diaspora engagement affairs.

As per the ToRs for this National Remittances Study, a triangulated methodological approach adopted comprised general literature review and five sub-Saharan African countries (Ethiopia, Ghana, Kenya, Rwanda and Zimbabwe) comparator analysis, an online diaspora remittances survey and key informant interviews. The main challenge of the online survey was that Zambia's diaspora population is not known. In all, 592 valid responses were completed, a figure that was higher than the target of 500 responses.

The literature review presented in this report discusses the definition of the concept of remittances in its widest context to include both monetary and non-monetary transfers spanning money, goods, skills, social remittances, norms, world views and others. It also discusses the controversies and debates on remittances and country of origin development. In terms of global trends and patterns of remittances, the report cites various authorities that show an eleven-fold increase in remittances inflows to LMICs between 1990 and 2020. That is, World Bank data show that remittances inflows to LMICs increased from USD 90 billion in 1990 to USD 540 billion in 2020. Total remittances inflows to LMICs is much higher than ODA and FDI combined in recent years. Further, remittance inflows are counter-cyclical, have no strings attached, well targeted and have proved to be more resilient to COVID-19 pandemic ramifications than was earlier envisaged.

However, when compared to other regions of the world, sub-Saharan Africa has the least remittances inflows. Within the sub-Saharan Africa region itself, Zambia also has lower remittances inflows when compared to its peers. In terms of remittances transfer costs, Zambia's high remittances cost transfer status is gradually improving.

While the launch of the Zambia Diaspora Policy in 2019 and the subsequent creation of the Diaspora Coordinating Desk at MFAIC were major developments, findings from this National Remittances Study suggest that awareness of that policy among Zambia's diaspora is quite low. The findings from the comparator analysis of the other five sub-Saharan Africa countries with more robust diaspora engagement protocols and larger inflows of remittances point to the need for Zambia to adopt a coordinated and collaborative institutional strengthening in the implementation of the diaspora policy. Section 4.3 of this report outlines the five sub-Saharan Africa comparator countries' analyses diaspora engagement in national development lessons for Zambia.

The 2021 Diaspora Remittances Survey findings show, among others, the following characteristics of the 592 respondents:

- About 72 per cent were aged between 35 and 64 years of age. This age structure is very different from Zambia's domestic labour force structure, that according to the 2020 Zambia Labour Force Survey Report was about 51 per cent youths (15–34 years of age) population structure that is overwhelmingly children and youths (Zambia Statistics Agency, 2020).
- The gender distribution was 53 per cent males and 47 per cent females. In terms of marital status, 60 per cent were married and about 23 per cent were singles who had never married.
- Citizenship status: 75 per cent were Zambians, 17 per cent were dual citizens and 8 per cent other citizenship statuses.
- Country of current residence: Continental Europe and Asian countries respectively were the two dominant regions of residence with each of the two regions accounting for close to 20 per cent each of the sample. Other neighbouring SADC countries (excluding South Africa) and the United Kingdom were the next set of countries with the largest concentration of Zambians in the diaspora.
- The number of years of residence in the current host country: 5–10 years (20%); 11–20 years (27%) over 20 years (19%); about two-thirds have been away from Zambia for at least 5 years.
- Zambians in the diaspora are very highly educated: tertiary/college (20%); first university degrees (29%); and postgraduate (masters and doctor of philosophy) degrees (39%). Hence, the diaspora current employment status was characterized by full-time regular employment with work permits and social security numbers.
- More than 43 per cent earned between USD 50,000 to over USD 100,000 per annum in 2020.

The report shows that there is no significant gender remittances sending pattern differences among the Zambian diaspora. However, those who send both money and other in-kind support/goods accounted for about 53 per cent of the respondents; 39 per cent only sent money or cash; and another 18 per cent only sent goods. The main remittances beneficiary recipients are mostly parents (38%) followed by extended family members (22%). In terms of the purposes for sending remittances, financing living expenses for relatives and friends at 50 per cent is the most common, followed by payments for education, health services and investments in money and capital markets at about 16 per cent each. Philanthropy and supporting community projects is another common reason for sending remittances especially among members of Zambia diaspora associations in the United Kingdom and the United States of America.

Qualitative data from virtual focus group discussions and key informant interviews with Zambia diaspora associations in the United Kingdom and the United States, as well as Zambia missions in China, South Africa, the United Kingdom and the United States show that the diaspora are keen to participate in national development subject to resolution of the following concerns:

- Participation in Zambia's political governance – e.g. voting in general elections;
- Transparency and accountability mechanisms to track remittances inflows in various subsectors of the Zambian economy and society;
- Timely provision of information on land availability and its acquisition procedures, especially if diplomatic missions abroad could play a facilitative role in land acquisition;
- Proactive embassy staff with effective diaspora outreach and engagement protocols;
- Resolving (in conjunction with some host governments) remittances sending constraints such as review of thresholds and the associated high costs.

Most of the respondents send remittances to Zambia on a monthly basis (62%), followed by those who send on a quarterly basis at about 18 per cent. The average amounts sent were as follows: USD 100–200 (21%); USD 201–500 (22.5%); USD 501–1,000 (19%); and USD 1,001–3,000 (14%). In terms of remittances sending costs, those up to 3 per cent of the total value of amounts sent (i.e. conforms to SDG 10c target of up to 3% by 2030) were almost half at 49.7 per cent; followed by the 4–5 per cent at 23 per cent, 6–10 per cent at 17 per cent and over 10 per cent at 10 per cent. There seem to be a downward trend in the cost of sending money to Zambia.

Because of the COVID-19 pandemic–induced border closures and travel restrictions, the dominant channels for sending remittances in 2020 was mainly formal. South Africa has the corridor with the highest cost of sending remittances to Zambia due to sizeable informal remittance-sending channels, but even that has moderated since the onset of COVID-19 travel restrictions for much of 2020.

Based on the evidence presented by this National Remittances Study, this report makes the following recommendations for improving diaspora engagement in Zambia's national development:

(a) **Streamline diaspora engagement in national development through strengthened collaborative and coordinated diaspora policy implementation institutional framework.** Strengthen a coordinated and collaborative diaspora engagement and diaspora policy implementation institutional framework. Outline mandate-specific diaspora engagement workplans for accompanying appointments of diaspora focal point officers at line ministries to necessitate inclusion of diaspora affairs management activities into the workplans and the output-based budgeting. This will help to streamline and embed diaspora policy specific objectives and activities in both MFAIC and other implementing line ministries.

(b) **Create a fully fledged diaspora directorate at MFAIC with direct reporting line to the Permanent Secretary.** The function of diaspora engagement in national development calls for high-level engagements, transparency and accountability that necessitate elevating the function to director level. Creating such a department will improve the resources available to do the work and stature in both MFAIC and other relevant line ministries to interact directly at director level. The current placement of the function at assistant director level as an unfunded mandate makes dedicated resource allocations and function accountability difficult.

(c) **Strengthen Bank of Zambia monitoring of remittances inflows.** While the Bank of Zambia indicated that its systems at present are adequate to monitor both banking and non-banking financial institution's flows of remittances, it needs further support to undertake expensive baseline surveys on both formal and informal remittances. Improving the quality of remittances data inflows is important for policy design, executing and monitoring and evaluation.

(d) **Strengthen Zambia's missions abroad for diaspora engagement and outreach.** Diplomatic missions require more resources for proactive diaspora outreach in various countries of representation. In particular, functions like bilateral negotiations on remittances channels and costs with host countries; land acquisition procedures and guidelines; organizing homecoming conferences and events; information on business opportunities and incentives in Zambia; and how diaspora can participate in various investment and other developmental activities back home need similar attention accorded to national identity documents and dual citizenship – resources permitting.

(e) **Seek some cooperating partners' support to implement the diaspora policy.** In addition to IOM, seek out support from other migration support cooperating partners (such as International Labour Organization, UNDP, European Union, VSO and UK Aid) to create synergies and outline practical workstreams on different aspects of migration and development in general and remittances in particular.

(f) **Involve diaspora in national governance processes.** As a stable and reliable balance of payments support partner, diaspora participation in major national events like general elections, commissions of inquiry and other capacity-building activities back home would foster close links that might generate more remittances inflows.

(g) **Design guidelines and proactive information-sharing to promote diaspora remittances mobilization.** Information on investment opportunities back home as well as guidelines on how such opportunities can be accessed by the Zambian diaspora is important. Other measures may include empowering Zambia missions abroad to assume more roles and responsibilities on diaspora engagement to publicize the relevant information and regulations back home. For example, missions abroad could issue periodic updates on changes on remittances transfer thresholds above which anti-money laundering and terrorism financing regulations are invoked. Information on business and investment opportunities, land availability and others should be shared through Zambian missions abroad in conjunction with the members of the Zambian diaspora associations in various destination countries.

(h) **Institutionalize regular short-term structured interactions between Zambian diaspora experts and professionals with their counterparts in Zambia to maximize social remittances inflows.** Diaspora knowledge, world views, skills and expertise exchange and home country visitation programmes, on short-term basis, need to be designed to supplement locally based institutions for enhancing service delivery, knowledge and capacity improvements.

(i) **Strengthen outreach and coverage of financial inclusion programmes to improve impacts of remittances on national development and reduce costs.** Deployment of ICT money market instruments, increase in mobile money coverage and improvement of financial literacy, as well as other banking and other financial sector reforms to deepen competition and coverage are critical steps in reducing remittances costs, and mobilizing and improving the effectiveness of remittances inflows impacts on national development.

# 1. INTRODUCTION AND BACKGROUND

## 1.1. INTRODUCTION

For nearly a decade, the Government of Zambia increasingly acknowledged the important role that Zambians in the diaspora could play in national development. The Government commissioned the 2010/2011 online diaspora survey of Zambian migrants residing in South Africa and the United Kingdom (the two top destination countries for Zambian migrants at the time) that represented a major milestone in that recognition (Diaspora Liaison Office and IOM, 2011). The 2010/11 diaspora survey sought to achieve the following objectives:

- Identify channels through which the diaspora could participate in national development;
- Profile the diaspora in terms of profession, education and financial capacities;
- Document the diaspora wishes, expectations and aspirations for participating in national development;
- Find out the perceived constraints to their participation in national development.

The main findings of the 2011 survey were as follows:

- The Zambian diaspora were keen to participate in national development through various channels that included acquisition of property, private investment, philanthropy, development projects and skills transfers programmes;
- Willingness to contribute to balance of payments through sending remittances to their homeland;
- Desire for dual citizenship;
- Zambian diaspora experienced constraints and challenges to their effective participation in national development that included, among others, the following:
    - Absence of formal government institution to engage with them effectively;
    - Lack of information on opportunities in Zambia;
    - Perceived corruption and apathy of civil service;
    - Shortage of employment opportunities;
    - Limited access to credit, land and reliable business partners.

To date, the Government has addressed the following Zambian diaspora concerns:

- The 2016 Constitution Amendment Act provides for dual citizenship.
- The Government of Zambia launched the Zambia Diaspora Policy in April 2019.
- Creation of the Diaspora Coordinating Desk at MFAIC[1] in 2019 to provide a formal institution to engage and manage Zambia diaspora affairs.[2]

This study is commissioned by the Building the Capacity of the Government of Zambia to Maximize Development Potential of the Diaspora project that seeks, among other outcomes, to improve the Government's knowledge of the Zambian diaspora and diaspora remittances (including gender dimensions of remittances). The project's other two outcomes are as follows:

(a) The Government of Zambia operates diaspora affairs within a strengthened gender-sensitive institutional, policy and legal framework.

(b) The Government of Zambia has and utilizes improved platforms and mechanisms for continuous communication and engagement with the Zambian diaspora.

## 1.2. THE 2019 ZAMBIA DIASPORA POLICY

This National Remittances Study contributes to the realization of the 2019 Zambia Diaspora Policy's overall objective of integrating the diaspora in the country's development agenda. The diaspora policy seeks to create an enabling environment and platform for effective participation of the Zambian diaspora in national development, promote their rights, interests and welfare abroad. In effect, the policy's focus is to harness the Zambian diaspora as a resource for national development.

Text box 1 shows some highlights of the 2019 Zambia Diaspora Policy. The first policy measure is to promote, facilitate and leverage remittances through the following actions:

(a) Lower costs of sending remittances;

(b) Provide information (to diaspora) on various transfer options available and costs of remitting from host countries;

(c) Provide and publicize incentives for diaspora to import (into Zambia) personal belongings and capital goods for returnees;

(d) Monitor remittances transfer and payment systems to inform policy interventions.

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1 In September 2021, the Government of Zambia renamed the Ministry of Foreign Affairs as the Ministry of Foreign Affairs and International Cooperation; the Ministry of Home Affairs as Ministry of Home Affairs and Internal Security; the portfolios of finance and national development planning were merged under the Ministry of Finance and National Planning (Government of Zambia, 2021).

2 IOM, with financial support from the IOM Development Fund, is currently implementing a project titled Building the Capacity of the Government of Zambia to Maximize Development Potential of the Diaspora. The project's overall objective is to improve and strengthen government capacity to mainstream and harness development potential of the Zambian diaspora in national development. The Diaspora Coordinating Desk at the MFAIC is one of the project's outputs.

The other 6 of the 13 policy measures listed in Text box 1 that relate to remittances include the following:

(a) Promote trade and investment that include, for example, establishing diaspora investment funds to enhance the capacity of diaspora to invest in Zambia;

(b) Improve access to land;

(c) Facilitate portability of social security;

(d) Promote tourism, culture and arts;

(e) Promote knowledge and skills transfer;

(f) Establish a comprehensive online information portal and diaspora database.

The online survey for this National Remittances Study had specific questions on whether Zambians in the diaspora were aware of the above policy measures. Section 5 of this report presents and discusses the survey findings.

In the context of Zambia's current macroeconomic stability and high debt stock challenges, adopting regional and global remittances facilitation and leveraging capacity will be an imperative. The Zambia Diaspora Policy document adopted a multisectoral approach and identifies other ministries for its effective implementation – i.e. MHAIS; Ministry of Labour and Social Security; Department of Gender; Ministry of Justice; Ministry of Lands and Natural Resources; Ministry of Finance; Ministry of National Development Planning; Ministry of Commerce, Trade and Industry; and the Zambia Development Agency.

**Text box 1.** **Highlights of the 2019 Diaspora Policy**

**Vision**

A Zambian diaspora that is protected, engaged and participates as an active and reliable partner in the socioeconomic development of the country.

**Rationale**

The Zambia Diaspora Policy is based on the realization that the diaspora has enormous potential to contribute positively to the country's development with, for example, skills and technological transfers, networking and investment, and the desire of the Government to use the Zambian diaspora skills and financial resources.

**Overall objective**

To integrate the Zambian diaspora in the development agenda of the country by creating an enabling environment and platform for effective participation of the Zambian diaspora in national development, and promote their rights, interests and welfare abroad. The Policy will harness the Zambian diaspora as a resource for development and maximize its contribution to national development.

### Policy measures

(a) Promote, facilitate and leverage remittances (i.e. facilitate lowering costs of sending remittances; provide information on various transfer options available and costs of remitting from host countries; incentives for diaspora to import personal belongings and capital goods for returnees; and monitor remittances transfer and payment systems to inform policy interventions).
(b) Promote trade and investment (such as: provide information on trade and investment opportunities and incentives; facilitate establishment of diaspora investment funds to enhance capacity of the diaspora to invest in Zambia; and establish a formal platform from which the Government can borrow, through diaspora targeted bond issuances).
(c) Improve access to land (information on land availability and acquisition procedures; create online portal on local authorities' newly opened-up areas for diaspora to apply for plots directly; designate missions abroad to facilitate processing of land acquisition applications by diaspora).
(d) Facilitate portability of social security benefits.
(e) Promote tourism, culture and art.
(f) Promote patriotism.
(g) Safeguard the rights and interests of the Zambian diaspora (for example, develop and promote mechanisms to aid the re-entry and reintegration of the Zambian diaspora returning permanently).
(h) Improve access to national documents.
(i) Allow dual citizenship.
(j) Promote political patriotism.
(k) Promote knowledge and skills transfer (for example, promote the permanent, temporary and virtual return of skilled Zambians in the diaspora).
(l) Facilitate effective administration of the diaspora (for example, establish diaspora desks at MFAIC to coordinate and mainstream diaspora issues, and establish diaspora focal points in relevant government institutions and missions abroad).
(m) Establish comprehensive information online portal and diaspora database.

### Implementation framework

The Zambia Diaspora Policy document identifies and assigns (for ministries) specific tasks, roles and responsibilities to the following stakeholders to formulate and implement the national action plan:

(a) Ministries (MFAIC as overall lead; Ministry of Labour and Social Security; Ministry of Gender; Ministry of Justice for Legal Affairs (Justice); MHAIS; Ministry of Education; Ministry of Lands and Natural Resources; Ministry of Finance; Ministry of National Development Planning; Ministry of Commerce, Trade and Industry; and Zambia Development Agency).
(b) Others (IOM, cooperating partners, the diaspora associations, private sector, civil society organizations and NGOs).

*Source*: Government of Zambia, 2019:6–15.

## 1.3. TERMS OF REFERENCE

The ToR for this National Remittances Study specify the following tasks and activities:

(a) Conduct case studies of selected sub-Saharan African reference countries (Ethiopia, Ghana, Kenya, Rwanda and Zimbabwe) that have benefited from remittances in terms of the types (in kind/pecuniary), extent, transfer mechanisms (formal/informal), impact (micro/macro levels) and regulatory framework of migrant labour remittances.

(b) Use the reference countries' case studies findings to inform the review of Zambia's experiences on remittances flows and elaborate a strategy to improve net remittances inflows and their developmental impact.

(c) Based on best practices findings from the above five country case studies and the experience of Zambia, conduct a knowledge gap analysis to identify and expedite remittances research priorities. The knowledge gap analysis for both the Government of Zambia and IOM focus areas include the nature of remittances (in kind/pecuniary), extent, transfer mechanisms (formal/informal), impact (micro/macro levels) and regulatory framework of migrant labour remittances in Zambia.

(d) Prepare an annotated bibliography of scholarly research and conference papers addressing the nature (in kind/pecuniary), extent, transfer mechanisms (formal/informal), impact (micro/ macro levels) and regulatory framework of migrant labour remittances in Zambia.

(e) Analyse findings and results, and prepare draft report with recommendations.

(f) Present draft report during a virtual validation workshop with all stakeholders for feedback and final reporting.

(g) Finalize and submit a validated report.

## 1.4. OVERVIEW OF ZAMBIA'S MIGRATION SITUATION AND IMPLICATIONS FOR REMITTANCES

Remittances inflows depends, among other factors, on the number of migrants, the immigration status in the countries of destination, skills, types of jobs, gender, prevailing economic situation in the host country, cost of sending remittances and socioeconomic situation in the country of origin (Maphosa, 2007; Akesson, 2011; Brown et al., 2014; Nyikahadzoi, 2019). The Department of Immigration (Annual Reports 2013–2017) data show that Zambia's net migration (that is, difference between exits and entries), relative to the population, is quite small. It increased from about 571,000 in 2013 to about 699,000 in 2017. Further, most Zambian migrants are concentrated in the SADC region and some OECD member countries. For example, the distribution of the 725 online respondents to the 2011 Zambia diaspora survey showed that the United Kingdom (with 30% of the respondents) was the main destination country, followed by the United States (18%), South Africa (14%), Botswana (6%), Australia (4%), Canada (3%) and other countries (26%).

The distribution pattern of Zambian migrants' destination countries has changed since 2010. The KNOMAD 2017 database estimated 278,000 Zambian migrants are in the SADC countries. According to the 2017 KNOMAD database, in 2017, South Africa hosted 92,075 of Zambia's migrants (accounting for 33%), followed by Malawi with 43,144 (15.5%) and Zimbabwe with 30,662 (11%). Instead of migrating out of the continent, the statistics show that, increasingly, migration among Zambians takes place within the SADC region. SADC countries (Angola, Botswana, Malawi, Mozambique, Namibia, South Africa, the United Republic of Tanzania and Zimbabwe) host three quarters (74.2%) of Zambian migrants. The United Kingdom and the United States are ranked fourth and fifth in terms of hosting Zambian migrants, accounting for about 9 per cent each of the estimated 278,000 Zambian migration population (KNOMAD, n.d.a).

The foregoing KNOMAD 2017 Database Zambia Diaspora estimates that suggest that the largest concentration of the migrants is in the SADC region (75%) and two OECD member countries (the United Kingdom and the United States, both countries accounting for about 18%) have direct implications on the potential amounts of remittances inflows into the country. The majority of migrants in the SADC region are either undocumented or in low-end occupations – a situation that suggests informality and similarity to the Asia region experience of unskilled migrants sending back to their families small and regular amounts of money for consumption. Such small individual remittances add up to large amounts of money that could contribute to the country of origin's development efforts if recipient country has appropriate rules and regulations, as well as necessary infrastructure for financial development (Asian Development Bank and World Bank, 2018:2). On the other hand, migrants to the United States and the United Kingdom are likely to be highly skilled, documented and mostly send remittances through formal channels. Since the United Kingdom and the United States are some of the COVID-19 pandemic affected countries, the probability of Zambian migrants' vulnerability to unemployment is high and that could adversely affect remittances flows back to Zambia.

## 1.5. STRUCTURE OF THE REPORT

The remainder of this report is as follows:

- Section 2 presents and discusses literature review on migration, remittances and national development. It discusses the following: (a) concept of remittances; (b) controversies and debates on remittance inflows and country of origin development; and (c) global trends and patterns of remittances inflows.
- Section 3 presents the study's methodology and its limitations.
- A comparative analysis of Zambia vis-à-vis the five African reference countries' remittances inflows policies, institutional, regulatory, programmatic interventions and best practices is presented in section 4.
- In section 5, the 2021 Online Zambia Diaspora Remittances Survey findings is discussed in terms of the following: (a) characteristics of the respondents; (b) remittances inflows patterns, costs and channels; (c) Zambian diaspora's awareness of the 2019 Zambia Diaspora Policy; and (d) government diaspora engagement programmes and activities. The section also discusses the findings of the key informant interviews from Zambia's missions abroad (China, South Africa, the United Kingdom and the United States); diaspora associations in the United Kingdom and the United States; and line ministries listed in the Zambia Diaspora Policy document.
- Section 6 presents the conclusions and recommendations.

# 2. LITERATURE REVIEW – MIGRATION, REMITTANCES AND DEVELOPMENT

## 2.1. THE CONCEPT OF REMITTANCES

Hougaard (2008) defines remittances as "the non-reciprocal transfers of money from an individual or household in one place **[country of destination]** to another individual or household in other place **[country of origin]**" (ibid., cited in Cooper and Esser, 2018). IOM (2019) adopts a similar definition – i.e. "personal monetary transfers, cross border or within the same country, made by migrants to individuals or communities with whom the migrant has links". Remittances can be within one country (say from urban to rural, that is, rural–urban migration) or cross-border (international migration). Generally, remittances refer to the transfers (of cash or in kind) of resources from migrants in countries of destination to their relatives and friends in their countries of origin.

Section 2.2 discusses the controversies, debates and different schools of thought on migration and the resultant remittances inflows. For some, remittances represent a compensation to the home country for the brain drain and loss of workers to the host country. Brown et al. (2014) argue that "accurate measurement of remittances is central to understanding both the dynamics and the consequences of migration". A survey of the literature on remittances shows that remittances take different forms: (a) financial transfers; (b) in-kind transfers or purchases; and (c) other indirect payments that migrants make for recipients back in their home countries.

In some cases, migrants from low-income countries do not send monetary remittances per se but would instead save and spend the savings on their relatives and friends once they return to visit their home countries (Thai, 2014). In other instances, migrants might accumulate savings in host countries and transfer the resources at some future date to their home country (say when the migrant returns). In other situations, migrants might have capital properties at home and may avoid transfer costs or strict foreign exchange controls back home by diverting returns from such assets directly to relatives. According to Brown et al. (2014:1254), "if such internal transfers are in lieu of international remittances, these transfers should indeed be treated as another component of remittances".

The concept of remittances extends beyond financial flows alone. According to IOM (2019:181), "the terms 'social remittances' or 'social capital transfer' are used in the context of transfers of non-monetary value as a result of migration, such as transfer of knowledge, know-how, networking and skills." Oucho (2010:14) sums up the different aspects of remittances as follows (cited by Amoako and Apusigah, 2013:19):

> [T]ransfers of money, goods and diverse social features, sent or brought by migrants or emigrant groups back to their countries of origin and citizenship. Although the notion of remittances generally conjures up only the monetary aspect, remittances embrace both monetary and non-monetary flows, including social remittances. … The North-South Centre of the Council of Europe (2006) defines diaspora's social remittances as ideas, practices, mind-sets, worldviews, values and attitudes, norms of behaviour and social capital (knowledge, experiences and expertise) that the diaspora mediate and, either consciously or unconsciously. Transfer from host to home communities.

The impact or value of remittances manifests itself in terms of socioeconomic progress as exemplified by improvements in living conditions and well-being of individuals and communities arising from additional incomes or acquisition of some means of production from remittances receipts. Such improvements in living conditions and production capacities of individuals and communities constitute development and/or progress (Rubyutsa, 2012).

The literature of remittances suggests that the main determinants and motives for remittances include capacity and desire to remit, altruism, insurance, investment and repayments.[3] Brown et al. (2014) cautions that when analysing the determinants of and motives for remitting, reliance on direct questions alone to respondents might not be sufficient. Rather, motives for remitting should be indirectly assessed by testing alternative hypotheses on "remitting behaviour responsiveness to changes in migrant's and/or recipient's income or welfare and/or to particular events as predicted by different motivations".

## 2.2. CONTROVERSIES AND DEBATES ON REMITTANCES AND (COUNTRY OF ORIGIN) DEVELOPMENT

Akesson (2011) and Bhandari and Chaudhary (2017) discuss the literature on the conflicting views on the consequences of outmigration and remittances on migrant-sending communities. The debate centres on the relationship between migration and development. The optimistic view of remittances and development, the New Economics of Labour Migration theory posits that "remittances, return migration and the subsequent transfer of knowledge would help developing countries 'take-off' as migration is a potential source of investment capital for migrant sending developing countries". According to Akesson (2011:63):

> Many policy makers anticipate that the inflow of remittances in combination with the involvement of diasporas will lead to poverty reduction and economic growth. Renewed hopes are put on circular migration and returnees and their contribution to development. This perspective has been especially dominant since 2006 when the World Bank's yearly flagship publication "Global Economic Prospects" was dedicated to "economic implications of migration and remittances".

[3] For the survey of the literature, see Brown et al., 2014; Bhandari and Chaudhary, 2017; and Akesson, 2011.

Migration is largely a result of many factors, some of which include desire for change, unemployment at home to seek better opportunities abroad, chronic hardships like poverty, food insecurity, poor governance, disasters, climate change, environmental degradation, cultural factors, inequalities, persecution, human rights violations, armed conflicts, violence or serious disturbances of public order, among others (IOM, 2019). It follows then that remittances sent by migrants back to their home countries is a major contributor to poverty reduction, human capital development (payment for education and health services) and other investments. Since remittances, unlike ODA or FDI, have no preconditions and reach their intended beneficiaries without any government interference (save for exchange controls and other financial markets regulations), such better targeting helps beneficiary households and individuals from falling into poverty (Stein, 2003, cited in Maphosa, 2007; IOM, 2005, cited in Cooper and Esser, 2018).

The Report of the United Nations Secretary-General on *Making Migration Work for All* to the United Nations General Assembly (2017) sums up the benefits of international migration and its importance in reducing both poverty and inequality within and between States:

> “Managing migration is one of the most urgent and profound tests of international cooperation in our time. Migration is an engine of economic growth, innovation and sustainable development. It allows millions of people to seek new opportunities each year, creating and strengthening bonds between countries and societies. … The basic challenge before us is to maximize the benefits of migration rather than obsess about minimizing risks: we have a clear body of evidence revealing that, despite many real problems, migration is beneficial both for migrants and host communities in economic and social terms — our overarching task is to broaden the opportunities that migration offers to us all … The Sustainable Development Goals, contained in the 2030 Agenda for Sustainable Development, recognize the importance of migration in reducing inequality within and between States.

On the other hand, the pessimistic view of migration and development argues that remittances received by migrant-sending communities in return for brain drain and other challenges associated with outmigration are used largely for consumption – construction of bigger houses, feasts, funerals, weddings, education and medical bills and not necessarily for productive investments.

Akesson (2011) cite de Haas (2010) and others who show that during certain periods when developed Western economies are in the upswing and the demand for migrant labour is high, such economies are very receptive to relevant skilled migrants or those who can take up low-end menial jobs. However, during recessions, governments in developed countries invoke restrictive migration policies. They argue that assigning migrants the role of agents of development is driven by ideology and not empirical evidence. Expecting migrants to assume such a developmental role distracts attention from deeper economic and political constraints to achieving positive human development in developing countries. Akesson (2011) points to the fact that governments of the developed countries and the World Bank dominate various global migration related political systems fora policy debates – with little inputs or influence from governments of the developing countries. For example, governments of the developed (and not developing) countries dominate the United Nations

High-Level Dialogue on International Migration and Development, Global Commission on International Migration and the Global Forum on Migration and Development.

All told, among high remittances dependent economies, remittances represent an important source of household income and poverty reduction. Bhandari and Chaudhary (2017:4) cite some studies that argue that "how migrant's families spend and invest remittance earnings is a question of crucial debate" and that "various uses of remittances by receiving households are not clear and very few studies have generated data necessary to evaluate the impact of remittances on receiving economies." Further, they argue the data on remittances receipts and their utilization in households is susceptible to measurement errors, especially recall bias.

The foregoing brief overview of the optimistic and pessimistic views on the developmental impact of remittances reflect the perennial debates and controversies in economic thought. The key point, however, is that properly managed remittances have the potential to contribute to socioeconomic development and uplifting beneficiaries out of poverty. In effect, remittances represent a source of income that would not otherwise have been there without migration.

## 2.3. GLOBAL TRENDS AND PATTERNS OF REMITTANCES

The previously stated remittances policy debates and controversies notwithstanding, global remittances inflows are quite significant. For example, before the onset of the current COVID-19 pandemic in December 2019 induced the global economic crisis, remittances to LMICs were projected to reach USD 551 billion in 2019, USD 574 billion in 2020 and USD 597 billion in 2021 (Ratha et al., 2019).

More recently, the May 2021 World Bank Migration and Development Brief 34 remittance flows data shows that remittances remained strong during the COVID-19 crisis; formal recorded remittance flows to LMICs reached USD 540 billion in 2020, just 1.6 per cent below the 2019 total of USD 548 billion (Ratha et al., 2021). The World Bank Migration and Development Brief 34 notes that the decline in remittance flows in 2020 (at 1.6%) was much smaller than the 4.8 per cent that was recorded during the global financial crisis in 2009. Further, remittances flows decline of 1.6 per cent in 2020 was much lower than the 30 per cent decline in FDI to LMICs (excluding China) for the same year. This further demonstrates the resilience of remittances inflows compared to FDI flows. Consequently, the World Bank projected that in 2020, the remittances flows of USD 540 billion to LMICs exceeded the sum of FDI (USD 259 billion) and ODA (USD 179 billion). In effect, remittance flows represent not only a higher source but also a much more resilient, stable, countercyclical and no strings attached (that is, non-conditional) external source of financing to LMICs (Mohapatra and Ratha, 2011).

More generally, Table 1 (extracted from Ratha et al., 2021) shows that remittance inflows to LMICs trend have been rising over the period 2009 to 2020 and is forecast to increase in 2021 and 2022. In fact, World Bank remittances flows data to LMICs shows that it has risen from about USD 50 billion in 1990 to about USD 540 billion in 2020 (that is, an increase of about 11 times between 1990 and 2020). In terms of geographic regions, Table 1 shows that remittance flows are highest in East Asia and the Pacific (that includes China) and South Asia (that includes India); that is, India and China are the two largest recipients of remittances inflows in the world owing to their respective large diasporas.

Table 1 also shows the remittances growth dynamics up to 2020. The sub-Saharan Africa region recorded four annual episodes of remittances flows declines over the 2009–2020 period that was more than the other regions of East Asia and the Pacific; and Europe and Central Asia regions – the latter two regions recording each three annual decline episodes over the same period. The Europe and Central Asia annual remittances flows decline episodes for 2009 and 2015 were, however, steeper than those for the sub-Saharan Africa region, except for 2020 when the latter recorded 12.5 per cent remittances flows decline compared to minus 9.7 per cent for the former region. The Middle East and North Africa region also recorded three episodes of annual remittances flows declines: 2009, 2015 and 2016 respectively.

For the 2021 and 2022 remittances projections, the World Bank predicts that all regions of the world will register some positive remittances growth, except for Europe and Central Asia with projected annual declines of 3.2 per cent and 6.9 per cent over the two years, respectively. The main remittances source country for Europe and Central Asia – that is, the Russian Federation, continue to experience some economic COVID-19-related challenges given its dependency on energy products (oil and natural gas) that have not fared well during the COVID-19 crisis.

**Table 1.** **Estimates and projections of remittance flows to low- and middle-income regions (2009–2022)**

| Region | 2009 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021f | 2022f |
|---|---|---|---|---|---|---|---|---|---|
| (USD billion) | | | | | | | | | |
| Low- and middle-income countries | 302 | 446 | 441 | 478 | 524 | 548 | 540 | 553 | 565 |
| East Asia and Pacific | 80 | 128 | 128 | 134 | 143 | 148 | 136 | 139 | 142 |
| Europe and Central Asia | 33 | 42 | 43 | 52 | 59 | 62 | 56 | 54 | 50 |
| Latin America and the Caribbean | 55 | 68 | 73 | 81 | 89 | 96 | 103 | 108 | 112 |
| Middle East and North Africa | 31 | 50 | 49 | 52 | 53 | 55 | 56 | 57 | 59 |
| South Asia | 75 | 118 | 111 | 117 | 132 | 140 | 147 | 152 | 158 |
| Sub-Saharan Africa | 28 | 41 | 37 | 41 | 49 | 48 | 42 | 43 | 44 |
| **World** | **433** | **602** | **597** | **640** | **694** | **719** | **702** | **713** | **726** |
| (Growth rates, per cent) | | | | | | | | | |
| Low- and middle-income countries | -4.8 | 0.5 | -1.3 | 8.4 | 9.8 | 4.6 | -1.6 | 2.6 | 2.2 |
| East Asia and Pacific | -4.8 | 3.7 | -0.5 | 5.1 | 6.8 | 3.0 | -7.9 | 2.1 | 2.1 |
| Europe and Central Asia | -11.3 | -15.3 | 2.1 | 21.0 | 12.9 | 4.6 | -9.7 | -3.2 | -6.9 |
| Latin America and the Caribbean | -12.3 | 6.5 | 7.4 | 11.1 | 9.9 | 8.3 | 6.5 | 4.9 | 4.0 |
| Middle East and North Africa | -6.0 | -6.4 | -1.2 | 5.3 | 2.3 | 3.4 | 2.3 | 2.6 | 3.1 |
| South Asia | 4.5 | 1.6 | -5.9 | 6.0 | 12.3 | 6.1 | 5.2 | 3.5 | 4.0 |
| Sub-Saharan Africa | -2.1 | 6.6 | -8.3 | 10.8 | 17.4 | -0.4 | -12.5 | 2.6 | 1.6 |
| **World** | **-5.0** | **-1.3** | **-0.8** | **7.1** | **8.5** | **3.7** | **-2.4** | **1.5** | **1.8** |

*Source:* Ratha et al., 2021:3.
*Note:* e = estimate, f = forecast.

In 2020, sub-Saharan Africa had the highest adverse COVID-19 remittances flows impact with a decline of about 12.5 per cent. The World Bank attributed the 12.5 per cent sub-Saharan Africa remittances flows decline to the 27.7 per cent remittances inflows decline in Nigeria, which accounts for more than 40 per cent of remittances inflows to the sub-Saharan Africa region. When Nigeria is excluded, sub-Saharan Africa showed some resilience during the COVID-19 crisis, recording an increase of 2.3 per cent in 2020. The individual sub-Saharan Africa countries that recorded remittances inflows increase in 2020 included Zambia (37%); Zimbabwe (31%); Somalia and Mozambique (16% each); Kenya (9%); and Ghana (5%) (Ratha et al., 2021:33). For 2021, the World Bank project a remittances flows growth of 2.6 per cent for the sub-Saharan Africa region (that is, USD 43 billion) arising from improved growth prospects in high-income countries.[4] The COVID-19 border closures and restrictions on international travel resulted in a significant switch from informal to formal channels that explains in part the high increase in remittances volume inflows recorded by central banks (Ratha et al., 2021).

Figures 1 and 2 show LMIC top remittances recipient countries in terms of absolute USD receipts and in terms of percentage share of GDP. Globally, India (USD 83 billion) and China (USD 60 billion) were the two top remittances recipient countries in 2020.[5] Egypt and Nigeria (top sub-Saharan Africa remittance recipient country) were the only two African countries with receipts of USD 30 billion and USD 17 billion, respectively, in the top 10 LMICs in 2020. As a share of GDP, Figure 2 shows that only Lesotho (top sub-Saharan Africa country) at 21 per cent of GDP made it in the top 10 smaller economies LMIC remittances recipient countries in 2020.

Other countries from Asia in the top 10 recipients of remittances include Bangladesh, Pakistan, the Philippines and Viet Nam. For the Africa region, only two countries are represented: Egypt in North Africa and Nigeria in sub-Saharan Africa. The other two countries are Mexico from Central America and Ukraine from Eastern Europe.

In terms of remittances inflows as a percentage share of GDP, Figure 2 shows that remittances are an important contributor to migrant-sending smaller economies. It ranges from 38 per cent in Tonga (in the Pacific) to 21 per cent in Lesotho. Central American and Caribbean countries (El Salvador, Haiti, Honduras and Jamaica) constitute the largest group, followed by Central Asian countries (Kyrgyzstan, Nepal and Tajikistan).

For sub-Saharan Africa, Figure 3 shows the top 10 remittance recipient countries that, in addition to Nigeria, include three of this study's reference countries: Ghana, Kenya and Zimbabwe. Another four countries (Democratic Republic of the Congo, Mali, Somalia and South Sudan) in sub-Saharan Africa's top 10 remittance recipient countries have experienced some civil strife and conflict for some time and have, consequently, a large share of their population as either migrants or refugees in other countries.

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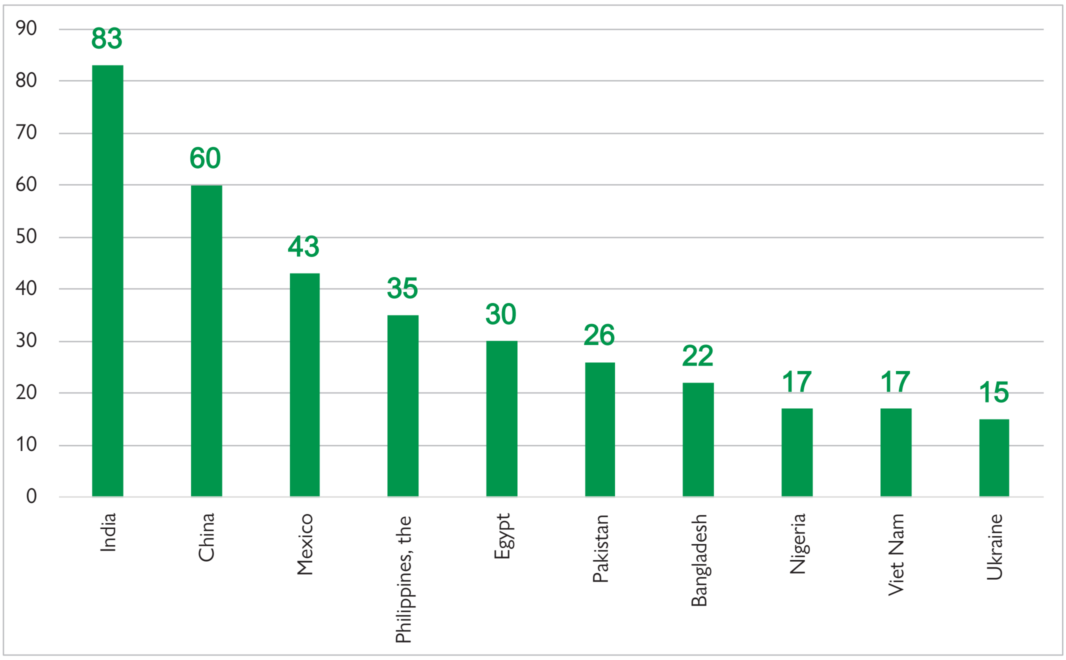
[4] The World Bank's Migration and Development Brief 34 (Ratha et al., 2021) acknowledges the dearth of quality remittances flows data in sub-Saharan Africa region, with some countries still using the outdated fourth International Monetary Fund's Balance of Payments Manual instead of the sixth. Other countries do not report any data on remittance inflows at all.

[5] According to Ratha et al. (2021), India has been the largest remittances inflows recipient country since 2008.

Figure 4, on the other hand, shows that the smaller African economies with large proportions of their populations as migrants recorded the highest shares of remittances as per cent of GDP. Apart from Lesotho that recorded over 20 per cent share of GDP coming from remittances, the Gambia, Cabo Verde, the Comoros, Liberia and Senegal recorded remittance percentage GDP shares in the range of between 10 and 16 per cent. For the other countries with less than 10 per cent shares, only Zimbabwe is included in the reference countries for this study.

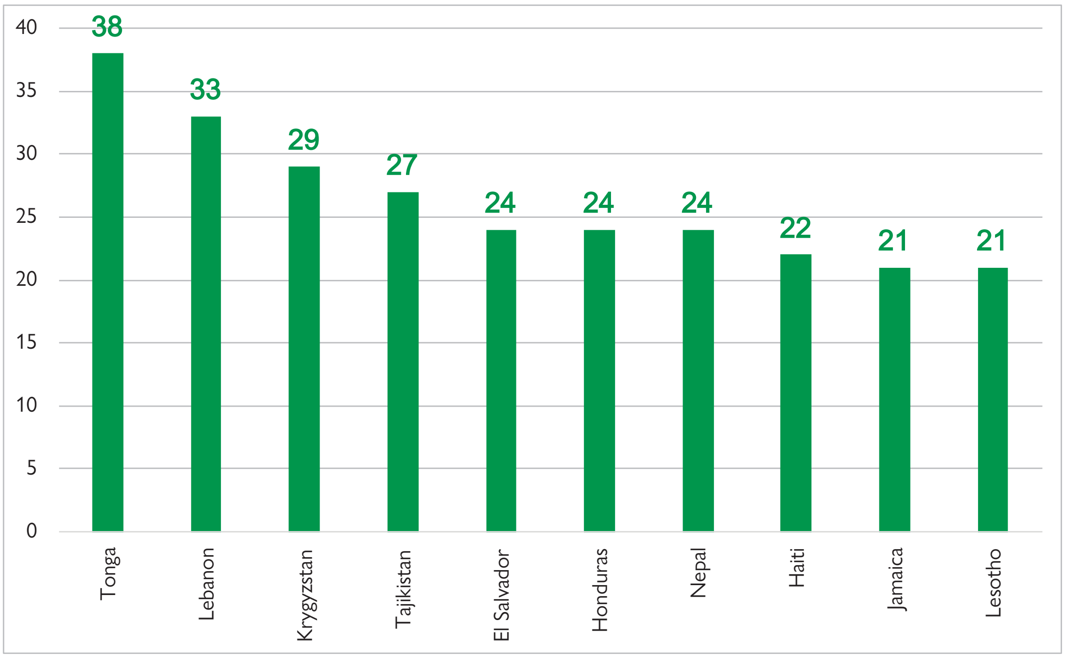
Ratha et al. (2021) remittances outflows data shows that high-income countries in OECD, the Gulf Cooperation Council countries and large middle-income countries – that is, the United States, the United Arab Emirates, Saudi Arabia and the Russian Federation respectively – are the largest remittance sending countries.

**Figure 1.** **Low- and medium-income country top remittance recipients, 2020 (USD billion)**



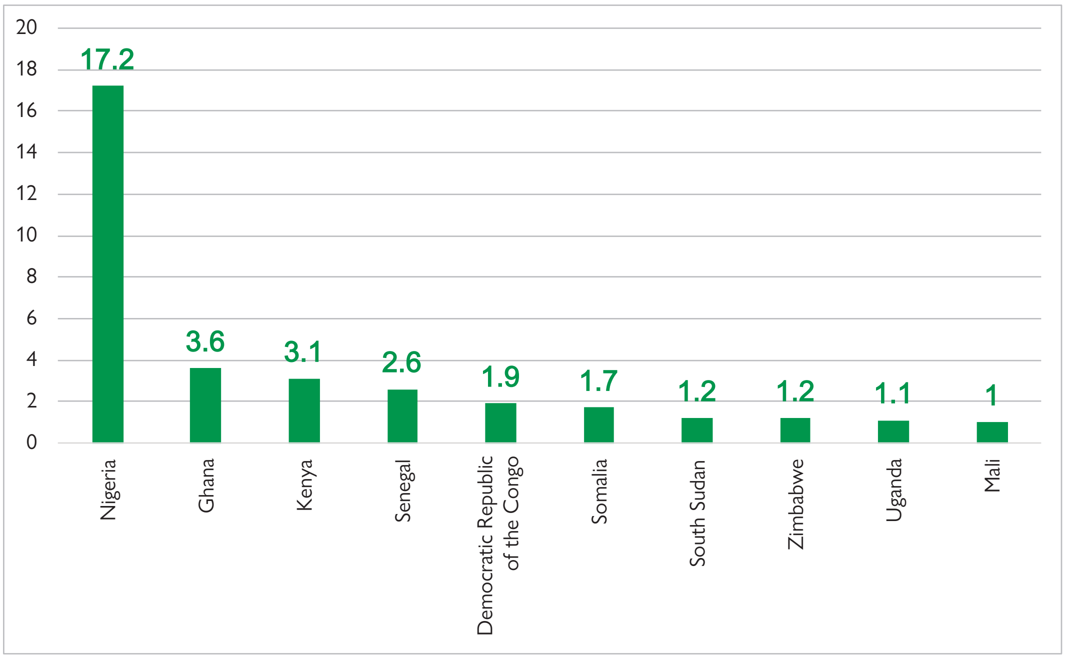

*Source:* Ratha et al., 2021.

**Figure 2.** Low- and medium-income country top remittance recipients, 2020 (% of GDP)



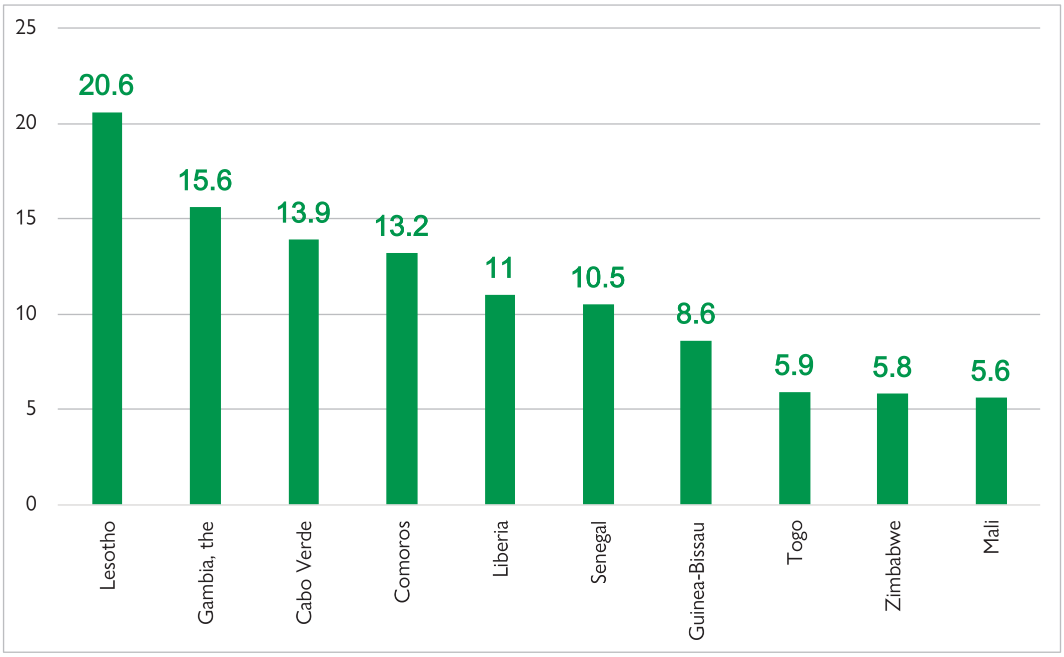

*Source:* Ratha et al., 2021.

**Figure 3.** Top sub-Saharan Africa remittance recipient countries, 2020 (USD billion)




*Source:* Ratha et al., 2021.

**Figure 4.** Top sub-Saharan Africa recipient countries, 2020 (% of GDP)




*Source:* Ratha et al., 2021.

# 3. METHODOLOGY

In line with the ToR, this study's methodological approach comprised the following: (a) triangulation of literature review through desk research; (b) SurveyMonkey online survey for Zambians in the diaspora; and (c) some limited key informant interviews for Zambian missions abroad, diaspora associations, the Diaspora Coordinating Desk and some line ministries listed in the Zambia Diaspora Policy.[6] The online SurveyMonkey questionnaire administered from April to early May 2021 was preceded by the comparative desk research on Zambia vis-à-vis, the five African reference countries (individually and collectively). The comparative analysis of the five sub-Saharan Africa countries, as per the ToR for this study, was a major part of the methodology. The comparative analysis teased out some lessons of experience and best practices on diaspora engagement and national development from a wider African context.

The main approach for the desk research (literature review) relied on Internet search engines like Google Scholar and others to identify the relevant papers, reports and documents on the reference countries and document-emerging perspectives, experiences and conclusions to illuminate Zambia's experience to date and prospects for the future. The same Internet search engines outputs also helped draft an annotated bibliography of scholarly research, conference papers and other relevant and applicable literature on remittances and development as listed in the Appendix.

The gap analysis that emerged from the desk research as well as the online survey provided the basis for key informants' survey through purposive sampling as agreed between the consultant and MFAIC. The key informant interviews covered the Zambia Diaspora Coordinating Desk (MFAIC), Zambia diaspora associations in some host countries (the United Kingdom and the United States), four Zambian missions abroad (China, South Africa, the United Kingdom and the United States) and three line ministries listed in the Zambia Diaspora Policy. In terms of sequence, the interviews followed the desk research findings on knowledge gaps, issues and challenges on remittances and development in Zambia. The key informant or in-depth interview schedule addressed mandate-specific issues for each institution. The key informant interviews were conducted in late July and early August 2021.

The online diaspora remittances survey from SurveyMonkey targeted at least 500 respondents. After some adjustments and data cleaning of the online survey responses, 592 respondents who completed at least two thirds of the survey were retained for analysis. Statistical Package for Social Sciences software analysed the survey data, and section 5 presents and discusses the results.

The main shortcoming of the methodology employed for this study is that the actual Zambian diaspora population was unknown. That challenge has, however, been ameliorated by the high response rate of close to 600 valid respondents that give the results some statistical credibility. Some respondents were suspicious on the timing of the survey that coincided with the 12 August 2021 general elections. For some of them, the survey was a strategy by the then government to win the elections. The respondents were assured that although the survey coincided with the elections, the two events were unrelated and that it was just a coincidence. The responses were anonymous and attribution was not possible.

[6] The mention of any firm, product, serviced or licensed process (such as SurveyMonkey, Google Scholar and Statistical Package for Social Sciences) does not imply endorsement or criticism by IOM.

# 4. COMPARATIVE ANALYSIS – REFERENCE COUNTRIES' REMITTANCES POLICIES, INSTITUTIONAL, REGULATORY AND BEST PRACTICES AND PROGRAMMATIC INTERVENTIONS

## 4.1. REFERENCE COUNTRIES' DIASPORA AND REMITTANCE POLICIES, INSTITUTIONAL AND REGULATORY FRAMEWORKS

The data from the five African reference countries suggest that the acknowledgement and recognition of the importance of diaspora engagement in national development was the first critical step way before a formal launch of a diaspora policy. As shown in Table A1, the formal acknowledgement of the importance of diaspora in national development spurred a series of prior action by each of the five African reference countries way before the formal adoption of the diaspora policy. Unlike Zambia, some of the key steps the five African reference countries undertook before the formal adoption of the diaspora policy were to create a diaspora engagement institutions and/or directorates in the ministries of Foreign Affairs or MMPIP in the case of Zimbabwe. Other prior action measures included, among others: (a) granting dual citizenship or foreign nationals some rights in their country of origin; and (b) creating specific programmes like the Homelink programme to facilitate remittances (in the case of Zimbabwe) and RDMF to mobilize financial resources to invest in national development (through issuance of treasury or specific infrastructure development bonds).

Table A1 in the Appendix also shows the following:

- Years (between 2009 and 2016) when each of the African reference countries formally adopted a diaspora policy;
- Diaspora policy pillars and objectives;
- Specific ministries that anchor the diaspora policy;
- Institutional and implementation frameworks for each reference country's diaspora policy.

Ethiopia formally adopted a diaspora policy in 2013 that was preceded by a number of government diaspora-related prior actions, which demonstrated the Government of Ethiopia's realization that including the relatively well-off large and diverse Ethiopian diaspora in the country's development strategy was an imperative (Chacko and Gebre, 2013; Isaacs, 2017; MTM i-MAP, 2012). Since 1994, Ethiopia undertook a number of prior actions aimed at improving remittances inflows into the country and the engagement of its diaspora in national development. Specifically, Chacko and Gebre (2013) cite Portes (2006) who observed that:

> [F]or the diaspora to be engaged in sustained development, migrations should be cyclical/circular whereby low-skill migrants return to their countries of origin with money saved for investment, and migrant professionals engage in transnational activities that contribute to home country's development. A caveat is that especially among professionals, for cyclical migration and associated development to occur, the home country should have adequate infrastructure and opportunities that allow the skills and resources of the emigres' to be put to good use. However, the complex relationships states have with their diaspora and the overlapping or conflicting policies that they often adopt toward potential diaspora investors can further complicate the diaspora-development nexus.

Table A1 shows that a number of the African reference countries (Ghana, Kenya, Rwanda and Zimbabwe) adopted this principle by establishing circular temporary short-term return programmes for qualified diaspora professionals to return to the country of origin to offer expertise to relevant institutions. One of Zambia's missions abroad interviewed for this study indicated that it is currently constructing a diaspora skills and expertise database that will be used by the Government to either place Zambian diaspora in international jobs or offer specialist expertise to some local institutions whenever such experts visit their homeland.

Like FDI, governments also have to offer incentives for their respective diaspora or the African diaspora in general, to participate in the national development of the country of origin. For example, the Government of Ethiopia implemented the following diaspora outreach actions, incentives, policies and activities before it formally launched the diaspora policy in 2013 (Government of Ethiopia, 2013:7–8; Chacko and Gebre, 2013; Isaacs, 2017; MTM i-MAP, 2012):

- Creation, in January 2002, of the Diaspora Engagement Affairs Directorate General under MFA to seek active involvement of diaspora in national development. The Directorate served as the liaison between different ministries and agencies and the diaspora. Further, the Diaspora Coordinating Office was created in the Ministry of Capacity Building. These actions institutionalized collaboration between the federal and regional governments on diaspora affairs.

- Passed the diaspora law in 2002 that provided for the treatment of all Ethiopians in the diaspora and their descendants with foreign citizenship as nationals by issuing them the Person of Ethiopian Origin identity card (Yellow Card). The Yellow Card strengthened ties with the country of origin to facilitate developmental contributions by easing legal restrictions and providing avenues for investment.[7]

- The Yellow Card holders' investment threshold to access incentives was much lower than the minimum capital requirements for FDI. The Yellow Card holders and other FDI investors were eligible for the following incentives: (a) two to seven years income tax exemption; (b) duty free on imported machinery and equipment; and (c) 100 per cent customs exemption on imported spares up to 15 per cent of the value of the imported machinery/equipment. These measures encouraged many Ethiopians in the diaspora to invest in small businesses – cafes, restaurants, retail shops, transport and services that were, hitherto, restricted to Ethiopian nationals only.

- Provision of land for residential purposes at below fair market prices. Ethiopian embassies served as outreach posts to encourage Ethiopian expatriates in forming housing associations in groups of 12–32 members to receive free land in their home country. The high land demand generated forced the Government to reconsider the policy given the land shortages.

- Hold annual diaspora business conferences, with the first held in September 2007 in Addis Ababa. The subsequent annual conferences between 2008 and 2011 were held in Washington, D.C. The rapidly expanding economy, rising exports and high returns on investments in some sectors served as bait for diaspora investments.

- Between 1994 and 2008, the Government provided easy access to finance for the diaspora to acquire construction machinery. Diaspora were required to raise 30 per cent equity, and the Government provided 70 per cent debt/loan. This action resulted in the concentration of diaspora investments in construction machinery and real estate development. The easy credit provision practice has also since stopped.

According to Chacko and Gebre (2013), the above measures did not yield significant positive results. Diaspora investments, relative to domestic private and FDI, were quite low at about 3 per cent and concentrated in small-scale businesses. Further, diaspora investments were quite volatile and sensitive to negative political and governance perceptions and developments, such as the decline in diaspora investments following the 2005 electoral violence and the 2009 passage of the "anti-NGO" law. In the wake of the 2008 financial crisis, diaspora investments also declined because of the economic recession in Europe and North America where most of the Ethiopian diaspora live.

[7] The Yellow Card holders however did not have the same political rights as nationals; they were not eligible to vote, hold political office or work in armed forces/security/foreign affairs.

Providing incentives for the diaspora to participate in national development requires far-reaching institutional and other in-country reforms and realignments. While Rwanda and Kenya undertook such in-country institutional reforms and realignments, the Government of Ethiopia on the other hand did not address the following in-country challenges to diaspora investments (MTM i-MAP, 2012; Chacko and Gebre, 2013; Isaacs, 2017; Gelan, 2018a):

- Bureaucratic red tape – Unnecessary paperwork, delays and proliferation of rules and regulations.
- Local business culture – no sense of value of time.
- Limited types of assets accepted as collateral by commercial banks and other lenders that limited access to finance.
- Access to land – Government desire to provide land for investment remains a challenge. Access to land got worse after the Government stopped issuing land at below market prices, especially in Addis Ababa where land access is most problematic.
- Weak contract enforcement protocols coupled with local culture of not honouring contracts.
- Policy predictability and political sensitivity – Strengthening governance, accountability and transparency so that political developments at home do not create unstable and volatile remittances and other diaspora investment flows. In the case of Ethiopia, diaspora investment was more volatile and less reliable when compared to overall FDI in the country.

Diaspora engagement policies raise conflicts of interest and pose challenges to governance and political systems. For example, Bhoroma (2020) points to the need for the Government of Zimbabwe "to build diaspora confidence in local financial systems and craft policies that incentivise cluster investments that tend to be large scale." Bhoroma (ibid.) further argues that:

> Diaspora are very keen to finance key and large-scale infrastructure projects provided they are facilitated by financial institutions, local authorities and other independent parties and not the government directly due to confidence issues and reasonable conflict of interest. The government's role in such deals is to be underwriters, providing the legal framework and promoting investment through tax breaks among other incentives. The recent cancellation of the US$400 million deal between National Railways of Zimbabwe (NRZ) and Diaspora Infrastructure Development Group (DIDG) and Transnet points that [sic] the government has serious flaws on upholding property rights and respecting contracts.

Kadozi's (2019) cross-sectional econometric study on the impact of remittances inflows on economic growth in 45 sub-Saharan Africa countries and Rwanda as a case study over the 1980 to 2014 period using the national accounts and endogenous growth models show that the growth impact of remittances is conditional on institutional and development factors in those countries. The cross-sectional analysis of the sub-Saharan Africa countries found no statistically significant impact of remittances on economic growth. However, the remittance-growth impact is positively and statistically (significantly) conditioned by the country's level of development, financial development and education, while the quality of institutional variables adversely affects the remittance-growth impact in the sub-Saharan Africa countries. For Rwanda, Kadozi (2019) found positive and significant growth impact for the country. He found evidence of long-run causality running from remittances to GDP per capita in Rwanda but not vice versa – that is, the conditional marginal effect of remittances on GDP per capita in Rwanda increases with more remittance inflows to the country. "These findings suggest that both the overall institutional environment and that of the financial sector specifically are imperative for enhancing the growth and development impact of remittances in the sub-Saharan Africa countries and Rwanda in particular" (ibid.).

Kadozi's (ibid.) findings on the financial sector environment's effects on the remittances inflows volumes and impacts on growth and national prosperity are instructive with regard to the remittances inflows experiences of the five reference African countries. For example, the Government of Ethiopia's attempts to exempt its diaspora from the strict foreign exchange regulations by allowing them to open foreign currency accounts in Ethiopia did not materialize. That failure coupled with the National Bank of Ethiopia's requirement that all formal remittances inflows are transacted through commercial banks at the official exchange rate that is much lower than that obtaining on the parallel market resulted in some corridors resorting to informal channels of up to about 78 per cent of the remittances transfers (Isaacs, 2017; Cooper and Esser, 2018). In 2016, the World Bank estimate of USD 742 million remittances inflows into Ethiopia were about 6 times less than the informal remittances of over USD 4.4 billion estimated by the National Bank of Ethiopia in 2016/17 (Isaacs, 2017).

Of the five reference countries, only Ghana (and to some extent Kenya), as shown in Table A1, domesticated the African Union's declarations that encourages member States to invite full participation of African diaspora (including descendants of African slaves wherever they are in the world) in member States' development. Ghana is also the only reference country with an integrated National Migration Policy spearheaded and coordinated by the Ministry of the Interior.[8] For Ghana, as for the other African reference countries, the diaspora policy sought, among other objectives, to resolve fragmentation and weak collaboration among migration and diaspora management institutions and stakeholders in the country (Government of Ghana, Ministry of the Interior, 2016).

8 The National Migration Policy of Ghana includes the diaspora, dual citizenship and transnationalism – assigned to MFARI and the Bank of Ghana among other institutions.

Rwanda and Kenya are the two most successful countries in mobilizing diaspora remittance inflows into their respective countries to support national development (see section 4.2). A survey of the literature suggests that institutional quality, policy credibility, stable macroeconomic regimes, inclusive financial markets development, deployment of information and communication technologies payment solutions, active and regular central bank monitoring of remittance flows, and effective diaspora engagement initiatives are among the key factors that enhance the positive impact of remittances on national prosperity (Fransen and Siegel, 2011; Misati et al., 2019; OECD, 2019, International Fund for Agricultural Development, 2009; Kadozi, 2019).

Table A1 shows that of the five reference countries, Kenya, Rwanda and Zimbabwe took the most elaborate far-reaching prior diaspora engagement institutional arrangements accompanied by extensive intra- and inter-institutional policy implementation frameworks. For example, Rwanda's prior actions included, among others, the following (Fransen and Siegel, 2011):

- Recognition of the diaspora as the "sixth province" from as far back as the year 2000.
- Launch of RGDN of diaspora associations in different host countries to stimulate financial transfers (remittances, investments and savings) from the Rwandese diaspora.
- Establishment of DGD in MINAFFET to strengthen communication and linkages with the diaspora.
- Cooperation consultative arrangements between BNR (the central bank) and the diaspora set up RDMF to issue treasury bonds for mobilizing financial resources from the diaspora to invest in national development.
- Diaspora policy integrated into Rwanda's Vision 2020 development plan.
- Cultivating close working relationships between DGD and international organizations (IOM, UNDP and VSO) on different programmes to enhance engagement of diaspora in national development. Examples include MIDA programme and Rwanda's Transfer of Knowledge through Expatriate Nationals volunteer programme established by UNDP.
- Construction and launch of an online Rwanda World Diaspora Database (with IOM support) as part of MIDA programme to track Rwandese diaspora in participating host countries.
- Hosting independent diaspora associations – e.g. RCA, RACC and Rwanda Diaspora Investment Ltd. Each year, RCA convenes the Rwanda Convention for different diaspora organizations to discuss their involvements in Rwanda.

Like Rwanda, Zimbabwe also undertook extensive prior actions to enhance diaspora engagement and participation in national development. As listed in Table A1, some of the actions included the following:

- Proactive financial markets initiatives by RBZ to facilitate diaspora remittances and investments/savings inflows into the country. These included the Homelink programme designed specially to provide diaspora mortgage housing scheme, as well as facilitating remittances from the diaspora to domestic recipients. In addition, RBZ also introduced electronic licensing system to enable the diaspora in bypassing the strict foreign exchange regulation regime to pay utility bills back home directly.

- Some commercial banks (CBZ Bank and FBC Bank, respectively) either issuing diaspora targeted bonds or financial products (in partnership with other commercial banks in host countries) to mobilize financial transfers from the diaspora.
- Constructed and launched the Zimbabwe Human Capital website that provides information to diaspora on employment and investment opportunities in Zimbabwe.
- Hosting diaspora investment conference and creation of North America Zimbabwe Diaspora Network to enhance dialogue and communications.
- Government migration management and diaspora engagement study tours to India and the Philippines.
- Collaboration with IOM to facilitate diaspora engagement events in South Africa and creation of short-term return programmes for qualified diaspora professionals to offer expertise at the university teaching hospital and other higher learning institutions.

## 4.2. REMITTANCES INFLOWS TRENDS IN THE FIVE AFRICAN REFERENCE COUNTRIES COMPARED TO ZAMBIA: 2000–2020

World Bank data (Table 2) compares and contrasts remittances inflow profiles of the five reference countries (Ethiopia, Ghana, Kenya, Rwanda and Zimbabwe) and those for Zambia over the 2000 to 2020 period. The literature review discussed above suggest that remittances contribute to poverty reduction and national development. Remittances inflows augment household incomes, human development (education and health), skills, entrepreneurship, financial inclusion, investments and balance of payments support.

Ethiopia's remittances inflows growth was not a straight line. Remittance inflows increased from USD 53 million in 2000 to USD 833 million in 2013 (a 16 times increase). Between 2013 and 2014, Table 2 shows that remittances inflows to Ethiopia more than doubled to USD 1.786 million. According to Gelan (2018b), the decline in remittance inflows from 2015 onwards was the consequence of Ethiopia's diaspora boycott of sending remittances to their home country to punish the Government and starve it of the much needed foreign exchange earnings for its violent handling of the 2014 Oromo protests in Ambo City that spread to the whole country.[9] As previously stated, diaspora remittances are quite sensitive to governance and political developments in the country of origin – in part because some of the migrants were forced to migrate abroad because of governance and political developments in their respective countries of origin. Further, for countries with high proportion of remittances coming from OECD countries, the high quality of public institutions, rule of law, accountability and transparency of the governance system such diaspora have experienced as residents in those countries influences how they perceive autocratic tendencies in their countries of origin and may react strongly to adverse political developments in the latter countries.

[9] In the same article, Gelan (2018b) highlights how exchange controls and exclusive remittances transfers to a given bank have on low-income migrants to the Middle East (Kuwait in particular). However, the National Bank of Ethiopia has authorized only the Commercial Bank of Ethiopia to open accounts for members of the diaspora where they can credit their transfers directly without going through relatives or friends. However, cash pick-ups of remittances in local currency are available at many privately owned banks in Ethiopia. For a migrant in Kuwait on 17 July 2018 who wanted to transfer KWD 1 to a Commercial Bank of Ethiopia bank account back home received ETB 66.72. However, if the same KWD 1 was sent as cash pickup to a friend or relative, they received ETB 90. According to Gelan (2018a), Ethiopia's diplomatic staff in the Middle East were aware of this problem but did nothing to resolve the issue for the benefit of both the diaspora and Ethiopia.

**Table 2.**

**Remittances inflows trends for Zambia and other sub-Saharan Africa reference countries, 2000–2020 (in current USD millions)**

| Year | Ethiopia | | Ghana | | Kenya | | Rwanda | | Zambia | | Zimbabwe | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | USD million | YoY % change | USD million | YoY % change | USD million | YoY % change | USD million | YoY % change | USD million | YoY % change | USD million | YoY % change |
| 2000 | 53 | | 32 | | 0 | | 7 | | 0 | | 0 | |
| 2001 | 18 | -66.04 | 46 | 43.75 | 51 | | 8 | 14.29 | 0 | | 0 | |
| 2002 | 33 | 83.33 | 44 | -4.35 | 57 | 11.76 | 7 | -12.50 | 0 | | 0 | |
| 2003 | 46 | 39.39 | 65 | 47.73 | 66 | 15.79 | 9 | 28.57 | 36 | | 0 | |
| 2004 | 134 | 191.30 | 82 | 26.15 | 376 | 469.70 | 10 | 11.11 | 48 | 33.33 | 0 | |
| 2005 | 174 | 29.85 | 99 | 20.73 | 425 | 13.03 | 21 | 110.00 | 53 | 10.42 | 0 | |
| 2006 | 172 | -1.15 | 105 | 6.06 | 570 | 34.12 | 29 | 38.10 | 58 | 9.43 | 0 | |
| 2007 | 358 | 108.14 | 117 | 11.43 | 645 | 13.16 | 121 | 317.24 | 59 | 1.72 | 0 | |
| 2008 | 387 | 8.10 | 126 | 7.69 | 667 | 3.41 | 68 | -43.80 | 68 | 15.25 | 0 | |
| 2009 | 262 | -32.30 | 114 | -9.52 | 631 | -5.40 | 93* | 36.76 | 41 | -39.71 | 649 | |
| 2010 | 436 | 66.41 | 136 | 19.30 | 686 | 8.72 | 107 | 15.05 | 44 | 7.32 | 749 | 15.41 |
| 2011 | 538 | 23.39 | 2 135 | 1 469.85 | 934 | 36.15 | 174 | 62.62 | 46 | 4.55 | 882 | 17.76 |
| 2012 | 624 | 15.99 | 2 155 | 0.94 | 1 211 | 29.66 | 182 | 4.60 | 73 | 58.70 | 945 | 7.14 |
| 2013 | 833* | 33.49 | 1 864 | -13.50 | 1 304 | 7.68 | 170 | -6.59 | 54 | -26.03 | 783 | -17.14 |
| 2014 | 1 796 | 115.61 | 2 008 | 7.73 | 1 441* | 10.51 | 184 | 8.24 | 58 | 7.41 | 735 | -6.13 |
| 2015 | 1 087 | -39.48 | 4 982 | 148.11 | 1 569 | 8.88 | 159 | -13.59 | 47 | -18.97 | 790 | 7.48 |
| 2016 | 772 | -28.98 | 2 980* | -40.18 | 1 745 | 11.22 | 173 | 8.81 | 38 | -19.15 | 750* | -5.06 |
| 2017 | 393 | -49.09 | 3 536 | 18.66 | 1 962 | 12.44 | 215 | 24.28 | 94 | 147.37 | 1 013 | 35.07 |
| 2018 | 436 | 10.94 | 3 521 | -0.42 | 2 720 | 38.63 | 261 | 21.40 | 107 | 13.83 | 898 | -11.35 |
| 2019 | 531 | 21.79 | 3 396 | -3.55 | 2 838 | 4.34 | 261 | 0.00 | 98* | -8.41 | 922 | 2.67 |
| 2020e | 504 | -5.08 | 3 565 | 4.98 | 3 100 | 9.23 | 241 | -7.66 | 135 | 37.76 | 1 210 | 31.24 |
| % GDP 2019e | 0.6 | | 5.2 | | 2.9 | | 2.6 | | 0.5 | | 13.5 | |
| % GDP 2020e | 0.5 | -16.67 | 5.2 | 0.00 | 3.1 | 6.90 | 2.3 | -11.54 | 0.7 | 40.00 | 5.8 | -57.04 |

*Sources:* World Bank, 2008 and 2016; and KNOMAD, n.d.b.

*Note:* * Year formal diaspora policy document issued; YoY = Year on year; e = estimate.

Remittance inflows data as stated by Ratha et al. (2021) is a major challenge in sub-Saharan Africa region. While Table 2 shows that remittance inflows into Ghana rose from USD 32 million in 2000 to USD 136 million in 2010, the National Migration Policy of Ghana document (Government of Ghana, Ministry of the Interior, 2016:69) cites the Bank of Ghana data that shows that remittances increased from USD 479 million in 1999 to USD 2.14 billion in 2010. The policy document further acknowledges the fact that the actual remittances inflows are likely to be much higher than the official estimates as the latter does not include informal inflows.

Although Ghana's remittances inflows have not been very steady, Table 2 shows that it has had the largest remittances inflows over the 2000–2020 period when compared to all the other reference countries.

Kenya seems to have the steadiest remittance inflows among the reference countries. It formally adopted a diaspora policy in 2014, with reducing remittances costs as one of the major objectives of the policy (Government of Kenya, 2014). Over the 2000–2020 period, remittances inflows only declined in 2009. Its remittance inflows increased from USD 51 million in 2001 to an estimated USD 3.1 billion in 2020.

For its small size and post-conflict challenges, Rwanda's remittances inflows dynamics have been quite significant. From 2007 to date, its remittances inflows have consistently been much higher than Zambia over that period. As stated above, the high quality of institutions, governance and strong policy implementation ethos are the key drivers for such high remittances inflows.

Zimbabwe's remittances inflows from 2009 to 2020 were high but volatile. Given the country's macroeconomic stability and governance challenges from 2000 onwards that forced a large proportion of its population (both professional, semi- and unskilled labour) to migrate to other countries – especially SADC member countries (South Africa in particular), North America and Europe. Informal remittances inflows are also quite large in response to exchange controls and the desire for the Government for formal remittance transfers to prop up the balance of payments position of the country. Bhoroma (2020) attributes the volatility in remittance inflows from 2014 to the increasingly low confidence in the Government and local financial institutions.

Table 2 shows that Zambia has the least remittance inflows when compared to the five reference countries. However, like some of the reference countries (Ethiopia, Ghana and Zimbabwe), Zambia's remittances inflows have been volatile – such as registering four episodes of decline between 2010 and 2020. Like Ghana and Zimbabwe, Zambia also registered remittances inflows decline in the year (2019) when the Zambia Diaspora Policy was formally launched.

The steep remittances decline in remittances inflows for Ethiopia, Ghana and Zimbabwe recorded between 2015 and 2020 arose from a number of factors – ranging from host country economic challenges to country of origin's specific remittances inflows challenges like high costs, exchange controls, governance and other regulatory issues. On the other hand, Zambia, Kenya and Rwanda recorded steep increases in remittances inflows between 2015 and 2020.

Table 2 further shows that remittances inflows have a sizeable contribution to GDP of some of the reference countries. For example, in 2019, remittances contribution to GDP ranged from 0.5 per cent for Zambia to about 13.5 per cent for Zimbabwe. In 2020 during the COVID-19 crisis, remittances inflow shares in GDP increased in both Kenya and Zambia by 0.2 per cent respectively; remained the same in Ghana; fell slightly in Ethiopia and Rwanda and fell steeply in Zimbabwe (from 13.5% in 2019 to 5.8% in 2020).

On the other hand, Table 3 reaffirms that many factors determine remittances' inflows apart from corridor remittance costs. Ethiopia, Ghana and Zimbabwe, which recorded significant declines in remittance corridor costs from the United Kingdom, also recorded some sizeable reduction in remittances inflows between 2015 and 2020. Zimbabwe recorded about 5 per cent increase in the cost of sending remittances from South Africa – a major host country for Zimbabwe migrants in the SADC region.[10]

Table 3 compares remittances corridor costs of sending USD 200 in the third quarter (Q3) of 2015 and 2020, respectively for the reference countries and Zambia. In the third quarter of 2015, Rwanda was the most expensive corridor, followed by Zambia. Between Q3/2015 and Q3/2020, Rwanda recorded the highest cost reduction of about 35 per cent between those two periods to a level below that of Zambia in the latter period. In Q3/2020, Zambia was the most expensive corridor followed by Rwanda. In third quarter of 2015 and 2020, Kenya, Zimbabwe, Ghana and Ethiopia were (in that order) the least expensive corridors for sending remittances from the United Kingdom.

The remittance transfer costs of all the corridors listed in Table 3 are way above the 3 per cent SDG target 10c. For the South Africa to other African countries corridor, the Q3/2020 average of about 14 per cent is almost 5 times the SDG 10c target. Since SDG target 10c also seeks to eliminate all corridors with more than 5 per cent remittance costs by 2030, concerted efforts in both remittances sending and receiving countries is imperative.

**Table 3. Remittance corridor costs of sending USD 200, Q3/2015 and Q3/2020 (%)**

| | | | | | | | Comparison to average cost | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | From the United Kingdom | | | From South Africa | | | From the United Kingdom | | From South Africa | |
| | Q3/ 2015 | Q3/ 2020 | % change | Q3/ 2015 | Q3/ 2020 | % change | Q3/ 2015 | Q3/ 2020 | Q3/ 2015 | Q3/ 2020 |
| Ethiopia | 8.48 | 7.6 | -10.4 | | | | -1.2 | -0.1 | | |
| Ghana | 8.26 | 7.19 | -13.0 | | | | -1.4 | -0.5 | | |
| Kenya* | 7.38 | 6.15 | -16.7 | 13.98 | 11.68 | -16.5 | -2.3 | -1.5 | -1.6 | -2.3 |
| Rwanda | 14.51 | 9.45 | -34.9 | | | | 4.9 | 1.8 | | |
| Zambia | 11.16 | 9.85 | -11.7 | 19.02 | 15.96 | -16.1 | 1.5 | 2.2 | 3.5 | 2.0 |
| Zimbabwe | 8.14 | 5.8 | -28.7 | 13.61 | 14.27 | 4.8 | -1.5 | -1.9 | -1.9 | 0.3 |
| Average cost | 9.7 | 7.7 | -19.2 | 15.5 | 14.0 | -9.2 | | | | |

*Source*: https://remittanceprices.worldbank.org/countrycorridors (accessed 25 June 2022).

*Note*: *For Kenya, the data for 2015 from South Africa is for the fourth quarter.

[10] Angulo-Guerrero et al. (2017) cite Ratha (2007) that shows that South–South remittance transfer costs are in general higher than North–South remittance costs due to currency conversion charges at both ends.

Kristo Käärmann, in his 2021 blog titled "Ending remittance hidden fees: the international community calls for action", reiterates that transparent pricing holds the promise to lower costs for the remittances industry that could move the world towards the SDG 10c target of 3 per cent cost by 2030. He cites research by the Government of the United Kingdom that found that once full transparent pricing was introduced (that is, upfront fees and foreign exchange margins disclosed in a single "total cost" amount), the proportion of first-time consumers choosing the best option doubled from 34.3 per cent to 68.9 per cent.[11]

For the three countries (Kenya, Zambia and Zimbabwe) that receive remittances from South Africa, Table 3 shows that within Africa, costs are much higher than those from the United Kingdom. From South Africa, Zambia was the most expensive corridor to send remittances to for the two periods. For both the United Kingdom and South Africa remittances corridors, an individual country comparison with the period average cost shows Zambia consistently higher than the average (except for Rwanda in Q3/2015). Zambia's corridor was the most expensive compared to all the reference countries.[12]

## 4.3. DIASPORA ENGAGEMENT IN NATIONAL DEVELOPMENT: LESSONS FROM SUB-SAHARAN AFRICA COMPARATOR COUNTRIES' EXPERIENCES

Zambia, as a late starter in actualizing diaspora engagement in national development, can draw a number of lessons from the sub-Saharan Africa comparator countries' experiences highlighted that include the following:

(a) **Creating a high stature diaspora affairs directorate** (that is, at director or director-general levels) that reports directly either to the Permanent Secretary or Cabinet Office. Because of Zambia's fiscal challenges, the Diaspora Coordinating Desk at MFAIC currently is just an added role at an assistant director level who reports to the departmental director and not directly to the Permanent Secretary. When resources permit, creating a diaspora affairs directorate at MFAIC will be an imperative.

(b) **Strengthening diaspora engagement and diaspora policy implementation institutional framework.** According to some key informants interviewed for this study, this continues to be one of the major policy implementation challenges in Zambia. For example, two years after the diaspora policy was launched, some line ministries listed in the policy document have yet to appoint a focal point officer. Further, the diaspora policy key objectives and activities are neither mainstreamed at MFAIC nor in other implementing line ministries. The respective line ministries have no diaspora engagement programmatic activities in their work programmes or performance contracts to hold them accountable for executing the function at the line ministry level. There are no specific diaspora engagement workplans that accompany the appointment of focal officers at line ministries to necessitate creation of specific diaspora affairs budget lines in the implementing line ministries.

11 The Government of the United Kingdom research referred to the Behavioural Insights Team (2018).

12 Ratha et al. (2021) show that a lot of work by the international community remains an imperative to reach the SDG target of 3 per cent remittances cost by 2030. In fourth quarter 2020, the global average cost of sending remittances stood at 6.5 per cent, with the South Asia region as the lowest at 4.9 per cent and sub-Saharan Africa region as the highest at 8.2 per cent. Within Africa itself, many corridor costs average above 10 per cent. The high intraregional remittance costs in sub-Saharan Africa arise from low volumes of formal flows, onerous exchange controls (especially in South Africa), inadequate penetration of innovative technologies and lack of competitive market environments.

Where necessary, seek out and retain relevant cooperating partners' support to help the country implement its diaspora policy and other institutional building activities that contribute to improving the effectiveness of diaspora engagement in national development. Such support, if well managed and integrated with other local initiatives, could strengthen functional and well-coordinated diaspora policy implementation institutional arrangements. Improving the quality and effectiveness of the various institutions in the remittances inflows value chain is imperative.

(c) **Strengthening remittances inflows monitoring systems by the Bank of Zambia.** According to officials of the Bank of Zambia, the two main channels of formal remittances inflows into Zambia that it monitors are MTOs (such as Western Union and MoneyGram) and commercial banks. The former are licensed non-bank financial institutions that are required to report to the Bank of Zambia, on a monthly basis, the inbound and outbound volumes of remittances. For commercial banks, the eBoP platform records all financial inflows and outflows in Zambia. The eBoP platform structure includes fields to identify purpose of incoming funds, and it is a live system all the time (24/7). The Bank of Zambia officials indicated that the two systems (MTOs' monthly reports and eBoP platform) capture remittances inflows adequately and published online on the Bank of Zambia website under Statistics (Payment System Statistics).[13] The major challenge is monitoring informal inflows. To improve informal remittances inflows data monitoring, a monetary survey is an imperative and may demonstrate Zambia's commitment to diaspora engagement by undertaking such an expensive survey.

(d) **Clear guidelines and proactive information-sharing contribute to diaspora remittances mobilization.** Kenya (with IOM support), in 2017, published a diaspora savings and investment guideline specifically for its diaspora in different destination countries (Global Forum on Migration and Development, 2017). Other actions may include institutionalized orientation of consular staff at Zambia missions abroad on managing national identity documents and dual citizenship processing procedures and protocols by MHAIS. Information on issues, such as anti-money laundering and terrorism financing regulations, business and investment opportunities and land availability should be shared with Zambia missions abroad and members of the Zambian diaspora to ensure access to timely and up-to-date information on such developments in the country of origin.

(e) **Institutionalize regular short-term social remittances inflows.** Diaspora knowledge, world views, skills and expertise exchange and home country visitation programmes, on short-term basis, need to be designed to supplement locally based institutions in enhancing service delivery, knowledge and capacity improvements.

(f) **Enhance financial inclusion to improve impacts of remittances on national development and reduce costs.** Deployment of ICT money market instruments, increasing mobile money coverage, and improving financial literacy as well as other banking and other financial sector reforms to deepen competition and coverage are critical steps in reducing remittances costs, mobilizing and improving the effectiveness of remittances inflows impacts on national development.

The remainder of this report discusses the above lessons and perspectives on diaspora engagement and remittances mobilization to inform Zambia's efforts to implement the diaspora policy.

[13] See https://boz.zm/payment-systems-statistics.htm (accessed 17 August 2021).

# 5. ZAMBIA 2021 DIASPORA REMITTANCES SURVEY FINDINGS

## 5.1. CHARACTERISTICS OF THE RESPONDENTS

Table 4 presents the social and demographics characteristics of the sample. Of the 589 respondents who completed the question, 311 (52.8%) were male, 277 (47%) were female, and 1 was non-binary gender. In terms of the age distribution, those who are aged 35–44 years were about 31 per cent of the sample, followed by those aged 45–54, who accounted for 27.7 per cent of the sample. Overall, those aged 35 to 64 were the majority – an age structure that is very different from the Zambian domestic population structure dominated by children and youths. The Zambia Labour Force Survey 2020 shows that those aged 15–34 years accounted for about 51 per cent of the labour force.[14] The sample's age and the length of stay abroad seem related: those who have stayed more than 10 years were about 46 per cent of the sample; followed by the 5–10 years at about 20 per cent and then 3–5 years at almost 17 per cent. This suggests that the migration that intensified in the wake of the Zambian economic crises of the 1980s and the structural adjustment years of the early 1990s continues, though at a reduced rate. This is evident from the reasons for migration: about half of the sample respondents indicated seeking better opportunities (either employment or business) as the main reason for leaving Zambia, followed by education and training at 31.1 per cent.

In terms of relationships status distribution, Table 4 shows that those who are married at 60 per cent, followed by those who are single and have never married at 23 per cent, are the dominant groups. In terms of the location of the spouse, about three quarters of the respondents live with their spouses in their respective host countries. Those who left their spouses in Zambia were 19 per cent of the sample. Table 7 shows the consequences of spousal distribution on remittances recipient beneficiaries back home in Zambia.

The family sizes as measured by the number of children shows almost a bimodal distribution – i.e. the proportions of those with 1–2 children and those with 3–5 children are almost the same at 36.9 per cent and 35.7 per cent, respectively. Respondents with no children account for about a quarter of the sample. About two thirds of the respondents stay with their children in the host country; another one fifth have left their children back in Zambia and close to one tenth of the respondents have their children living in another country other than Zambia.

The current citizenship distribution of the diaspora suggest that the majority (75%) still maintain their Zambian citizenship, while 17 per cent have dual nationalities. In terms of the current country of residence, Table 4 suggests the following distribution pattern of the Zambian diaspora respondents: continental European countries (20%); Asian countries

[14] See www.zamstats.gov.zm/.

(such as China, India and Malaysia) at 18 per cent; other SADC member States (excluding South Africa) at 15 per cent; United Kingdom at 12 per cent; and North America (Canada and the United States) at 13 per cent. South Africa, as the main Zambian migrants' destination country in Africa at 6.8 per cent of the sample, suggests a relative lower response rate – a situation that might suggest that most Zambian migrants to that country are either irregular or have limited access to the Internet.

On the other hand, Table 5 shows the sample's human capital, employment and annual earnings credentials. Table 5 suggests a highly professional and educated Zambian diaspora with about 38.8 per cent of respondents at postgraduate (masters and doctorate degrees) level; about 29 per cent with first degrees; and another 20 per cent with tertiary/college level of education – all adding up to about 88 per cent of those who responded to the question. The high human capital credentials of the sample are further reflected from the fact that about 80 per cent of the respondents indicated formal and regular employment status – that is, either as employees or running their own respective businesses.

The 2020 estimated annual earnings further demonstrate the high human capital credentials profile of the Zambian diaspora respondents. About 19 per cent of the sample earned over USD 100,000 in 2020; 44 per cent earned between USD 31,000 and USD 100,000; and 23 per cent earned between USD 11,000 and USD 30,000. Those who earn up to USD 10,000 were about 15 per cent of the sample.

**Table 4.** Social and demographic characteristics of the sample

| Sex distribution | Frequency | Valid % |
|---|---|---|
| Female | 277 | 47.0 |
| Male | 311 | 52.8 |
| Others (non-binary) | 1 | 0.2 |
| **Total** | **589** | **100** |
| **Age distribution** | **Frequency** | **Valid %** |
| Under 18 | 1 | .2 |
| 18–24 | 34 | 5.8 |
| 25–34 | 115 | 19.7 |
| 35–44 | 180 | 30.8 |
| 45–54 | 156 | 27.7 |
| 55–64 | 87 | 14.9 |
| 65+ | 12 | 2.1 |
| **Total** | **585** | **100.0** |
| **Relationships status distribution** | **Frequency** | **Valid %** |
| Married | 350 | 60.3 |
| Widowed | 19 | 3.3 |
| Divorced | 28 | 4.8 |
| Separated | 15 | 2.6 |
| In a domestic partnership or civil union | 14 | 2.4 |
| Single, but cohabiting | 21 | 3.6 |
| Single, never married | 133 | 22.9 |
| **Total** | **580** | **100.0** |

| Where spouse currently lives | Frequency | Valid % |
|---|---|---|
| Living with respondent in country of destination | 269 | 74.7 |
| Remained in Zambia | 68 | 18.9 |
| In another country other than Zambia | 23 | 6.4 |
| **Total** | **360** | **100.0** |
| **Number of children** | **Frequency** | **Valid %** |
| None | 136 | 23.7 |
| 1–2 | 212 | 36.9 |
| 3–5 | 205 | 35.7 |
| Over 5 | 22 | 3.8 |
| **Total** | **575** | **100.0** |
| **Where children stay at present** | **Frequency** | **Valid %** |
| Living with respondent in country of destination | 275 | 67.6 |
| Remained in Zambia | 93 | 22.9 |
| Living in another country than Zambia | 39 | 10.0 |
| **Total** | **535** | **100.0** |
| **Current citizenship status** | **Frequency** | **Valid %** |
| Zambian | 369 | 75.0 |
| Dual citizen | 84 | 17.1 |
| Other | 39 | 7.9 |
| **Total** | **492** | **100.0** |
| **Country of current residence** | **Frequency** | **Valid %** |
| United States | 46 | 9.7 |
| South Africa | 32 | 6.8 |
| SADC member countries (excl. South Africa) | 73 | 15.4 |
| Other sub-Saharan Africa countries | 41 | 8.7 |
| Eurozone and other continental European countries | 93 | 19.7 |
| United Kingdom | 60 | 12.4 |
| Asia (China, India, Malaysia, etc.) | 86 | 18.2 |
| Canada | 17 | 3.5 |
| Others | 25 | 5.3 |
| **Total** | **482** | **100.0** |
| **Number of years stayed in current country** | **Frequency** | **Valid %** |
| 0–1 year | 25 | 5.2 |
| 1–2 years | 58 | 12.0 |
| 3–5 years | 80 | 16.7 |
| 5–10 years | 95 | 19.7 |
| 10–20 years | 131 | 27.1 |
| Over 20 years | 92 | 19.0 |
| Others (please specify) | 2 | 0.4 |
| **Total** | **483** | **100.0** |

| Main reason for leaving Zambia | Frequency | Valid % |
|---|---|---|
| Education/training | 140 | 31.1 |
| Seek better opportunities (employment/business) | 223 | 49.6 |
| Marriage | 55 | 12.2 |
| Others | 32 | 7.1 |
| **Total** | **450** | **100.0** |

*Source:* Data on tables are based on the results of the survey (unless otherwise indicated).

## Table 5. Human capital credentials, employment status and annual earnings profile of the sample

| Highest level of education completed | Frequency | Valid % |
|---|---|---|
| Did not attend school | 3 | 0.6 |
| Lower/junior secondary | 8 | 1.5 |
| High school/Grade 12 | 42 | 7.7 |
| Tertiary/college | 110 | 20.2 |
| University first degree | 156 | 28.7 |
| University postgraduate (masters/doctor of philosophy) | 211 | 38.8 |
| Others (please specify) | 14 | 2.6 |
| **Total** | **544** | **100.0** |
| **Current employment status** | **Frequency** | **Valid %** |
| Employed, working full-time (with work permit or national social security number) | 348 | 67.1 |
| Employed, working part-time (with work permit or national social security number) | 31 | 6.0 |
| Self-employed/running own business (with work permit or national social security number) | 43 | 8.3 |
| Worker/trader (without work permit or national social security number) | 15 | 2.9 |
| Not employed, looking for work | 42 | 8.1 |
| Not employed, NOT looking for work | 28 | 5.4 |
| Retired | 8 | 1.5 |
| Disabled, not able to work | 4 | .8 |
| **Total** | **519** | **100.0** |
| **Estimated annual income range (in USD equivalent) in 2020** | **Frequency** | **Valid %** |
| Up to USD 10,000 | 55 | 14.5 |
| USD 11,000–30,000 | 87 | 23.0 |
| USD 31,000–50,000 | 73 | 19.2 |
| USD 51,000–100,000 | 93 | 24.5 |
| Over USD 100,000 | 72 | 19.0 |
| **Total** | **380** | **100.0** |

### 5.1.1. Zambia diaspora remittances patterns

Out of the 402 respondents who answered the question on whether they had ever sent remittances to Zambia from the time they emigrated, Table 6 shows that 95 per cent of them responded in the affirmative. There does not seem to be major gender differences on remittance behaviour nor on the different income groups as the proportions that send back remittances are almost the same. The respondents indicated the following types of remittances sent out to Zambia:

- Both money and goods – 233 respondents (52.7%);
- Money/cash only – 174 respondents (39.4%);
- Goods only – 18 respondents (4.1%);
- Others – 17 respondents (3.8%).

**Table 6.** Gender by income range in 2020 and whether remittances are sent to Zambia USD

| What is your gender? | Income range in 2020 (USD) | Have you ever sent remittances to Zambia since you emigrated? | | | | Total | |
|---|---|---|---|---|---|---|---|
| | | Yes | | No | | | |
| | | Count | % | Count | % | Count | % |
| Non-binary | Over USD 100,000 | 1 | 100 | – | – | 1 | 100 |
| | **Total** | **1** | **100** | **–** | **–** | **1** | **100** |
| Female | Up to USD 10,000 | 22 | 95.7 | 1 | 4.3 | 23 | 100 |
| | USD 11,000–30,000 | 27 | 96.4 | 1 | 3.6 | 28 | 100 |
| | USD 31,000–50,000 | 31 | 93.9 | 2 | 6.1 | 33 | 100 |
| | USD 51,000–100,000 | 40 | 100 | 0 | 0 | 40 | 100 |
| | Over USD 100,000 | 17 | 100 | 0 | 0 | 17 | 100 |
| | None of the above | 39 | 90.7 | 4 | 9.3 | 43 | 100 |
| | **Total** | **176** | **95.7** | **8** | **4.3** | **184** | **100** |
| Male | Up to USD 10,000 | 17 | 100 | 0 | 0 | 17 | 100 |
| | USD 11,000–30,000 | 41 | 97.6 | 1 | 2.4 | 42 | 100 |
| | USD 31,000–50,000 | 27 | 96.4 | 1 | 3.6 | 28 | 100 |
| | USD 51,000–100,000 | 44 | 100 | 0 | 0 | 44 | 100 |
| | Over USD 100,000 | 46 | 97.9 | 1 | 2.1 | 47 | 100 |
| | None of the above | 32 | 82.1 | 7 | 17.9 | 39 | 100 |
| | **Total** | **207** | **95.4** | **10** | **4.6** | **217** | **100** |
| Total | Up to USD 10,000 | 39 | 97.5 | 1 | 2.5 | 40 | 100 |
| | USD 11,000–30,000 | 68 | 97.1 | 2 | 2.9 | 70 | 100 |
| | USD 31,000–50,000 | 58 | 95.1 | 3 | 4.9 | 61 | 100 |
| | USD 51,000–100,000 | 84 | 100 | 0 | 0 | 84 | 100 |
| | Over USD 100,000 | 64 | 98.5 | 1 | 1.5 | 65 | 100 |
| | None of the above | 71 | 86.6 | 11 | 13.4 | 82 | 100 |
| | **Total** | **384** | **95.5** | **18** | **4.5** | **402** | **100** |

As pointed out in section 5.1., the fact that most Zambian diaspora live with their spouses and children in their respective host countries, the main recipient of remittances in Zambia are parents (38%), followed by extended family members at 22 per cent. Table 7 suggests that the Zambian diaspora with spouses, children and dependants back in Zambia are the three other groups who send both money and other in-kind remittances.

**Table 7.** To whom do you send money and other in-kind support to Zambia?

| | Frequency | Valid % |
|---|---|---|
| Parents | 153 | 37.7 |
| Spouse | 33 | 8.1 |
| Children | 32 | 7.9 |
| Dependants | 25 | 6.2 |
| Extended family members (grandparents, aunties, uncles, cousins) | 91 | 22.4 |
| Friends | 8 | 2.0 |
| Community organizations/church | 4 | 1.0 |
| Others | 60 | 14.8 |
| **Total** | **406** | **100.0** |

It follows from Table 8 that the main purpose of sending remittances and other in-kind support to parents, friends and other relatives is to basically pay for consumption (living expenses, weddings and funerals), human development (paying for education and health services) and for investment in physical assets (Table 8). This pattern resonates with the controversies and debates on remittances and country of origin. That over 50 per cent of remittances by Zambian diaspora targets living expenses, weddings and funerals (among other consumption expenditures) back home lends support to the pessimistic view of migration and development (Akesson, 2011; de Haas, 2010; Faist, 2008; Portes, 2009).

**Table 8.** Reasons for sending remittances to Zambia

| | Frequency | Valid % |
|---|---|---|
| Living expenses for relatives/friends | 202 | 49.8 |
| Education/health support | 65 | 16.0 |
| Weddings/funerals, etc. | 8 | 2.0 |
| Philanthropy/community development projects | 2 | .5 |
| Investment in physical assets (own or group – house, equipment, motor vehicles or industrial plants, land) | 67 | 16.5 |
| Investment on money and capital markets (shares, government bonds, treasury bills, unit trusts) for soft landing on return | 7 | 1.7 |
| Others | 55 | 13.5 |
| Total | **406** | **100.0** |

Qualitative data from key informant interviews with some diaspora associations in the United Kingdom and the United States suggest frequent remittances sending (almost on monthly basis) to relatives and friends and to community projects. For example, a Zambian nurses association in the United Kingdom with about 50 paid-up members (out of an estimated nurses' population of about 2,000 in the host country) created a children's project charity in the United Kingdom to raise financial resources there. The proceeds (either cash or materials) are either sent to support its community school in one rural district of the Copperbelt province in Zambia or medical supplies donations to select health facilities. The mandate of the association is to "give back to Zambia through creating bridges between Zambian-based nurses and their diaspora counterparts based in the United Kingdom by sharing best nursing practices". The official sends about GBP 1,000 to pay salaries and wages of the community school's teaching and support staff; and another GBP 300 to her family for living expenses.

The Association of Zambian Nurses Living in the United Kingdom has donated nursing equipment to Zambian hospitals – especially the Cancer Diseases Hospital (Lusaka), Arthur Davison Children's Hospital (Ndola), Ndola Teaching Hospital, Mpongwe District Hospital and rural health centres in Mpongwe district. Since November 2020, the association has sent two 40-feet containers (each valued at about GBP 10,000) to Zambia (wheelchairs, urology supplies, wound dressings and medical equipment such as nebulizers). More recently (first Saturday of August 2021), the association hosted a fundraising event with a target to raise GBP 3,300 that will be sent to Zambia (through WorldRemit) to procure personal protective equipment for medical personnel in the above-mentioned hospitals and medical facilities.

The five U.S.-based Zambia diaspora association officials spoken to indicated that their respective associations' mandates were twofold: promoting the interest of their members in the host country and creating development links with Zambia. Some of the associations mobilized COVID-19 pandemic supplies for distribution to Zambian hospitals. However, like those in the United Kingdom, the majority of Zambian diaspora in the United States are reluctant to join associations or share their personal and contact details with either the associations or the Zambian Embassy. The other major challenge is that the true size of Zambian diaspora population in the United States is unknown but estimated between 50,000 and 100,000.

According to the focus group meeting with the U.S.-based diaspora associations, Zambians in that country are willing to contribute to national development back home if the Government can meet certain preconditions that include, among others, the following:

(a) Participation in voting during general elections;

(b) Transparency mechanisms to track and account for remittances inflows in various subsectors of the Zambian economy and society;

(c) Information on land availability and its acquisition procedures, especially if the embassy could play a facilitative role in land acquisition;

(d) Proactive embassy staff with effective diaspora outreach and engagement protocols;

(e) Resolving (in conjunction with the Government of the United States) remittances sending constraints such as low values of what can be sent at a time and the associated high transaction costs.

The U.S.-based Zambia diaspora associations have adopted a slogan that shows their keenness and commitment to invest back home at both individual and community levels: "have something back home to show for the time spent in America". One Midwest state Zambia diaspora association worked closely with one commercial bank in Zambia to waive the latter's requirements for individuals to physically visit the bank's branches for opening personal accounts. The commercial bank has since opened local accounts for the members of the diaspora association remotely through Internet-based electronic platforms. The group also listed some philanthropic projects they have undertaken, such as the construction of a community hospital in Chisamba district and mobilization of funds by diaspora women members in Atlanta to support vulnerable girl children (with school uniforms, supplies and other requisites) at one adopted school in Kapiri Mposhi district. Within their own communities in the host country, some Zambian diaspora associations have adopted group financing where each member is required to contribute USD 1,000 per month towards a one-man one-woman housing project that is founded on village banking principles.

With regard to remittances amounts and frequency of sending, survey data in Table 9 shows that for all remittances sizes ranges, monthly followed by quarterly transmissions are the most popular – with monthly transmittal stated by about three quarters of the respondents and one fifth stated for quarterly transmissions. Such high frequency remittances transmission help beneficiaries to graduate from poverty and improve their coping mechanisms, as well as support human development activities, such as paying school fees, health services and even starting small business ventures given the regularity of remittances receipts.

Qualitative data from U.S.-based diaspora associations point to oligopolistic remittances markets structure in that country: Western Union and WorldRemit are the two dominant MTOs, and it is not clear if the two companies serve the best interest of remittances senders and recipients. The third MTO, MoneyGram, is only available at Walmart superstores and has a cap of just USD 500 per individual per month. The members of the different Zambia diaspora associations spoken to also indicated that some of their respective members require further education and information on the various remittances sending channels.

**Table 9.** Cross-tabulation remittances amounts sent and frequency

| | | How often do you send the money or in-kind support back to Zambia? | | | | | | | | | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Others (please specify) | | Monthly | | Quarterly | | Six-month intervals | | Annually | | | |
| | | Count | % | Count | % | Count | % | Count | % | Count | % | Count | % |
| On average, how much do you send per transaction or occasion? | Up to USD 100 equivalent | 12 | 22.6 | 28 | 52.8 | 8 | 15.1 | 2 | 3.8 | 3 | 5.7 | 53 | 100 |
| | USD 100–200 | 18 | 22.0 | 44 | 53.7 | 13 | 15.9 | 5 | 6.1 | 2 | 2.4 | 82 | 100 |
| | USD 201–500 | 9 | 10.1 | 59 | 66.3 | 17 | 19.1 | 1 | 1.1 | 3 | 3.4 | 89 | 100 |
| | USD 501–1,000 | 7 | 9.1 | 49 | 63.6 | 14 | 18.2 | 3 | 3.9 | 4 | 5.2 | 77 | 100 |
| | USD 1,001–3,000 | 3 | 5.3 | 39 | 68.4 | 11 | 19.3 | 3 | 5.3 | 1 | 1.8 | 57 | 100 |
| | USD 3,001–5,000 | 2 | 10.5 | 13 | 68.4 | 4 | 21.1 | 0 | 0 | 0 | 0 | 19 | 100 |
| | Over USD 5,000 | 0 | | 14 | | 4 | | 1 | | 0 | | 19 | |
| On average, how much do you send per transaction or occasion? | Over USD 5,000 | | 0 | | 73.7 | | 21.1 | | 5.3 | | 0 | | 100 |
| **Total** | | **51** | **12.9** | **246** | **62.1** | **71** | **17.9** | **15** | **3.8** | **13** | **3.3** | **396** | **100** |

### 5.1.2. Remittance costs and channels

The literature review previously discussed classify Zambia as one of the most expensive remittances destinations. The findings from the survey (Table 10) suggest that the situation might be improving. About 73 per cent of respondents indicated that they pay up to a maximum of 5 per cent per remittance transaction. Such low costs could be due to the fact that respondents based their responses on what they pay themselves at the point of sending and may not have included the charges on the receiving side in Zambia (in cases where such charges are applied). Table 10 shows that about 27 per cent of the respondents indicated that they paid either between 6 and 10 per cent or above 10 per cent of the value of the transaction. Overall, about 50 per cent of the respondents indicated that they pay within the 3 per cent threshold of the SDG target 10c. With further reforms and other regulatory efforts, Zambia could reach the remittances cost target by 2030.

**Table 10.** **Average per cent cost of sending remittances/parcels to Zambia**

| Average cost/transaction | Frequency | Valid % |
|---|---|---|
| 0–1% | 65 | 16.5 |
| 2–3% | 131 | 33.2 |
| 4–5% | 91 | 23.1 |
| 6–10% | 66 | 16.8 |
| Over 10% | 41 | 10.4 |
| **Total** | **394** | **100.0** |

The fact that the most dominant channel is the money transfer companies (such as Western Union, MoneyGram and WorldRemit) and commercial banks that might still have exclusive agreements with the former companies could account for the relative high cost of the corridor. From the responses, it seems like international mobile money transfers and Internet-based transfers have yet to take a foothold. In any case, the fact that Zambian diaspora is highly educated and mostly in regular jobs with work permits, the dominance of bank and money transfer companies is not surprising.

Some respondents based in some Eurozone countries expressed their concern of prohibitive costs to send either money or parcels to Zambia. For them, such high costs represent a major constraint to supporting their relatives and friends back in Zambia. In fact, a sizeable proportion of the respondents who have not yet started sending remittances back to Zambia indicated high costs of sending money or parcels as the most important reason. Insufficient income levels was another reason given.

The Bank of Zambia officials indicated that in Zambia, MTOs' exclusive agreements are not allowed at law and also bad for business, as they adversely affect the volume of business. Increased competition among different MTOs and, increasingly, mobile money companies have reduced remittances receipt costs. The U.S.-based Zambia diaspora associations key informants group meeting participants highlighted the following remittances sending challenges from that country to Zambia:

- Limited competition: Until recently, Western Union was the only MTO that provided remittances sending services at very high costs. The entrance of WorldRemit MTO has reduced costs somewhat.

- Low set limits on how much can be sent either per transaction or per month: Western Union and MoneyGram have monthly limits of USD 500. WorldRemit have a USD 475 limit per transaction. Both limits are costly and inconvenient for those who want to send large amounts or those who want to send money more regularly. One of the meeting participants was blacklisted at present from sending or receiving money throughout the Western Union network for sending money more often to Zambia.

By contrast, the United Kingdom diaspora association spoken to indicated that WorldRemit is very cheap and efficient. It charges GBP 1 per GBP 1,000 sent to Zambia and that recipients in the latter country are not subjected to further fees/charges.

Qualitative data on the Chinese-based diaspora, many of whom are in low-level jobs, indicate that China is a very expensive country to send money to Zambia. It has very onerous and strict banking and money transfer regulations. Further, American-based MTO companies like Western Union stopped working in China in 2019 and that further complicated the remittances sending challenges from that country.

One of the diaspora focal point officials at a Zambian mission abroad highlighted one other challenge: those diasporas who save their money in their respective host countries with a view to transfer it as a lump sum to actualize some investments back home. When such savings are converted into the Zambian kwacha, they become very large amounts that immediately attract the attention of anti-money laundering and anti-terrorism financing regulations. Such suspicions often are accompanied by investigations or blocking of accounts – a situation that can discourage large remittances inflows.

### 5.1.3. Awareness of the 2019 Zambia Diaspora Policy, its implementation and other government diaspora engagement programmes and activities

The survey responses suggest that the Zambian diaspora awareness of the 2019 Zambia Diaspora Policy and its proposed interventions is quite low. Only about 202 respondents (34%) were aware of the policy. For those who were aware of the policy, outreach by a Zambian mission abroad, diaspora associations in the respective host countries, other members of the diaspora and Internet Zambia news sites were the main sources of their awareness.

The key informant interview findings show that the awareness of the diaspora policy even among some diaspora association is quite low – for both the general membership and the association leaders. Some diaspora association leaders (especially in the United Kingdom) heard of the launch of the policy from members who attended diaspora policy publicity meetings at Zambia's diplomatic missions. The United States diaspora associations officials interviewed indicated that in that country, diaspora association leaders were very aware of the policy. One umbrella diaspora association in the United States' efforts to publicize the policy met some challenges ranging from suspicions from the general membership (at the time the country was approaching the August 2021 general elections) and reluctance by the embassy to engage more productively. This is despite the fact that the United States diaspora associations officials interviewed acknowledged the proactive and receptive staff at the embassy currently. In their views, the relationship with the embassy needed further fine-tuning despite a significant improvement in structured interactions with the embassy since 2019.

Responses to questions in the survey on the evaluation of the various objectives of the policy – especially those that relate to reducing remittances costs, information on remittances transfer options, and the participation of the diaspora in different schemes to increase their participation in national development – scored very lowly. Zambia's Seventh National Development Plan (2017–2021) intent of strengthening governance mechanisms and institutional capacities to accelerate diversification policy and inclusive growth have gone unheeded and Zambia's record of weak policy implementations continues. Yet the Zambian diaspora are willing to participate in infrastructure development through diaspora bonds subject to resource availability and the Government addressing the following:

(a) Levels of public and publicly guaranteed external and domestic debt, especially the government's ability to service its debt obligations;

(b) Stable macroeconomic situation and performance that includes the stable exchange rate of the kwacha against major international currencies;

(c) Respect of property rights, clarity of public procedures and protocols, enforcement of contracts and proactive government and quasi-government agencies;

(d) Provision of sustainable diaspora investment incentives comparable to those offered to foreign direct investors;

(e) Short-term circular migration programmes to afford diaspora professionals and experts to share their expertise and knowledge with local stakeholders and institutions;

(f) Strengthening governance, accountability and transparency in the country.

The launch of the diaspora policy in April 2019 came at a time when the country was experiencing a deepening fiscal crisis. In which case, one of the key informant respondents indicated that the Government prioritized 6 out of the 13 specific objectives of the diaspora policy as the first implementation tranche:

(a) Promotion, facilitation and leveraging remittances (i.e. this National Remittances Study to serve as background document to inform future course of action);

(b) Access to national documents;

(c) Dual citizenship;

(d) Knowledge and skills transfer (the Diaspora Mapping Survey Study);

(e) Facilitation of effective administration of the diaspora;

(f) Establishment of a comprehensive information online portal and diaspora database (currently under development and expected to be launched by October 2021).

Access to national documents and dual citizenship are the specific objectives rolled out for implementation since 2019. According to MFAIC and Zambia diplomatic missions key informants interviewed, the roll-out of issuance of national documents and dual citizen activities had specific budget lines for the two activities. Existing work programmes and budget lines were adjusted to accommodate the new activities. MHAIS, with the mandate for the two activities, indicated that issuance of national identity documents (national registration cards and passports) and civil registration (marriage, births and deaths certificates) are some of its core functions with specific budget lines. The new addition was processing dual citizens for Zambians in the diaspora following the Constitutional Amendment in 2016.

According to the MHAIS official interviewed for this study, the diaspora access to national documents and dual citizenship is funded largely from MFAIC budget and the ongoing IOM project that procured ICT equipment and the trip to the United States in 2019 to publicize the diaspora policy. Under IOM Project support, the Guidelines and Procedures for the Acquisition of National Documents by Zambians in the Diaspora has been printed and published online. MHAIS launched the document in May 2021.

Given the sensitivities of national identity documents and dual citizenship, weekly virtual meetings are held regularly between the Diaspora Coordinating Desk at MFAIC, MHAIS and diaspora policy focal point officers at Zambian missions abroad. However, processing of national identity and civil registration documents and dual citizenship applications continues to face some delays. MFAIC irregular diplomatic bags dispatches, it is understood, is the main reason for the delays in processing those documents. The loss of national registration card is another reason that delays issuance of national documents, as the Passport and Citizenship Department/Office has to request for master copies from the Department of National Registration. When Zambians in the diaspora want national documents urgently, they are offered the option to pay for express service and communicate directly on the WhatsApp platform to transmit the required supporting documents quickly.

As stated above, both Zambian missions abroad and Zambian diaspora associations officials, respectively, acknowledge the diplomatic missions' improvements in outreach and communications with various diaspora stakeholders, especially virtual town hall meetings that are chaired from Lusaka (MFAIC Permanent Secretary) with relevant line ministries and other stakeholders in attendance. With those developments, the key informant respondents from the different institutions were asked to share their perspectives on what can be done differently to strengthen diaspora engagement in national development in future.

According to the Zambia's missions abroad, the following actions are imperative for strengthening diaspora engagement in national development:

(a) Build trust between Zambian diaspora through tailoring each mission's outreach and communication strategies to proactively respond and be accessible to diaspora in the countries of representation and accreditation.

(b) Government publishes a list of diaspora remittances incentives and exemptions to promote non-conditional diaspora savings and investments in their homeland. Zambian diaspora who transfers large volumes of savings from abroad to Zambia should not get subjected to excessive investigations and harassment.

(c) Delegate simplified land acquisition protocols to missions abroad to improve access to information on land acquisition procedures and availability to diaspora. Mandate local authorities to Internet-based advertisement for land sale notices to improve Zambian diaspora participation on the land market in Zambia.

For Zambian diaspora associations, the following are matters that need to be addressed to strengthen diaspora participation in national development:

(a) Strengthen dialogue and working relationships between diaspora and Zambia's diplomatic missions.

(b) Improve streamlined and timely processing of national identity documents.

(c) Create a web page on current affairs and developments in Zambia to inform diaspora on the happenings in their home country (as is the case with the South African Embassy in the United States).

(d) Update Zambian diaspora database that is accessible to all members of the diaspora in each host country.

(e) Share more information on the MFAIC Diaspora Coordinating Desk in Lusaka in terms of mandate, roles and responsibilities.

(f) Improve land acquisition, real estate development procedures and guidelines.

(g) Diaspora participation in elections either through missions abroad or secure websites/links.

### 5.1.4. COVID-19 pandemic remittances impact

The respondents' assessment of the impacts of COVID-19 on employment and earnings prospects were as follows: 54.5 per cent were not affected at all; and another 27 per cent had to move into part-time employment. Only 11 per cent of the respondents indicated that they have been affected a lot as they had lost employment in the wake of the pandemic. Overall, the COVID-19 pandemic does not seem to have inflicted a lot of adverse impact on employment of respondents. However, the majority of the respondents to the survey were highly educated Zambian diaspora in middle- to high-level jobs. The situation among blue-collar and low-level jobs migrants may have been more severe, as they are overrepresented in vulnerable jobs that get affected by changes in the global economy.

# 6. CONCLUSIONS AND RECOMMENDATIONS

## 6.1. CONCLUSIONS

This study was commissioned by the Building the Capacity of the Government of Zambia to Maximize Development Potential of the Diaspora project that seeks, among other outcomes, to improve the Government's knowledge of the different aspects of the Zambian diaspora in general and diaspora remittances in particular. Specifically, the ToR for this National Remittances Study required the consultant to conduct case studies of selected sub-Saharan African countries (Ethiopia, Ghana, Kenya, Rwanda and Zimbabwe) that have benefited from remittances inflows and diaspora engagement in their respective national development agendas to inform Zambia's future actions in implementing the Zambia Diaspora Policy.

To respond to the ToR, the study adopted a triangulated data collection methodology that comprised desk (literature) review, online SurveyMonkey National Remittances Survey and virtual key informant interviews with relevant stakeholders. The literature review comprised a review of the experiences and challenges of the five sub-Saharan Africa reference countries and general literature review on migration, remittances and national development. The key informant interviews stakeholders included MFAIC, four Zambian missions abroad (China, South Africa, the United Kingdom and the United States), line ministries listed in the diaspora policy document and Zambian diaspora associations in the United Kingdom and the United States. Some diaspora respondents viewed the timing of the survey and key informant interview that was just a few months or weeks from the August 2021 general election with some suspicion. That affected both the willingness to participate and the quality of some responses in the case of the online survey questionnaire. However, the literature review and the key informant interviews helped to ameliorate some of the adverse perceptions.

This report has defined and presented different aspects of remittances. It has shown that the concept of remittances extends beyond financial flows alone to include "social remittances" or "social capital transfers" that include ideas, practices, mindsets, world views, values and attitudes and norms of behaviour. The combination of monetary transfers and "social transfers" that migrants send or bring to their countries of origin have far-reaching impacts on socioeconomic progress as demonstrated by improvements in living conditions and well-being in recipient households and communities. Other things being equal, remittances contribute to poverty reduction and national development.

A survey of the remittances and national development literature has shown different drivers that range from capacity and willingness to help friends and relatives back home, altruism, investment, repayments, socioeconomic status of the migrant in the host country, economic situation in the homeland, and diaspora engagement to financial costs associated with remittances in both sending and receiving countries. As such, there is no "one size fits all" solution to the remittances–development nexus. That is a better understanding of individual country-specific conditions and environment are important in designing appropriate policy measures to boost remittances inflows.

The controversies and debates in the literature on the relationship between remittances inflows and country of origin development centres on whether low and some middle-income countries that depend on remittances to finance some of their national development programmes are compensated adequately for the "brain drain" losses associated with the highly educated and professional citizens' emigration to developed countries. At issue is whether the resultant remittances are invested prudently in countries of origin or are largely used for consumption. Another issue is whether the remittances inflows sufficiently compensates such countries for the opportunity cost of losing out on such highly trained and professional cadre of nationals who decide to emigrate to other countries to pursue better opportunities. In any case, there is no guarantee that such migrants will send back remittances in the first place as they may decide to become citizens of the countries of destination. Since individuals emigrate because work or business opportunities in their home countries are either non-existent or not very attractive, should their home country governments really complain for their own failures to create conducive conditions to retain such migrants? As remittances represent a source of income that would otherwise not have been there without migration, it represents a net gain to both the destination and country of origin economies.

Globally, remittances are quite significant. World Bank remittances data shows that they have increased from USD 50 billion in 1990 to about USD 540 billion in 2020. More fundamentally, remittances have surpassed ODA and FDI in low- and middle-income countries. More importantly, unlike ODA and FDI remittances inflows have no conditions attached, flow directly to households, and tend to be counter-cyclical. For a host of factors discussed in this report, the sub-Saharan Africa region share in global remittances inflows are among the lowest. For Zambia, a comparison of remittances inflows data between the years 2000 and 2020 showed that it had the least inflows compared to the other five sub-Saharan Africa reference countries. The report has also demonstrated that compared to the reference countries peers, Zambia has not taken sufficiently bold diaspora engagement actions to positively contribute to national development.

The reference countries' case studies have shown the various challenges and issues that Zambia has to address in the future to improve the remittances–development nexus. The review has demonstrated that a launch of a diaspora policy not preceded by multidimensional policy and institutional actions, by itself, is less likely to improve the contributions of the diaspora in national development. Attention to both external and internal challenges that need resolution to unlock productive diaspora participation in national development is an imperative. To this effect, the report has outlined some of the key lessons Zambia could learn from her reference countries peers.

The online National Remittances Survey questionnaire findings show a long-tenured (10 to over 20 years stay abroad); highly educated and professional Zambian diaspora that is well remunerated and generous with its remittances sending habits back to the country of origin. However, the Government has yet to find its feet is putting in place an institutional and incentive structure that could transform the impact of such remittances and also attract more remittance inflows as a result. Because of the ongoing fiscal challenges and an unstable macroeconomic environment, the Zambia Diaspora Policy largely remains unimplemented. Out of the diaspora policy's 13 specific objectives, only 2 (i.e. access to national identity documents and dual citizenship) were prioritized for implementation from 2019. Institutionalizing consular staff orientation and induction by the MHAIC before such staff are placed in Zambia's missions abroad could greatly improve the efficient and timely delivery of national identity documents and dual-citizenship application processes.

This report has shown the veracity of Zambia's historical challenges to implement policy pronouncements in general and the Zambia Diaspora Policy in particular. Further research and consultations are necessary to identify strategic interventions that could strengthen Zambia's diaspora engagement in national development. The issues of diaspora engagement in national development at different levels need further streamlining and priority speedy implementation.

## 6.2. RECOMMENDATIONS

As outlined in section 4.3 on some of the lessons Zambia can adopt from the five sub-Saharan Africa reference countries and other findings of this report, the Government of Zambia could consider the following recommendations to improve her quest for diaspora engagement in national development:

(a) **Streamline diaspora engagement in national development through strengthened collaborative and coordinated diaspora policy implementation institutional framework.** Strengthen a coordinated and collaborative diaspora engagement and diaspora policy implementation institutional framework. Outline mandate-specific diaspora engagement workplans to accompany appointments of diaspora focal point officers at line ministries to necessitate inclusion of diaspora affairs management activities into the workplans and the output-based budgeting. This will help to streamline and embed diaspora policy-specific objectives and activities in both MFAIC and other implementing line ministries.

(b) **Create a fully-fledged diaspora directorate at MFAIC with direct reporting line to the Permanent Secretary.** The function of diaspora engagement in national development calls for high-level engagements, transparency and accountability that necessitate elevating the function to director level. Creating such a department will improve both the resources available to do the work and stature in both MFAIC and other relevant line ministries to interact directly at director level. The current placement of the function at assistant director level as an unfunded mandate make dedicated resource allocations and function accountability difficult.

(c) **Strengthen Bank of Zambia monitoring of remittances inflows.** While the Bank of Zambia indicated that its systems at present are adequate to monitor both banking and non-banking financial institution's flows of remittances, it needs further support to undertake expensive baseline surveys on both formal and informal remittances. Improving the quality of remittances data inflows is important for policy design, executing and monitoring and evaluation.

(d) **Strengthen Zambia's missions abroad diaspora engagement and outreach.** Diplomatic missions require more resources for proactive diaspora outreach in various countries of representation. In particular, functions like bilateral negotiations on remittances channels and costs with host countries; land acquisition procedures and guidelines; organizing home coming conferences and events; information on business opportunities and incentives in Zambia; and how diaspora can participate in various investment and other developmental activities back home need similar attention accorded to national identity documents and dual citizenship – resources permitting.

(e) **Seek some cooperating partners' support to implement the diaspora policy.** In addition to IOM, seek out support from other migration support cooperating partners (such as International Labour Organization, UNDP, European Union, VSO and UK Aid) to create synergies and outline practical workstreams on different aspects of migration and development in general and remittances in particular.

(f) **Involve diaspora in national governance processes:** As a stable and reliable balance of payments support partner, diaspora participation in major national events like general elections, commissions of inquiry and other capacity-building activities back home would foster close links that might generate more remittances inflows.

(g) **Design guidelines and proactive information-sharing to promote diaspora remittances mobilization.** Information on investment opportunities back home as well as guidelines on how such opportunities can be accessed by the Zambian diaspora is important. Other measures may include empowering Zambia missions abroad to assume more roles and responsibilities on diaspora engagement to publicize the relevant information and regulations back home. For example, missions abroad could issue periodic updates on changes on remittances transfer thresholds above which anti-money laundering and terrorism financing regulations are invoked. Information on business and investment opportunities, land availability and others should be shared through Zambian missions abroad in conjunction with the members of the Zambian diaspora associations in various destination countries.

(h) **Institutionalize regular short-term structured interactions between Zambian diaspora experts and professional with their counterparts in Zambia to maximize social remittances inflows.** Diaspora knowledge, world views, skills and expertise exchange and home country visitation programmes, on short-term basis, need to be designed to supplement locally based institutions to enhance service delivery, knowledge and capacity improvements.

(i) **Strengthen outreach and coverage of financial inclusion programmes to improve impacts of remittances on national development and reduce costs.** Deploying ICT money market instruments, increasing mobile money coverage, and improving financial literacy as well as other banking and other financial sector reforms to deepen competition and coverage are critical steps to reducing remittances costs, mobilizing and improving the effectiveness of remittances inflows impacts on national development.

This report has outlined other various actions and strategies that the reference countries adopted to strengthen the participation of the diaspora in national development. Zambia can draw on such rich reservoir of knowledge and tailor the policies to its own realities. Above everything else, this report has shown that judicious policy implementation that has an effective monitoring and evaluation system is necessary for unlocking diaspora contribution to national development. In which case, Zambia has to demonstrate its commitment to policy implementation through actions that resolve challenges, so that the country moves forward. On the verge of a new government taking charge of the country's development agenda, breaking with the past in terms of improving policy implementation is an imperative.

# APPENDIX

## SUB-SAHARAN AFRICA REFERENCE COUNTRIES' DIASPORA ENGAGEMENT POLICIES, OBJECTIVES AND INSTITUTIONAL IMPLEMENTATION FRAMEWORKS

**Table A1.** Diaspora engagement policies, objectives, prior actions and institutional implementation frameworks for the five reference African countries

| | Ethiopia | Ghana | Kenya | Rwanda | Zimbabwe |
|---|---|---|---|---|---|
| **Year diaspora policy launched** | 2013 | 2016 | 2014 | 2009 | 2016 |
| **Diaspora policy anchor ministry** | MFA | MFARI but National Migration Policy that includes diaspora policy issued by the Ministry of Interior | Ministry of Foreign Affairs and International Trade | MINAFFET | MMPIP |
| **Diaspora policy pillars/objectives** | (a) Build strong relationship between diaspora and country of origin to enhance national development<br>(b) Preserve the rights and interests of diaspora<br>(c) Improve diaspora participation in investment, trade and tourism<br>(d) Enhance knowledge and technology transfer<br>(e) Encourage remittances and other diaspora foreign exchange inflows<br>(f) Promote Ethiopian cultural values and image building<br>(g) Improve diaspora participation in good governance and democracy | (a) Maximize development and investment potential of diaspora through enhanced engagement<br>(b) Assess remittance–development and diaspora–development nexus and associated knowledge and resources flows<br>(c) Reduce barriers to remittances<br>(d) Foster links between diaspora and in-country professionals, civil society and private sector<br>(e) Promote diaspora investments for development<br>(f) Promote coordination among migration-related institutions<br>(g) Harmonize and strengthen migration data collection systems | (a) Develop strategies to engage, empower and mainstream diaspora in national development<br>(b) Mobilize diaspora to form associations for effective engagement and representation<br>(c) Protect diaspora<br>(d) Diaspora dialogue and partnership mechanisms<br>(e) Establish necessary institutional coordination and administration of diaspora issues | (a) Increase ncrease cohesion within and between different Rwandan diaspora around the world<br>(b) Stimulate communication between Rwanda and its diaspora<br>(c) Enhance active role of diaspora in socioeconomic development of the country | (a) Mainstream diaspora in national development<br>(b) Develop dialogue mechanisms and cooperation with diaspora<br>(c) Protect basic rights of diaspora in host countries<br>(d) Tap into diaspora resources and encourage use of formal remittances channels<br>(e) Establish inclusive institutions for coordination and proper administration of diaspora issues |

| | Ethiopia | Ghana | Kenya | Rwanda | Zimbabwe |
|---|---|---|---|---|---|
| **Government prior actions** | (a) Created Diaspora Engagement Affairs Directorate General in MFA<br>(b) Institutionalized federal and regional governments collaboration on diaspora affairs<br>(c) Proclamation granting foreign nationals of Ethiopian origin some rights in Ethiopia<br>(d) Exempt diaspora from strict foreign exchange regulations to open foreign currency accounts in Ethiopia | (a) Diaspora policy integrated into comprehensive national migration policy document<br>(b) MIDA programme allowing diaspora to return temporarily or permanently to work in Ghana and transfer knowledge/capacity<br>(c) Creation of Diaspora Affairs Bureau in MFARI (2012) to promote transparency and diaspora communications<br>(d) Amended immigration statutes and regulations to grant citizenship to diaspora (including descendants of African slaves)<br>(e) Hold homecoming conferences and implement the Joseph Project (i.e. return of diaspora of African origin to Ghana) | (a) Ratified Amendment to the African Union's Constitutive Act that invites and encourages full participation of African diaspora in the African Union's member States development<br>(b) Hosting the African Union's African Institute for Remittances to assist African Union member States to manage remittances<br>(c) Adopting global remittances best practices through 2012 study tours to India and Morocco<br>(d) Attendance of Diaspora Ministerial Conference in Geneva in June 2013 to learn lessons and best practices on strategies to better engage and empower diaspora communities as development actors | Since 2000, the Government of Rwanda implemented different initiatives to realize diaspora potential (referred to as "sixth province") in national development:<br>(a) Launched RGDN – independent association led by Rwandan diaspora members (2001) to stimulate financial transfers (remittances, investments and savings) from diaspora<br>(b) DGD established in MINAFFET (June 2008) to enhance linkages between Rwanda and its diaspora<br>(c) BNR, in cooperation with the diaspora, set up RDMF (2008) to mobilize financial resources from diaspora to invest in national development – e.g. issued treasury bonds in 2008<br>(d) Diaspora policy integrated into Rwanda's Vision 2020 development plan<br>(e) DGD worked closely with international organizations (IOM, UNDP and VSO) on different programmes to engage diaspora – e.g. MIDA and Rwanda's Transfer of Knowledge through Expatriate Nationals volunteer programme established by UNDP<br>(f) Rwanda World Diaspora Database (2009 with IOM support) as part of MIDA to track diaspora in participating host countries<br>(g) Hosting independent diaspora associations – e.g. RCA, RACC and Rwanda Diaspora Investment Ltd. Each year RCA convenes Rwanda Convention for different diaspora organizations to discuss their involvements in Rwanda | (a) RBZ (Central Bank) launched Homelink programme in 2005 to tap into diaspora remittances through mortgage housing scheme specifically for diaspora. Homelink also facilitates transfer of remittances from diaspora to friends and relatives at home<br>(b) RBZ introduced technology based licensing for diaspora "straight through processes" to pay for utility bills<br>(c) RBZ diaspora investment facilitation policy that allows 100% investments and 100% disinvestments<br>(d) CBZ Bank successfully issued diaspora bond in 2012<br>(e) FBC Bank introduced diaspora targeted financial products – e.g. savings account and partnered with other financial institutions in host countries like Italy<br>(f) Launched Zimbabwe Human Capital website (2009) to provide information to diaspora on employment and investment opportunities in Zimbabwe<br>(g) Engaged U.S.-based diaspora that resulted into formation of Zimbabwe Diaspora Network of North America to enhance dialogue (2010 and 2013)<br>(h) Study tours on migration management and diaspora engagements to India and the Philippines (2010)<br>(i) Diaspora Investment Conference in Johannesburg (2012)<br>(j) Collaborated with IOM on series of diaspora consultative and engagement events with citizens in South Africa to open communication channels between the Government and diaspora<br>(k) Collaborated with IOM (2007/2008) on temporary short-term return programmes for qualified professionals to offer expertise at the university teaching hospital and other higher learning institutions |

| | Ethiopia | Ghana | Kenya | Rwanda | Zimbabwe |
|---|---|---|---|---|---|
| **Institutional and implementation frameworks (migration and development – remittances)** | MFA; Ministry of Labour and Social Affairs; National Diaspora Council; Advisory Council (Ethiopian diaspora in host countries and Ethiopian missions); regional diaspora offices; common forum of regional diaspora offices (under MFA leadership in integrated, accountable and continuous way) | Ministries (MFARI; Ministry of Finance; Ministry of Information; Ministry of Employment and Labour Relations); Ghana Investment Promotion Centre; Bank of Ghana; academic and research institutions | National Diaspora Council of Kenya; Ministries (Ministry of Foreign Affairs and International Trade; Ministry of Labour, Social Security and Services; Ministry of Devolution and Planning; Ministry of Interior and Coordination of National Government; Ministry of Education; Ministry of ICT; Ministry of East African Affairs, Commerce and Tourism; Ministry of Health; Ministry of Sports, Culture and Heritage); Independent Electoral and Boundaries Commission; county governments; association of Kenya communities abroad; Retirement Benefits Authority; development partners; and media | MINAFFET; DGD; RDMF; BNR; RGDN; IOM; UNDP; RCA; RACC; Rwanda Diaspora Investment Ltd. | Office of the President and Cabinet; 11 ministries (MMPIP; Ministry of Foreign Affairs; Ministry of Finance and Economic Development; Ministry of Industry and Commerce; Ministry of Public Service, Labour and Social Welfare; Ministry of Higher and Tertiary Education, Science and Technology Development; Ministry of Information, Publicity and Broadcasting Services; Ministry of Information Communications Technology, Postal and Courier Services; MHAIS; Ministry of Environment, Climate Tourism and Hospitality Industry; Ministry of Transport and Infrastructural Development); Zimbabwe Investment Authority; RBZ; Zimbabwe Diaspora Advisory Council; diaspora associations |

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