Sussex Migration Working Paper no. 9

Migration, return and small enterprise development in Ghana: a route out of poverty?

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March 2003

Introduction

The debate on relationships between migration and development – what has been called the 'migration-development nexus'[1] – has shifted in recent years. In the past, migration has generally been seen as makers address the problems of development in the poorer countries of the world. This trend reflects a number of contexts and raises, in turn, several issues. Under the new Washington consensus there is a growing emphasis on stimulation of private-sector entrepreneurship; allied to this there is, in some countries, a parallel interest in the role of the informal sector and the ability of small enterprises to fill gaps in consumer in their contribution to economic development'.

Nonetheless, on the other side of the world, Murillo (1988: 197) highlighted how in the case of Colombian migrants to small businesses, there is a risk that these remain marginal to economic development more generally.

There is also evidence that government incentives to return based on the promotion of business enterprises are not particularly effective. A recurrent feature of the schemes reviewed by Ghosh (2000a) is their smallness of scale in comparison to the quality of people emigrating and returning. And smallness of scale is not a guarantee of individual success. For example, Diatta and Mbow (1999: 247) highlight how in the Franco-10.02 248.1313 60.0342 Tw 10.02 0 0 10.03tp8 And

A collateral question is what effects migrant remittances have on the distribution of income amongst households in sending areas. Lipton (1980) has argued that remittances sharpen income inequality because, in many poor countries and communities, it is the better-off sections of society who can afford to send migrants abroad and receive remittances from them. Other evidence is contradictory; much clearly depends on the local context (from some contrasting findings, see Adams, 1991, 1994; Ahmed, 2000; Gustafsson and Makonnen, 1994; Rodriguez, 1998; Knowles and Anker, 1981; Francis and Hoddinott, 1993). Ballard's research on migration to Britain from two Punjabi districts, Jullundur in India permanent return of highly-skilled migrants, but also during periods of temporary return, and through the return of less-skilled individuals who have nonetheless gained education or valuable work experience whilst abroad (Lovell and Findlay, 2001). There is also the prospect, raised by Stark and Wang (2001), that the potential for further international migration may encourage investment in human capital in the source country, although this hypothesised 'beneficial brain drain' mechanism is not investigated in any detail here. Thirdly, it is important to also take into account the potential transfer of *social capital* by migrants, either at the point of return, or through engagement in transnational social activities during migration or after return (Ammassari and Black, 2001). Following Bourdieu (1986) and Putnam (1993), we define social capital as 'the sum of resources, virtual or actual, that accrue to an individual by virtue of possessing a durable network of more or less institutionalised relationships of mutual acquaintance, recognition and trust', and which 'can improve the efficiency of society by facilitating coordinated actions for mutual benefit.' The potential relevance of this application of social capital theory to a study of the business behaviour of returning migrants is given ample justification in a recent study of Tunisian returnees, whose entrepreneurial activities in Tunisia were shown to be supported by transnational social networks and partnerships with business contacts in France and Italy, their countries of migration (Cassarino, 2000).

International migration and return in Ghana

Ghanaian emigration developed during the period of economic crisis in the country from the 1960s to the early 1990s, and continued as the economy started to recover (Van Hear, 1998). Although net emigration rates from Ghana are rather low in comparison with other countries in the region (Zlotnik, 1999), partly as a result of both immigration from neighbouring states and the return of around a million Ghanaian nationals from Nigeria following their expulsion in 1983 (Brydon, 1985), as many as 10-20 per cent of Ghanaian nationals were nonetheless living abroad in the 1980s and early 1990s (Pell, 1995). These migrants were spread around the globe, with Pell reporting a common household migration strategy of sending family members to different destinations in Europe, the US, the Middle East, and elsewhere in Africa.

There is relatively little information on international return to Ghana, but some characterisations can be made. The GLSS provides information on whether individuals are migrants or not, based on whether they are living outside their place of birth, or have lived outside their place of birth for more than one year. It allows an estimate of the total number of residents who have lived abroad and then returned, dividing these into people who have lived in the neighbouring countries of Burkina Faso, Côte d'Ivoire, Mali, Nigeria, and Togo, and those who have moved beyond this region. The survey shows an estimated total of 80,000 international returnees from beyond the region in 1991/92, of whom 11% had returned within the previous year, and 20% had returned within the previous two years. The equivalent figures for 1998/99 interestingly show a fall in the number of international return migrants from outside the region, despite efforts of the Ghanaian government to encourage return. Thus, there are an estimated total number of international returnees from outside the region of around 50,000 of whom 2% had returned within the previous year, and 7% had returned in the previous two years. This number conflates returnees from Europe with returnees from North America, the Gulf states, and other parts of Africa, although it seems likely that the year.

Methodology and sources of research evidence

The data presented in subsequent sections of this paper are drawn from a survey of international return migrants to Ghana undertaken in 2001. A total of 152 respondents were interviebe 0 0 1010.0ing.02 0 0 10.02 263.279374.433698 Tm(respond0.0002 Tc

Table 1: Basic data on returnees

	GLSS 1991-92	GLSS 1998-99	SIRM 2001
Size of sample	55	73	152
Sex			
Male	70.9	67.9	71.7
Female	29.1	32.1	28.3
Age			
15-24	5.5	3.8	2.0
25-34	23.6	26.1	14.0
35-44	30.9	[illegible]	[illegible]
45-54	20.0	16.2	26.0
55-64	12.7	[illegible]	[illegible]
65+	7.3	15.6	3.3
Educational achievement			
None			
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than a year after return. Meanwhile, 42 respondents had invested in a business venture prior to their return; although this includes those who had invested in the businesses of others. Nine respondents had invested in more than one business whilst still abroad.

employment, alth[redacted]more women appeared in th[redacted]d' category.

Table 4[redacted]o-economic characteristics of different occupational gro[redacted]

	Self-employed	Employed	Not employed	[redacted]
Si[redacted]le	85	45	22	[redacted]
S[redacted]				
[redacted]	63 (74%)	32 (71%)	14 (63%)[redacted]	[redacted]
[redacted]	22 (26%)	13 (29%)	8 (36[redacted]	[redacted])
[redacted]				[redacted]3%)
A[redacted]				
[redacted]	2 (2%)	0 (0[redacted]	[redacted]	3 (2%)
2[redacted]	13 (16[redacted]	[redacted]	[redacted](9%)	21 (14%)
35-[redacted]	[redacted]	[redacted]	5 (23%)	54 (36%)
45-54	[redacted]	[redacted]	3 (14%)	39 (26%)
55-64	[redacted]	8 (18%)	7 (32%)	28 (18%)
Over 65	0 (0%)	1 (2%)	4 (18%)	5 (3%)
Time spent abroad				
Under 5 years				
5-9 years				
10-14 years				
15 years and over				

Table 5: Ownership of assets amongst self-employed and employed returnees

Item	Self employed	Employed	Significance
Assets and savings abroad			
House or flat purchased	20 (24%)	2 (4%)	0.02*
Savings accumulated	84 (99%)	38 (84%)	0.001**
Assets since return			
Fridge/freezer	83 (98%)	44 (98%)	0.96
TV	82 (97%)	44 (98%)	0.68
Car	73 (86%)	33 (73%)	0.08*
Telephone	71 (84%)	30 (67%)	0.03**
House/flat	68 (80%)	30 (67%)	0.09*
Computer	45 (53%)	16 (36%)	0.06*
Total	85 (100%)	45 (100%)	

Source: Authors' survey, 2001

Notes: *Pearson chi-square <0.1 ** Pearson chi-square <0.05

Table 6: Hours worked by self-employed and employed returnees

Hours worked	Self-Employed	Employed
Less than 8 hours/day	2 (2%)	2 (4%)
8 hours/day	23 (27%)	22 (50%)
8-12 hours/day	47 (55%)	20 (44%)
More than 12 hours/day	13 (15%)	1 (2%)
Total	85 (100%)	45 (100%)

Source: Authors' survey, 2001

Table 7: Relative income and standard of living

	Self-employed	Employed	Total
Income compared to non-migrants			
Much lower than average	4 (5%)	2 (5%)	6 (5%)
Lower than average	5 (7%)	6 (14%)	11 (9%)
About average	42 (55%)	25 (58%)	67 (59%)
Higher than average	25 (33%)	9 (21%)	34 (28%)
Much higher than average	1 (1%)	1 (2%)	2 (2%)
Valid cases	77 (100%)	43 (100%)	120 (100%)
Income compared to abroad			
Much lower than abroad	31 (37%)	27 (66%)	58 (46%)
Lower than abroad	36 (43%)	11 (27%)	47 (38%)
Not much change	11 (13%)	2 (5%)	13 (10%)
Higher than abroad	4 (5%)	1 (2%)	5 (4%)
Much higher than abroad	2 (2%)	0 (0%)	2 (2%)
Valid cases	84 (100%)	41 (100%)	125 (100%)
Standard of living compared to abroad			
Much lower than abroad	21 (25%)	18 (41%)	39 (31%)
Lower than abroad	25 (30%)	15 (34%)	40 (31%)
Not much change	15 (18%)	6 (14%)	21 (16%)
Higher than abroad	18 (21%)	4 (9%)	22 (17%)
Much higher than abroad	5 (6%)	1 (2%)	6 (5%)
Valid cases	84 (100%)	44 (100%)	128 (100%)

Source: Authors' survey, 2001

Transfers of capital

The previous section considered the overall socio-economic status of self-employed and employed migrants, but of particular concern here is the extent to which these two different groups have been able to transfer different types and quantities of capital, either during the period in which they were migrants abroad, or on their return. This section deals in turn with each of the three forms of capital transfer highlighted above, namely financial capital, human capital, and social capital. The sections below demonstrate that for financial capital, and certain kinds of human and social capital, there have been greater transfers, or transfers amongst a greater number, for self-employed respondents in comparison to those in waged employment. However, it is important to note that evidence from the survey does not indicate whether there is a causal relationship between these variables, or in which direction such

employment reported gaining work experience. At the same time, those who had returned to a salaried job were much more likely to have migrated in order to gain formal education, and were also more likely to have achieved additional educational qualifications, especially at degree level. A fuller discussion of the acquisition of human capital by this group

Table 13: Indicators of social capital transfers amongst employed and self-employed returnees

Indicator	Self employed	Employed	Significance
Regular contact with family whilst abroad	65 (77%)	35 (78%)	
Gained a social network abroad	62 (73%)	23 (51%)	<0.1
Felt like welcome guest/as if a national	50 (59%)	29 (64%)	
Regular contact with friends whilst abroad	37 (44%)	17 (38%)	
Member of an association abroad	35 (41%)	20 (44%)	
Member of an association abroad with more educated members	32 (38%)	18 (40%)	
Member of an association abroad with non-Ghanaian members	23 (27%)	13 (29%)	

Source: Authors' survey, 2001

There is slightly more variation between the two groups when attention is focused on the types of social capital maintained by returnees since their return. Data presented in Table 14 show that the self-employed were significantly more likely to have kept professional contacts abroad, and to still visit abroad since their return, although less than a third of self-employed respondents had actually done this. Again, the parallel with Cassarino's findings from Tunisia is striking. One problem is the difficulty in actually measuring transfers of social capital, since abroad longer and save harder to maximise post-return success. There is also some evidence within the sample to support the notion that migration, followed by a return to self-employment and the creation of a small business can represent a potential strategy for poverty alleviation, as those who had followed this path were in general poorer and less educated on departure, but had accumulated savings and assets and felt wealthier since their return than those who had returned to waged employment. This contrasts with the findings of Ballard (1983) for returnees to Jullundur and Mirpur. The vast majority of returnees in the sample who had established businesses were also employing others in their business. In addition, although those who had invested in small businesses had in general spent longer abroad, a third had nonetheless spent less than five years abroad, and over half less than ten years abroad, in contrast to the argument of Olesen (2002) and Cerase (1970) that the 'optimal' time period abroad for a successful 'return of innovation' is in the region of 10-15 years.

Three important caveats need to be mentioned, however: first(those who had ihad)Tj10.0airst(those who hadt13 Tm(arguu02 0 0 10.02 90 603.0 adt

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